LUCKY CEMENT

Annual Report **2023**

UNLEASHING POTENTIAL, FOSTERING GROWTH

LUCKY CEMENT

AL MABROOKA CEMENT اسمنت المبروكة

CIMKO

NAJMAT AL-SAMAWA

UNLEASHING **POTENTIAL,** FOSTERING **GROWTH**

Our journey stands as a remarkable testament to the power of realizing potential and nurturing sustainable growth with the idea of “Unleashing Potential, Fostering Growth”.

Our vision extends beyond financial success, focusing on holistic growth, empowering our workforce, engaging communities, and ensuring sustainability.

The announcement yet again of an additional 25MW Solar Power Plant at Karachi emphasizes commitment towards sustainable practices, positioning the company as a forward-thinking and growth-oriented industry leader.

We prioritize stakeholder value through partnerships, governance, and resource efficiency. Our commitment to ESG protocols underscores our responsibility to society, bolstering long-term business resilience while safeguarding the environment.

As we look forward, we are determined to strengthen important partnerships. Our growth shows how strong we are when we work together as a team.

Pakistan has enormous resources and human potential. Let’s unleash potential and foster growth together!

LCI
LUCKY CORE INDUSTRIES

Lucky Electric Power Company

LMC Lucky Motor Corporation

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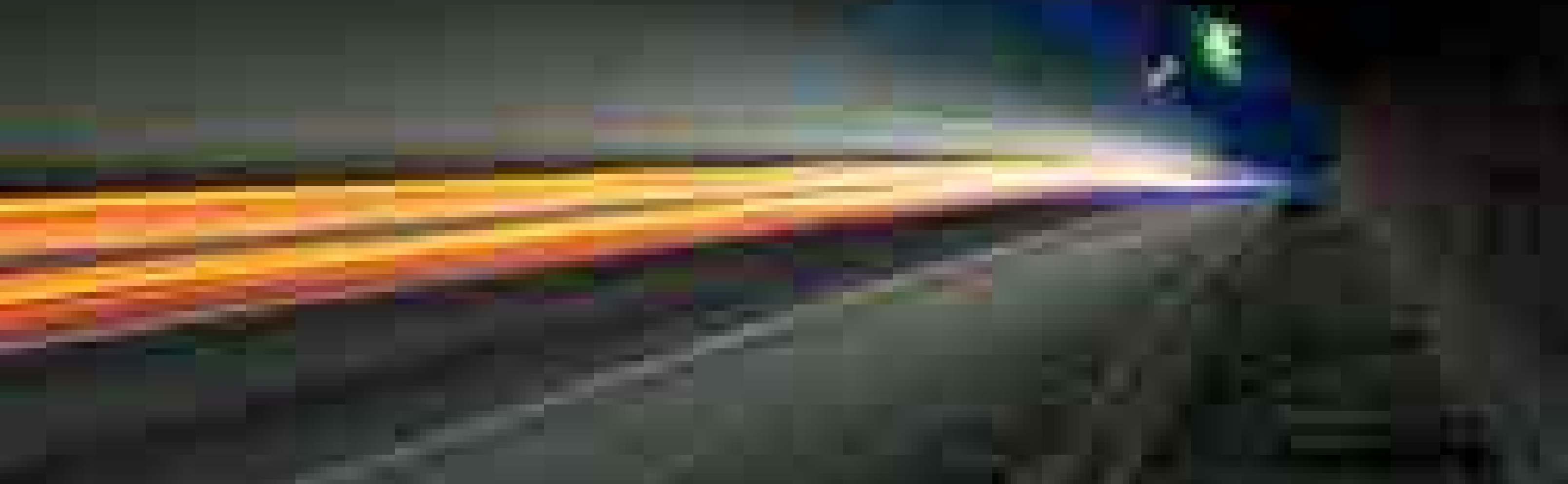
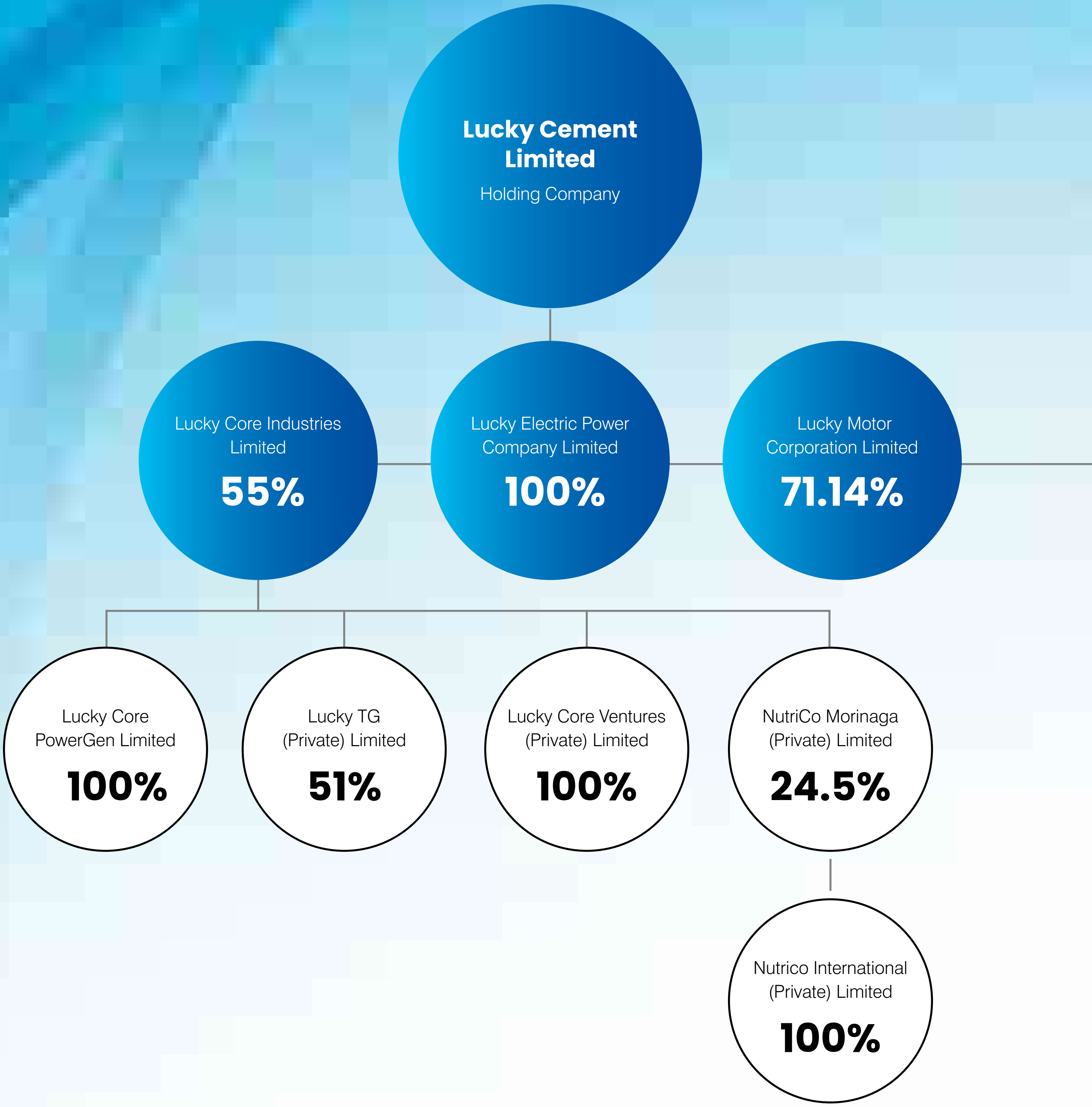
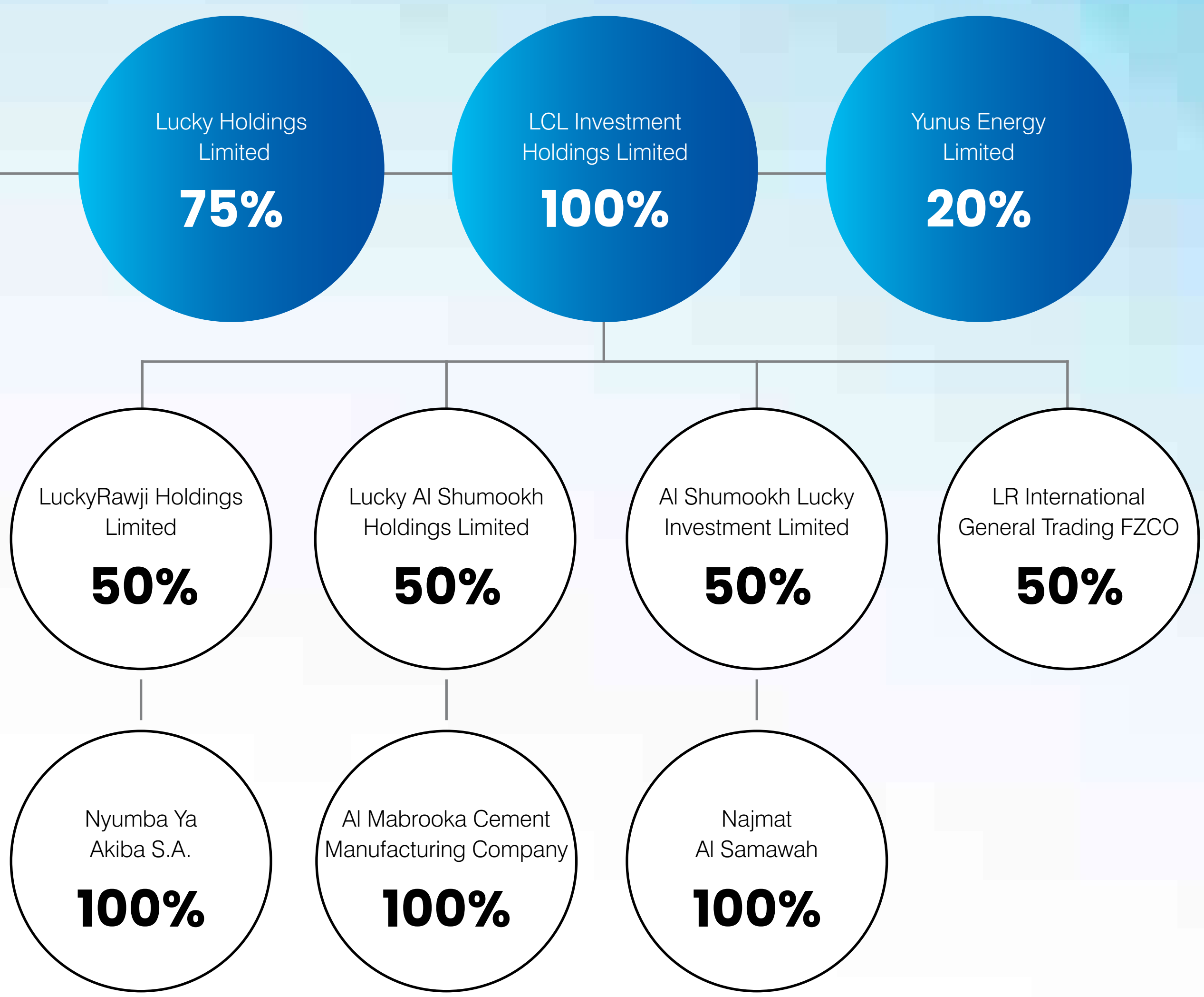


Organization’s Overview and External Environment

Company and its Investments




Lucky Holdings Limited
75%
LCL Investment Holdings Limited
100%
Yunus Energy Limited
20%
LuckyRawji Holdings Limited
50%
Lucky Al Shumookh Holdings Limited
50%
Al Shumookh Lucky Investment Limited
50%
LR International General Trading FZCO
50%
Nyumba Ya Akiba S.A.
100%
Al Mabrooka Cement Manufacturing Company
100%
Najmat Al Samawah
100%

CEO’s Message

We are proud to announce a landmark year for Lucky Cement Limited (“Company”) and its associated subsidiaries. Demonstrating resilience and adaptability, we have achieved unprecedented growth in both revenue and profitability metrics. While the year presented its fair share of obstacles, our unwavering dedication to our stakeholders ensured that we not only met but often exceeded expectations.

For the fiscal year 2022-23, your Company showcased an impressive performance, surpassing previous benchmarks. On consolidated figures, our gross turnover rose by an impressive 15.82%, reaching PKR 459.46 billion. The consolidated net profit also clocked in at PKR 59.54 billion. Out of this, PKR 10.78 billion is designated to non-controlling interests, resulting in an EPS of PKR 152.97 as of June 30, 2023. This growth trajectory underscores our commitment to excellence and enhance stakeholder value.

Being the nation’s premier cement producer, our annual capacity has surged from 12.15 million tons to 15.30 million tons, thanks to our last expansion of 3.15 MTPA at our Pezu plant. This will help us to meet domestic demand proficiently. Additionally, plans are underway to enhance the clinker capacity in Samawah, Iraq, with a new production line of 1.82 million tons. Construction is slated to begin in 1Q FY24 and should complete within 18 months.

LEPCL’s 660 MW power plant at Bin Qasim, Karachi, operational since March 21, 2022, continues to exemplify global efficiency standards using ultra-supercritical technology and Thar lignite coal. As reaffirmed from last year’s report, our ongoing commitment to the environment is underscored by its advanced emission control features. In a strategic move, LEPCL’s operational management transitioned to the Operations and Maintenance (O&M) operator, Harbin Electric Internal Company Limited. This transition has heightened the plant’s reliability and ensured access to vital spare parts and services. Impressively, the power plant achieved operational stability by January 2023.

Lucky Core Industries Limited (LCI) continued its mission of Enriching Lives with businesses spanning from Polyester Staple Fiber and Soda Ash to Pharmaceuticals, Animal Health, Chemicals, and Agri-Sciences. Despite global challenges, our commitment to Cultivating Growth remained firm. We’ve greenlit expansion initiatives for the Soda Ash and Animal Health businesses, and acquisition discussions are ongoing for Lotte Chemicals Pakistan Limited. In our Infant Nutrition portfolio, a partial shareholding in NutriCo Morinaga was divested, leaving LCI with a 24.5% stake post-divestment.

Lucky Motor Corporation Limited (LMC) held its ground in the automotive sector, even amidst a backdrop of challenges. The automotive industry faced a series of hurdles throughout the year, ranging from economic uncertainties and rupee devaluation to restrictive import policies, all of which left an indelible mark on sales volumes. However, LMC remained undeterred. In August 2022, LMC unveiled the Carnival Executive, a new variant of its flagship product, the Kia Carnival. Closing the year on a high, Kia delighted automotive fans with the much-anticipated launch of the Kia Sportage Black Limited Edition. In parallel, Peugeot strengthened its brand identity as the sole locally manufactured European brand in Pakistan. Amidst shifting market dynamics, it retained its premier position in the B-SUV segment. The Electronics Division at LMC remained industrious, launching a total of five new models, including their flagship offerings: the Z Flip 4 and Z Fold 4, which were introduced to the market in November.

Our company, recognized for its eminent track record, continuously elevates the societies and communities we engage with. With each passing day, our resolve deepens to address global challenges, amplifying our societal contributions. This unwavering commitment is underscored by our rigorous adherence to the highest standards of Environmental, Social, and Governance. It is our firm belief that long-term stakeholder value can be realized through the meticulous implementation of top-tier ESG initiatives. A testament to this dedication was the successful commissioning of a 34MW solar power initiative at our Pezu plant in late December 2022. Parallelly, we are nearing the inauguration of a 25MW solar facility at our Karachi unit, having finalized all procurement processes and anticipating the project’s culmination by Q1 FY24.

Guided by these principles, our CSR efforts predominantly address vital areas: education, women’s empowerment, health, environmental conservation, and community development. Aware of the economic burdens posed by inflation, we’ve proactively implemented supportive measures, such as hardship allowances and monthly ration distributions, aiming to enhance the living conditions of our less affluent employees.

By incorporating modern manufacturing methodologies, we’ve fortified both our technical capabilities and operational efficiencies. This strategy, harmonized with our multifaceted business landscape, strengthens the nation’s industrial backbone, broadening our manufacturing footprint and fostering growth opportunities

This year, our company was honored with the 37th Corporate Excellence Award by the Management Association of Pakistan. Additionally, we secured a joint runner-up position in the Cement category for the Best Corporate Report at the “Best Corporate & Sustainability Report Awards” 2021. This accolade was presented by a joint committee from the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).

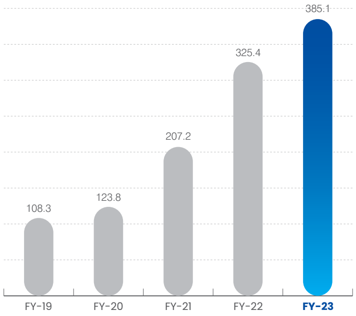
Looking ahead to FY2024, we anticipate a challenging landscape influenced by global economic downturns, higher inflation, monetary limitations, and environmental adversities. Despite these complexities, we are primed to adeptly maneuver through these difficulties. We look forward to the unwavering support of our valued stakeholders as we navigate this challenging period.

Muhammad Ali Tabba

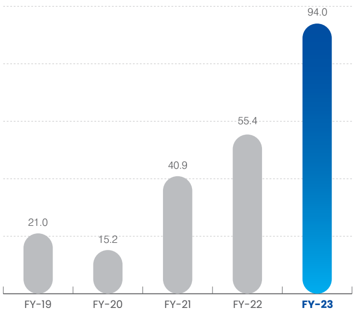
Chief Executive Officer

Key Highlights for the Year (Consolidated)

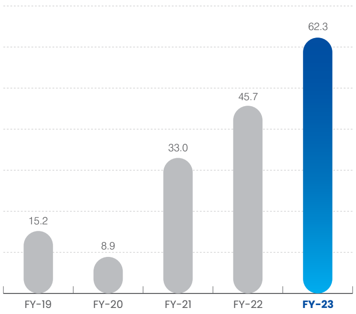
Net Revenue
(PKR B)



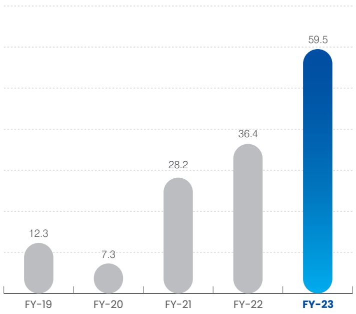
EBITDA
(PKR B)



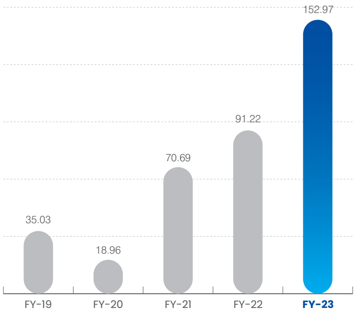
Profit Before Tax
(PKR B)



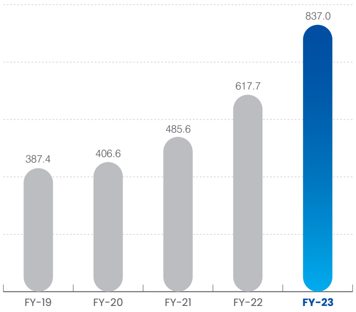
Profit After Tax
(PKR B)



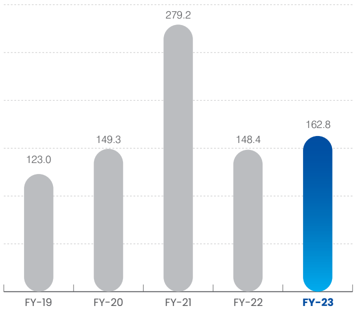
Earnings per Share
(PKR)



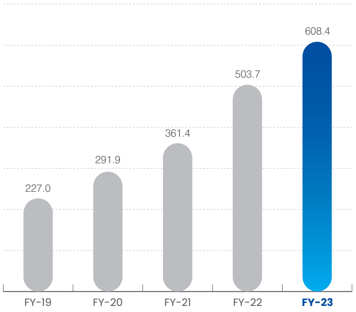
Book Value per Share
(PKR)



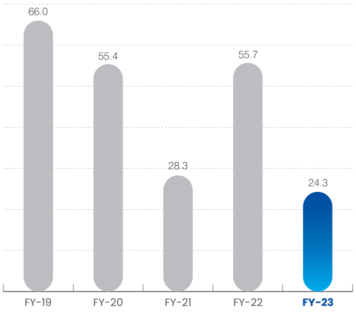
Market Capitlization
(PKR B)



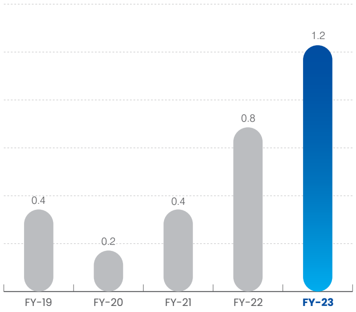
Total Assets
(PKR B)



Capital Expenditure
(PKR B)

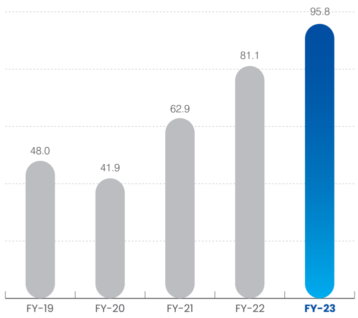


CSR Expenditure
(PKR B)

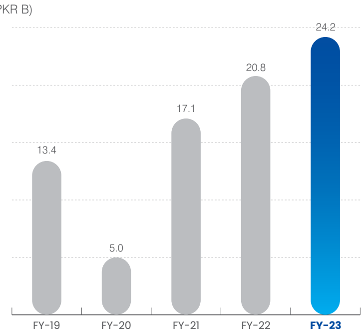


Key Highlights for the Year (Unconsolidated)

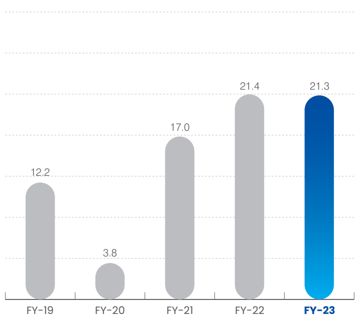
Net Revenue
(PKR B)



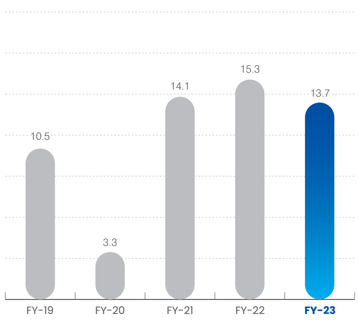
EBITDA
(PKR B)



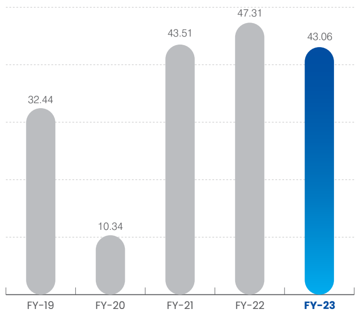
Profit Before Tax
(PKR B)



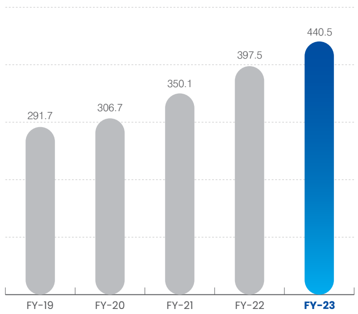
Profit After Tax
(PKR B)



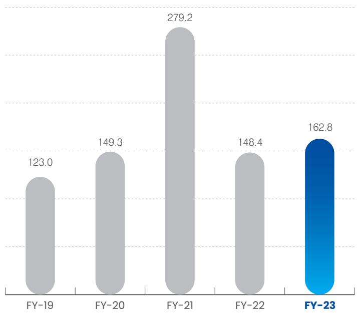
Earnings per Share
(PKR)



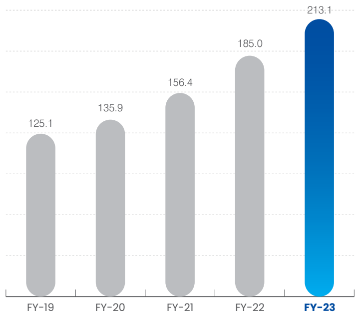
Book Value per Share
(PKR)



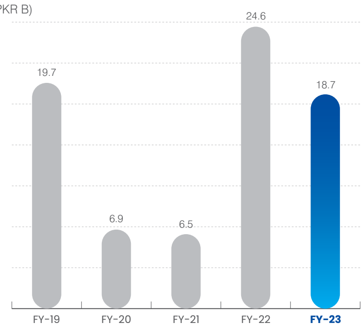
Market Capitlization
(PKR B)



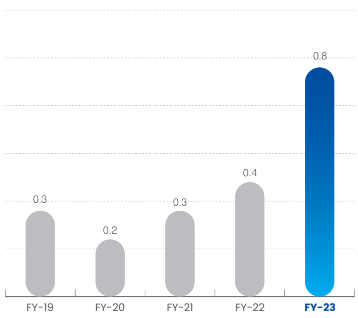
Total Assets
(PKR B)



Capital Expenditure
(PKR B)



CSR Expenditure
(PKR B)



About the Report

Dear Reader,

At Lucky Cement, we hold steadfast to the core principles of transparency and value creation, which form the bedrock of our operations. Our unwavering commitment to strong corporate governance and exemplary leadership is complemented by a transparent approach to disclosures. As we present this Annual Report, our objective is to furnish our esteemed readers with comprehensive insights into the Company's endeavors, highlighting the efficient utilization of our resources and aiding in a thorough assessment of our business. This Annual Report is designed to provide our readers with comprehensive information about the Company's capitals and assist in assessing our business. It follows the International Integrated Reporting Framework, which offers insights into our strategic thinking, encompassing strategy, governance, performance, and prospects within the global environment. To continuously enhance the quality of information shared with stakeholders, we annually review the IR Framework. This report incorporates all 9 core Content Elements of the IR Framework. 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 remain committed to reviewing our reporting approach, aligning with best practices of reporting standards, and meeting the expectations of our stakeholders. Our goal is to provide visibility into how we create sustainable value for the communities we serve. We adopt a systematic view by presenting financial and non-financial information directly linked to our business activities, accompanied by relevant explanations.

This report covers the period from July 1, 2022, to June 30, 2023, and provides a comprehensive overview of Lucky Cement Limited. It offers insights into our core cement operations, providing a concise explanation of our performance, strategy, operating model, and outcomes using a multi-capital approach.

Annual Accounts

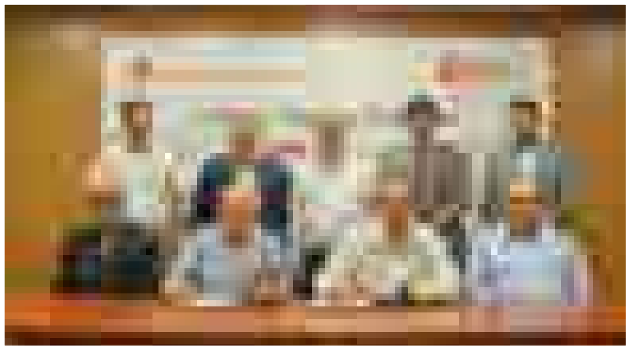
This report should be read in conjunction with the annual accounts (Standalone and Consolidated) to gain a complete picture of LCL's financial performance.

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 2022-23



5th
August 2022

Board of Directors Meeting – Annual Financial Statement
Company's Corporate Briefing

16th
August 2022

Won the Environment Excellence Award at the 19th Annual Environment Excellence Awards 2022.

24th
August 2022

Won the Environment, Health & Safety Award at 8th International Award on Environment, Health & Safety.

20th
September 2022

Approval for purchase / buy back of up to 10,000,000 (Ten million) shares in EOGM

27th
September 2022

Won the Best Corporate Report Award with Joint 2nd Position in the Cement Sector.

28th
September 2022

29th Annual General Meeting at the Registered Office at Pezu.

3rd
October 2022

Awarded Best in Cement Business category at Corporate Excellence Awards 2022.

26th
October 2022

Board of Directors Meeting – 1st Quarter

27th
October 2022

Company's Corporate Briefing

6th
December 2022

Received the Awards in the categories of Best Investor Relations and Best ESG Reporting at 19th Annual Excellence Awards Ceremony.

22nd
December 2022

Commencement of Line 2, brownfield expansion at Pezu plant, of 3.15 MTPA.

29th
December 2022

COD of 34MW solar power plant with a 5.589 MWh reflex energy storage at Pezu plant.

27th
January 2023

Board of Directors Meeting – Half Yearly

30th
January 2023

Company's Corporate Briefing

21st
February 2023

Won the award in "Green Energy Initiatives" category at 15th Corporate Social Responsibility Awards 2023.

28th
April 2023

Board of Directors Meeting – 3rd Quarter & 2nd Buy Back of Shares

2nd
May 2023

Company's Corporate Briefing

18th
May 2023

Initiation of brown field expansion - New Clinker Line 1.82 (MTPA) Najmat-Al-Samawah, Iraq.

24th
May 2023

Extraordinary General Meeting at Pezu for 2nd Buy Back of Shares.

21st
June 2023

Board Meeting – approval of Corporate Plan 2023-34 and matters other than Financial Results

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 15.3 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 Kachi Canal Project, Lahore & Islamabad smart cities, DHA Bahawalpur and Gujranwala, Hakla – DIK Motor Way, Torkham Border, Bharakao Bypass, Jaglot – Skardu Highway, Sialkot – Gujrat Motorway, Mangi Dam, Tanda Dam, Bahria Town Karachi, DHA City Phase 9, EMAAR Towers, Shaukat Khanum Memorial Cancer Hospital DHA Phase-9 Karachi, BRTS Red Line Project, Greater Karachi Bulk Water Supply Scheme (K-IV Project), DHA Storm Water Project, Orangi & Gujjar Nullah Projects as well as for construction work at Gwadar Port City in connection with CPEC.

Internationally, Lucky Cement Limited has been actively exporting clinker and cement to various countries in recent years. We have established ourselves as a leading exporter of cement and clinker, securing significant orders from West Africa, East Africa, Indian Ocean Islands, Bangladesh, Sri Lankan etc., while USA and Europe being our upcoming new destinations.

Lucky Cement is the only cement company in the region to have its dedicated terminal at KPT with Pneumatic vessel loading facility and 4 huge steel-fabricated silos for storage.

At Lucky Cement Limited, we continuously strive towards greener, sustainable manufacturing. We have invested heavily in waste-heat recovery, and alternative energy sources such as solar and wind to reduce our carbon footprint and make our manufacturing process more carbon neutral. Currently, approximately 39% of our energy requirements are being fulfilled through renewable energy sources. Our strong R&D and Quality Control structure allows us to meet or exceed our client's expectations in innovation and quality consistency.

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 complies to EN 197-1 CEM | 42.5N, SABS 50197 CEM | 42.5N, SLS 107 42.5N, PS 232:2008 43 Grade, IS 269:2015 43 Grade, PNS TYPE I, ASTM C150 TYPE I standards.

Portland Limestone 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 | 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.

LOW ALKALI CEMENT

Low Alkali cement is manufactured according to ASTM C150 Type I.

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

Having established a strong foothold in the cement manufacturing industry of Pakistan, Iraq and DR of Congo, Lucky Cement has evolved into a sizeable conglomerate with strategic investments in various diversified industries such as Chemicals, Automobiles, Mobile manufacturing and Power. LCI Pakistan Limited, 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 the assembly, marketing, distribution and sale of various types of Kia and Stellantis N.V. branded vehicles, parts, accessories and related services. It is also engaged in the production of Samsung branded mobile devices in Pakistan under an agreement with Samsung Gulf Electronic Co. Furthermore, 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 investments into renewable energy, where its associated company, Yunus Energy Limited has developed a 50 MW Wind Power Project.

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

LUCKY CEMENT

LCI
LUCKY CORE INDUSTRIES

Lucky Electric Power Company

LMC

AL MABROOKA CEMENT اسمنت المبروكة

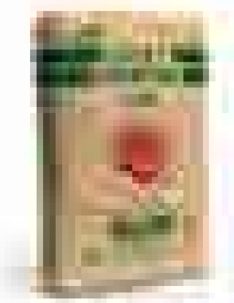
CIMKO

NAJMAT AL-SAMAWA

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.



Advancement in Digital Transformation to Improve Transparency and Governance

Lucky Cement has proactively embarked on a journey of digital transformation, spearheading a series of strategic initiatives to modernize and optimize its operational processes. By embracing cutting-edge digital technologies, Lucky Cement is paving the way for a more efficient and agile future. Through these transformative efforts, the company is not only enhancing its competitive edge but also elevating the overall industry standards. These initiatives showcase the company's commitment to harnessing technology for enhanced efficiency and innovation across various facets of its operations.

AI Integration: By seamlessly incorporating AI technology, Lucky Cement has revolutionized its inventory management and employee tracking mechanisms. Through sophisticated and intelligent optical systems, logistics are streamlined, optimizing resource allocation. The implementation of facial recognition technology has not only transformed attendance and overtime tracking but also ensured unprecedented accuracy, bolstering operational precision. Additionally, the AI-powered system overseeing trucks movements and cargo information has introduced a new level of operational seamlessness and data management excellence.

Automated Fuel Dispensing: The integration of fuel dispensers with SAP has led to meticulous control over fuel usage, fostering accurate data recording and proactive restocking. An innovative Automatic Tank Gauging System provides real-time inventory updates, eliminating discrepancies and guaranteeing precise fuel measurements. This integration ensures a more sustainable and resource-efficient fuel management process.

SAC/BI Dashboards: The deployment of SAP-SAC for analytics purposes has empowered Lucky Cement with comprehensive insights through interactive visualizations. C-level executives benefit from in-depth data analysis, irrespective of volume, facilitating well-informed decision-making. The sharing of dynamic dashboards promotes collaborative data-driven discussions that steer the company's strategic direction.

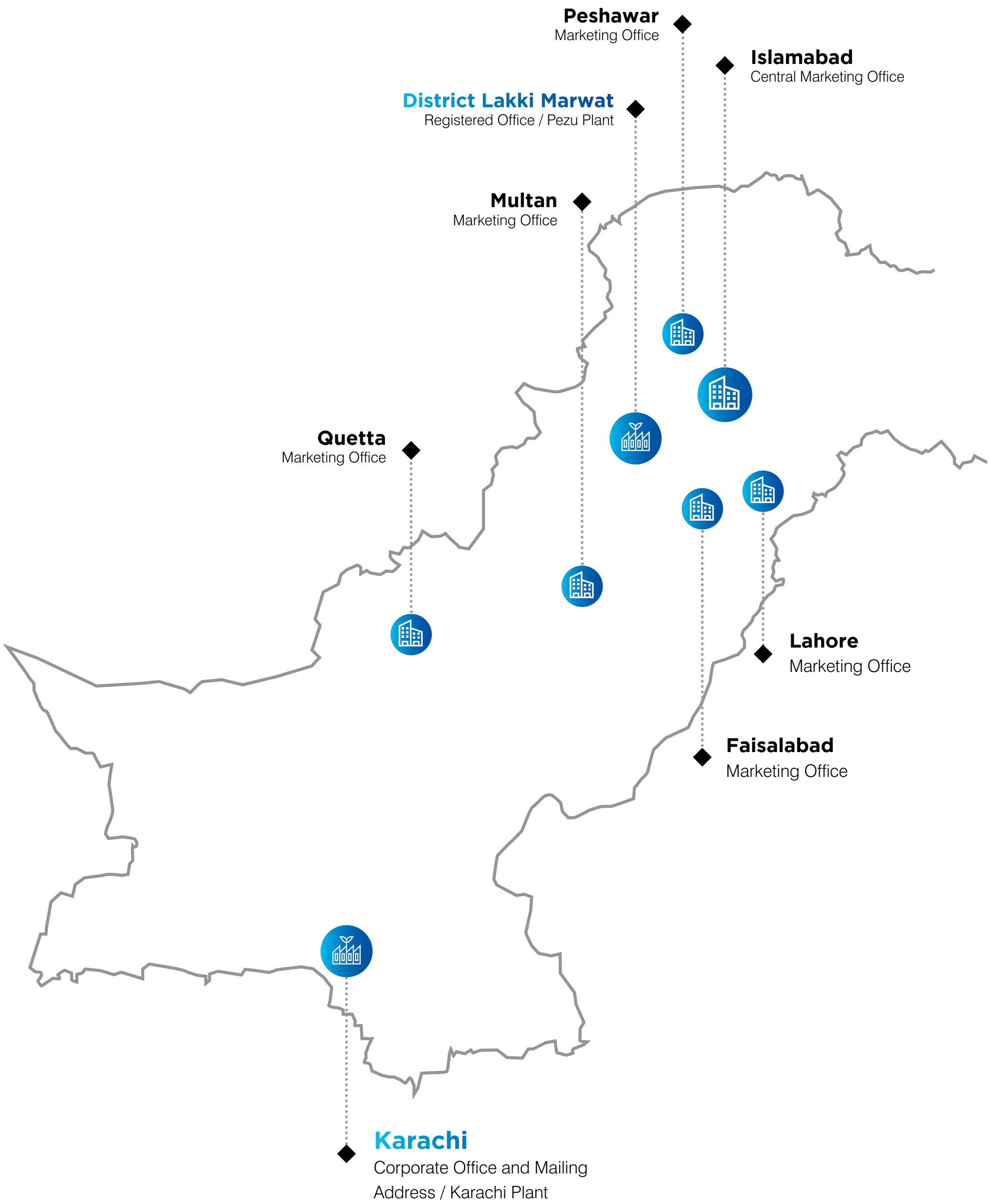
Straight2Bank: Lucky Cement's commitment to efficiency extends to its financial operations with the robust Straight2Bank solution of SCB, seamlessly connected to our SAP system. This integration guarantees swift, secure, and accurate payment processing. Comprehensive authorization protocols serve as a formidable defense against unauthorized transactions, underpinning the company's financial accuracy.

Automated Bank Reconciliation: With the implementation of SAP ERP, Lucky Cement's bank reconciliation processes have undergone a remarkable transformation. The automated system detects and rectifies issues such as cheque rejections, unauthorized credits, and overdue cheques, ensuring timely resolution and financial clarity.

Cyber Security: Lucky Cement's dedication to safeguarding its digital landscape is evident through its adherence to the ISO 27001 framework. This commitment ensures the highest standards of information security, confidentiality, integrity, and legal compliance. The integration of SIEM systems bolsters the company's ability to detect and respond to security threats, preempting potential attacks. The Security Operations Center (SOC) operates tirelessly, maintaining a vigilant watch over security threats to fortify cybersecurity.

Lucky Cement's technological evolution is marked by a spirit of continuous learning and adaptation. By remaining agile and embracing change, the company positions itself at the forefront of progress, ready to embrace future advancements and drive ongoing transformation in the industry.

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.
	73-A, Main Gulberg II, near Tricon Center, Lahore.
	Office no. 401, 4th Floor, Tri Tower, Deans City, opposite Sarhad University, Ring 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

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

Transactions' Transparency

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

Refrain From Insider Trading

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

Secondary Employment by Employees

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

Company Assets Fortification

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

Protection of Privacy and Confidentiality

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

Conflict of Interest

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

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

Anti-Bribery / Corruption

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

Equal Employment Opportunity

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

Harassment Free Workplace

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

Borrowing Money

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

Receiving of Gifts, Payments or Favors

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

Corporate Social Responsibility and Health and Safety Measures

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

Media Relations and Involvement

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

Breach of I.T. Security

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

Personal Use of Telephones and Computers

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

Whistle Blowing

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

Road to Success

1993

Incorporated in Pakistan.

1996

Commenced commercial production with capacity of 1.2 MTPA

1999

Production capacity increased to 1.5 MTPA.

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.

2010

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

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

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.

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".

2006

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

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.

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.

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.

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".

2023

- Share buy-back successfully completed with the purchase of 10 million ordinary shares.
- Second share buy-back announced of 23.8 million ordinary shares.
- Commencement of Line 2, brownfield expansion at Pezu plant, of 3.15 MTPA which increased the total production capacity to 15.3 MTPA
- Commencement of operations of 34MW solar power plant at Pezu plant
- Announced enhancement of production capacity of clinker in in our JV Company in Samawah, Iraq, by adding a new production line of 1.82 MTPA
- Won best Investor Relations 2021/2022, in the listed companies category, at the CFA society's 19th Annual Excellence Awards
- Received the Runner up position for the best ESG Reporting – 2021 at the CFA society's 19th Annual Excellence Awards
- Won the 37th MAP's Corporate Excellence Award in Cement Category.
- Won the best Corporate Report Award with second position in the Cement category at the "Best Corporate & Sustainability Report Awards, 2021".

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 15.30 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 is the first Shariah Compliant Company of Pakistan certified by the SECP.

Over the years, the Company has experienced remarkable growth 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. As a pioneer in the cement industry, Lucky Cement holds the distinction of being Pakistan's first Company to export sizeable quantities of loose cement. Setting itself apart from other cement manufacturers, Lucky Cement operates its own loading and storage export terminal at Karachi Port, providing a seamless and reliable exporting process.

Lucky Cement strives to remain an efficient and low-cost producer and is one of the pioneers to introduce and install Waste Heat Recovery, Solar Power Plant, Refuse Derived Fuel (RDF) and Tyre Derived Fuel (TDF) Plants in Pakistan. It also has self-sufficient Captive power generation facility of 214 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. Sustainability lies at the heart of Lucky Cement's operations, and the Company has diligently integrated it into its core values. Every eco-efficient initiative undertaken aligns with the United Nations' Sustainable Development Goals 2030, reflecting the Company's dedication to contributing positively to global sustainability efforts. By aligning its strategies with these goals, Lucky Cement strives to make a meaningful and lasting impact on the environment and society at large.

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
- Lucky Core Industries Limited
- Lucky Core Powergen Limited
- Lucky Core Ventures (Private) Limited
- NutriCo Morinaga (Private) Limited
- NutriCo International (Private) Limited
- Lucky Motor Corporation Limited
- LCL Investment Holdings Limited
- Lucky Al Shumookh Holdings Limited (LASHL)
- Al Mabrooka Cement Manufacturing Company Limited
- Al Shumookh Lucky Investments Limited (ASLIL)
- Najmat Al-Samawah 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

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.

LCL Investment Holdings Limited

LCL Investment Holdings Limited

LCL Investment Holding Limited (LCIHL), 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

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.

INTERNATIONAL

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)

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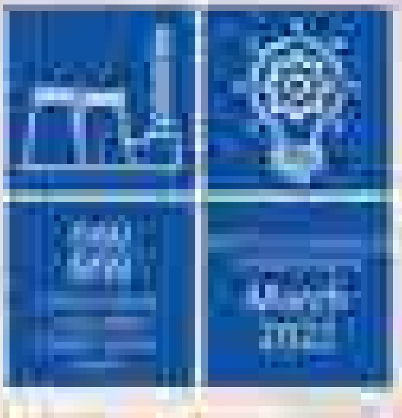


LCI

LUCKY CORE INDUSTRIES

SODA ASH

POLYESTER

CHEMICALS & AGRI SCIENCES

LIFE SCIENCES

LUCKY CORE INDUSTRIES LIMITED (LCI)

Lucky Core Industries (LCI) is a listed subsidiary of Lucky Cement Limited. With a rich legacy spanning over 7 decades, the Company is a leading Pakistan based manufacturing and trading concern. LCI's diverse businesses include Polyester, Soda Ash, Pharmaceuticals, Chemicals & Agri Sciences and Animal Health.

Through its businesses, the Company 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 (pesticides, field crop seeds, vegetable seeds, etc). In the nutrition segment, NutriCo Morinaga (Private) Limited, an associate of the Company imports, locally manufactures, markets and distributes select Morinaga Milk Industry Co. Ltd. Japan products in Pakistan.
LCI is part of the Yunus Brothers Group (YBG) - one of the fastest-growing and progressive conglomerates in Pakistan.

Subsidiaries of LCI include:

Lucky Core PowerGen Limited
Lucky Core Ventures (Private) Limited
Lucky TG (Private) Limited


LMC
Lucky
Motor
Corporation

LUCKY MOTOR CORPORATION LIMITED

Lucky Motor Corporation Limited (LMC), a subsidiary of Lucky Cement Limited (LCL) has completed four years of operations in June 2022. The Company has been broken into 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' branded 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 Automotive Group.

LMC has [illegible] dealerships (Kia – [illegible] & Peugeot – [illegible]) across [illegible] cities of Pakistan to serve its customers.

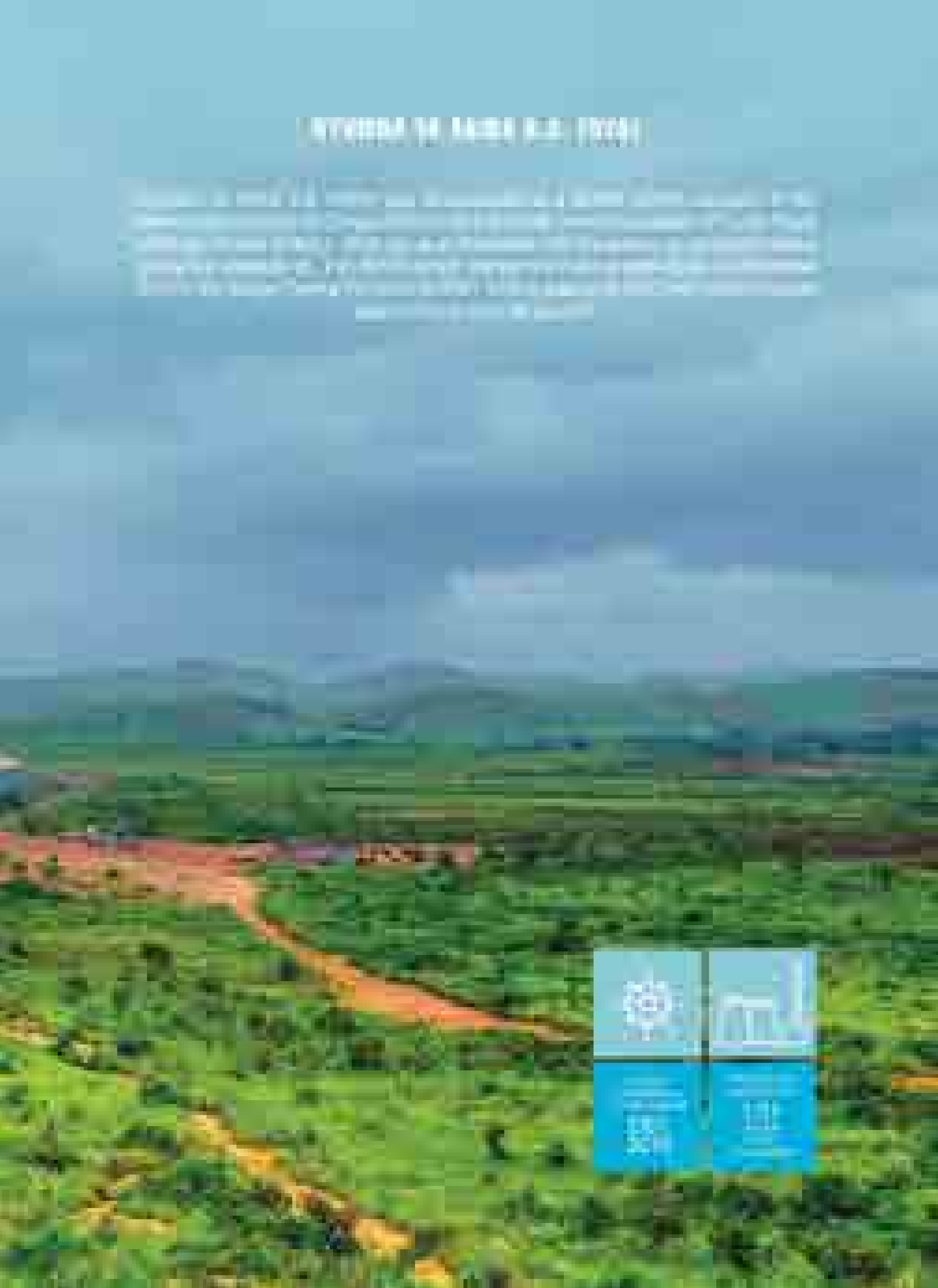
The Auto-parts Division was established with the objective of achieving localization of auto parts for locally assembled Kia and Peugeot models.

LMC has created history in the automobile industry of Pakistan by manufacturing and marketing two different international automobile brands i.e. 'Kia' and 'Peugeot' under one roof.

The Electronics Division was formed in July 2021 as an outcome of an agreement signed with Samsung Gulf Electronics FZE for assembling Samsung branded mobile phones in Pakistan.

LMC is growing in terms of its operations and portfolio diversification and is creating sustainable value for its shareholders.


CIMKO



AL MARROOKA CEMENT أسمنت المروكة

AL MABROOKA CEMENT MANUFACTURING COMPANY LIMITED

[illegible]

NAJMAT AL-SAMAWA

NAJMAT AL-SAMAWA COMPANY FOR CEMENT INDUSTRY

Najmat Al-Samawa Company for Cement Industry (NAS) was incorporated as a limited liability company in Samawah, Republic of Iraq and is a wholly owned subsidiary of ABLE. NAS has constructed an integrated cement manufacturing plant of 1.21 MTPA. NAS has its owned captive power plant having generation capacity of 28.34 MW.

Our Leadership

Honoring the Legacy of
Mr. Muhammad Yunus Tabba

In the tapestry of our corporate journey, there are individuals whose influence transcends time, leaving an indelible mark on the very fabric of our success. During the outgoing year Mr. Muhammad Yunus Tabba passed away and the Company lost a visionary leader who was the Chairman of the Board of Directors. It is with profound respect and deep sorrow that we pay tribute to Mr. Muhammad Yunus Tabba, a founding pillar of the Yunus Brothers Group (YBG), whose monumental contributions have shaped our course over the past half-century.

Mr. Yunus Tabba's unwavering commitment and visionary leadership have been the cornerstone of YBG's remarkable progression. His insight, foresight, and tireless dedication have imprinted our organization with a legacy of excellence and innovation that we hold dear.

Yet Mr. Yunus Tabba's legacy extends far beyond business achievements. His commitment to entrepreneurship and public service remains a beacon of inspiration, illuminating the path towards a better future for all. His unparalleled contributions were fittingly honored by the President of the Islamic Republic of Pakistan, who bestowed upon him the prestigious Sitara-e-Imtiaz—an emblem of his remarkable services and selfless endeavors.

As we navigate this moment of loss, we are resolute in our determination to honor Mr. Yunus Tabba's memory by continuing the journey he so passionately embarked upon. Together, we remain steadfast in our commitment to fulfill the vision he, alongside the other founders of YBG, set out to achieve five decades ago. His values, wisdom, and boundless aspirations will continue to steer us towards greatness.

In honoring Mr. Yunus Tabba, we honor the essence of YBG—the spirit of innovation, the pursuit of excellence, and the unwavering commitment to bettering our world. His memory will forever inspire us to reach higher, strive harder, and make a positive impact, just as he did throughout his illustrious journey.

May Almighty bless his soul in eternal peace.

Chairman's Profile

Muhammad Sohail Tabba

Entrepreneur | Leader | Philanthropist

Mr. Muhammad Sohail Tabba, one of Pakistan's leading business leaders and a philanthropist, leads a conglomerate of businesses and export houses under 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 has become the Chairman of Lucky Core Industries (formerly ICI Pakistan Limited) in 2014 and was appointed as the Chairman on the board of Lucky Cement Limited in 2023. Previously, he has also served as the Chairman on the board of NutriCo Morinaga (Pvt) Limited.

Mr. Tabba's relentless energy, vision, and an uncanny ability to think outside the box, resulted in the creation of LuckyOne Mall, which attracts people from all walks of life. His vision was also 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; Mr Tabba is the Director of 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 also a Director at Aziz Tabba Foundation that runs the Tabba Heart and Kidney Institutes, in addition to other welfare projects. His determination to contribute to the community has transformed the pediatric emergency rooms of government hospitals across Pakistan. Mr Tabba became the Founding Trustee of ChildLife Foundation Pakistan in 2012. His contributions to the healthcare sector of all 4 provinces of Pakistan have manifested in the treatment of 6 million children in ChildLife Emergency Rooms and more than 1 million children in SINA-ChildLife Clinics. In the past decade, ChildLife Foundation has evolved extraordinarily and today, 12 contemporary emergency rooms are functioning efficiently in the under-resourced hospitals of Sindh, Balochistan, Punjab & Islamabad, whereas ChildLife is operating in 190+ telemedicine satellite centers of Sindh, Balochistan and Punjab, marking its presence in 200+ hospitals of Pakistan.

CEO's Profile

Muhammad Ali Tabba

Mr. Muhammad Ali Tabba is the current Chief Executive of Lucky Cement Limited (LCL), having taken over from his late father in 2005. Mr. Tabba also serves as the Chairman of Yunus Textile Mills Ltd, Lucky Motors Corporation, Lucky Electric Power Company Ltd, and Gadoon Textile Mills Ltd. He plays a key role in providing strategic leadership to Lucky Core Industries Limited (formerly ICI Pakistan Limited) as its Vice Chairman.

Mr. Tabba began his career with Yunus Brothers Group (YBG) in 1991. YBG is a family conglomerate and one of the leading business houses in Pakistan with diversified interests in Building Materials, Chemicals, Pharmaceuticals, Energy, Textiles, Automotive, and Real Estate Development.

Mr. Tabba also holds key positions in various industry and community organizations. He serves as the Chairman of All Pakistan Cement Manufacturing Association and has previously been the Chairman of Pakistan Textile Council and Pakistan Business Council. He is actively engaged in many community welfare projects and sits on the Board of Governors of renowned universities, institutions, and foundations.

Mr. Tabba is the Vice Chairman of Aziz Tabba Foundation (ATF), a non-profit organization working extensively in the field of social welfare, education, health, and housing. ATF operates two state-of-the-art hospitals in Karachi, including the Tabba Heart Institute and Tabba Kidney Institute.

In recognition of his contributions to the social development sector of Pakistan, Mr. Tabba was awarded the title of Young Global Leader by the World Economic Forum in 2010. He has also received the Karachi Chamber of Commerce and Industry "Businessman of the Year" Gold Medal Award for 2012-2013.

The Government of Pakistan has also awarded Mr. Tabba the Sitara-E-Imtiaz Award in 2018, which is one of the highest civilian awards in the country.

Directors' Profile

Jawed Yunus Tabba

Mr Jawed Yunus Tabba joined the Board as a Non-Executive Director in April, 2014.

Mr Tabba has a rich experience in the textiles industry and is currently the Chief Executive Officer and Director of Lucky Textile Mills Limited. With expertise in the manufacture and export of textiles, he has been instrumental in managing the textile concerns of the Yunus Brothers Group (YBG), whilst transforming Lucky Textile Mills Limited into one of the premier textile manufacturers and among the top five home textiles exporters of Pakistan.

Mr Tabba serves on the Board and related sub-committees of Lucky Cement Limited, Gadoon Textile Mills Limited and Lucky Motors Corporation Limited. Mr Tabba as a Director, also manages the group's real estate project Lucky One (Private) Limited - the largest mall in Pakistan, a multi-faceted, first-of-its-kind regional shopping mall that has revolutionised shopping in Pakistan.

Mr Tabba is a Director of Aziz Tabba Foundation (ATF) where he is extensively engaged in community welfare projects. He is working extensively in the field of social welfare, education, health and housing. He is also a member of the 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 the 2nd of June, 2005. 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. THI has Won the "National Quality Champion Award" in 2022 at the International Patient Safety Conference held in Karachi. Also, THI has received 24th Cheers Award for Medication Safety Initiatives from Institute of Safe Medicine Practices ISMP. THI is first in the south Asia 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. Beside this, BS – Medical Technology in Cardiovascular Sciences, Operation Theater Sciences and Perfusion Sciences are also affiliated with University of Karachi. THI has been certified by the American Heart Association (AHA) for BLS and ACLS courses,

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 Centers across different locations not just in Karachi but Hyderabad and Quetta as well. The number of medical centers 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.

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 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 BII Pakistan (Pvt) Limited, a wholly owned subsidiary of British International Investment (BII) which is the UK Government's development finance institution.

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.

Shabbir Hamza Khandwala

Shabbir Hamza Khandwala is a fellow member of the Institute of Chartered Accountant of Pakistan and carries with him over 40 years of diversified experience of various sectors, namely banking, investment banking, mutual fund, manufacturing and professional firm. He is a strategic thinker and has depth knowledge of corporate governance and risk management and now he is on the boards of two listed companies in Pakistan.

Shabbir was appointed in January 2023 as an Independent Director on the Board of Lucky Cement Limited.

He is also an Independent Director and Chairman of Audit Committee of Macpac Films Limited, a listed company on Pakistan Stock Exchange.

Shabbir is a certified director from the Institute of Business Administration, Karachi. He had remained director of Al-Meezan Investment Management Ltd and Faysal Management Services (Pvt.) Ltd.

Shabbir has been Chief Financial Officer and Group Head Finance of Meezan Bank from March 2005 to September 2022.

Shabbir had a holistic role in Meezan Bank and was actively involved in the strategy formulation of the Bank in the last 17 years as it has grown from a small bank to the fourth largest bank in Pakistan and advised the management on shareholders' matters. He played key role in the successful merger of HSBC Pakistan with Meezan Bank.

Shabbir has in depth experience of financial sector and prior to joining Meezan Bank, he worked at KASB Group for 10 years in various capacities and was CEO of KASB Securities, CEO at KASB Premier Fund and Executive Director at Khadim Ali Shah Bukhari & Co. Ltd. KASB had an affiliation with Merrill Lynch whom they represented in Pakistan.

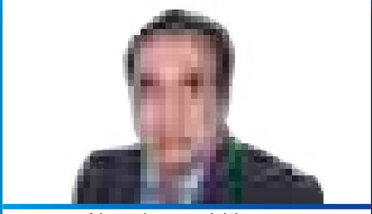
Shabbir carries with him manufacturing experience as he worked with Attock Cement Pakistan Ltd, a large cement manufacturing company for 4 years.

Executive Management

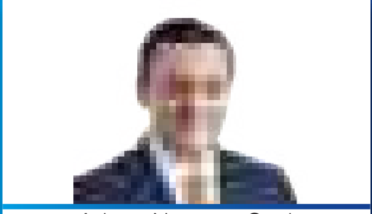
Senior Management

Muhammad Humayun Khan
GM Govt. Relations & Administration

Syed Hassan Mazhar Rizvi
GM Power Generation (Karachi Plant)

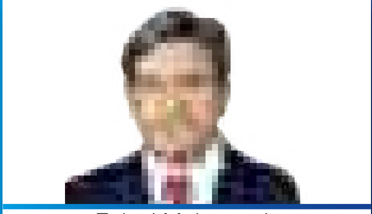


Ahtesham-ul-Haque
GM Supply Cahin Commercial

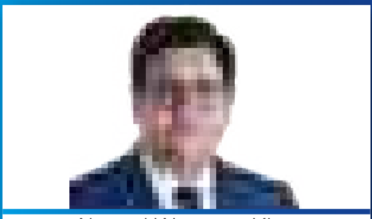


Adnan Naseem Qazi
GM Information Technology & Systems

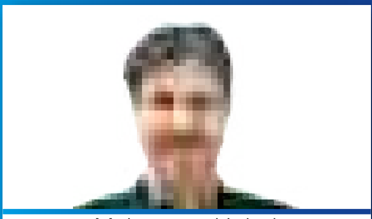
Khurram Siraj
GM Supply Chain Imports



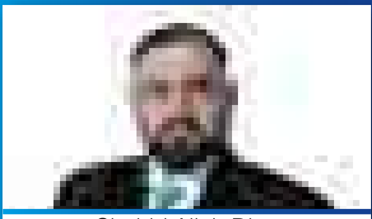
Faisal Mahmood
Company Secretary



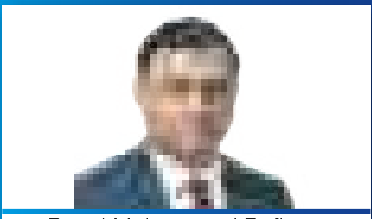
Ahmed Waseem Khan
GM Internal Audit & Compliance



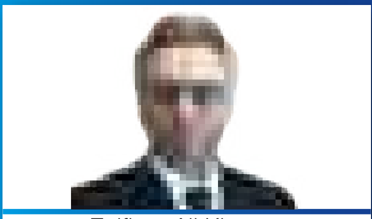
Muhammad Iqbal
GM Power Generation (Pezu Plant)



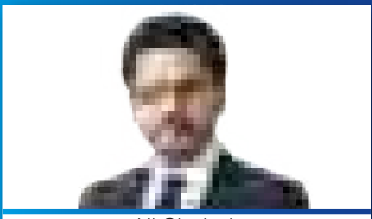
Shahid Allah Ditta
GM Logistics (Operations)



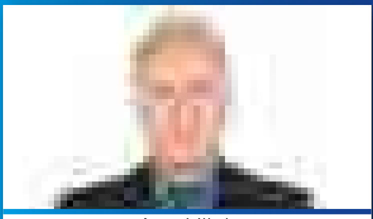
Raeel Muhammad Rafique
GM - Finance & Planning



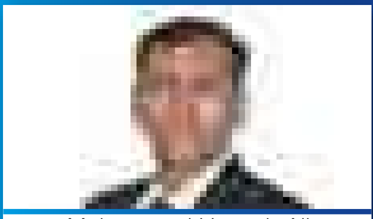
Zulfiqar Ali Khan
GM Govt. Relations



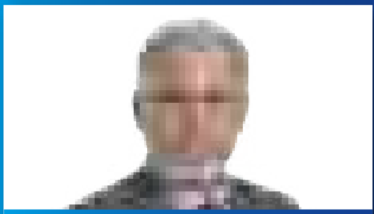
Ali Shahab
Head of Legal



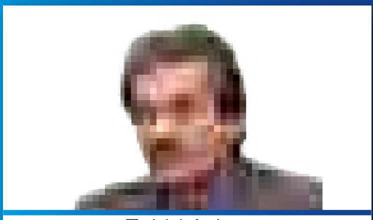
Atta Ullah
GM Marketing (Peshawar-Local)



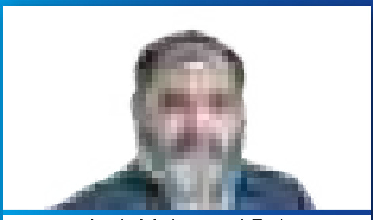
Muhammad Haseeb Ali
GM Marketing (Lahore-Local)



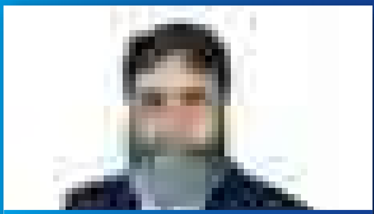
Muhammad Ismail
GM Production - (Karachi Plant)



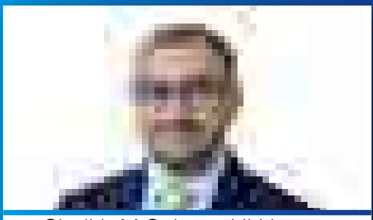
Zahid Aziz
GM Production - (Pezu Plant)



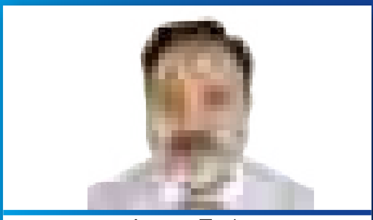
Amir Mahmood Baig
GM Administration(Karachi Plant)



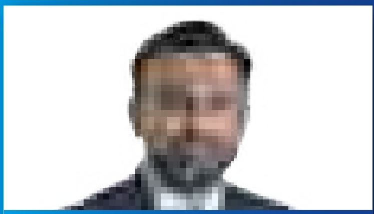
Sohail Abdul Aziz Khatri
GM Investments



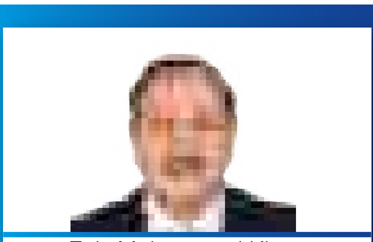
Sheikh M.Salman Ul Haque
Chief of Staff (CEO Secretariat)



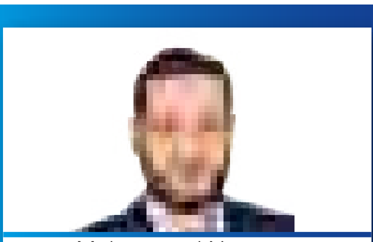
Anwar Tariq
GM Human Resource(Pezu Plant)



Muhammad Adeel Paracha
GM Investments



Faiz Muhammad Khan
GM Administration(Pezu Plant)



Mohammad Nauman
GM Export Marketing

Group Profile

Yunus Brothers Group

Yunus Brothers Group has a rich history dating back to 1962, when it began as a trading house. The establishment of the fabric trading business marked a significant milestone in the company's journey, leading it to become one of the largest conglomerates in Pakistan over the next six decades.

Over time, YB Group has diversified its interests and expanded into various businesses such as textiles, cement, real estate, power generation, chemicals, pharmaceuticals, FMCG, philanthropy, automobiles, and mobile assembling. Today, YBG stands as one of the largest export houses in Pakistan, continuing to innovate and grow across a wide range of industries.

The group's annual turnover including Lucky Cement and its subsidiaries is approximately USD 2.9 billion including the annual export turnover around USD 592 million

Y.B. HOLDINGS (PRIVATE) LIMITED

YBHPL was incorporated in Pakistan in the year 2013 as a Group Holding Company. The company invests mainly in its group companies and has a diverse portfolio in building materials, textiles, energy, chemical, trading, food, and real estate.

Gadoon Textile Mills Limited

GTML was established in 1988 and is one of the largest spinning units in Pakistan having the capacity of over 370,000 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 1300 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 4,900 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 and France.

Lucky Textile Mills Limited

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

The Company has the capacity to process 108 million meters per annum of fabric. Further LTML has its own power generation facility at one of its manufacturing unit. The stitching division is equipped with sophisticated high-tech machines that can stitch fabrics and transform them into home textiles as well as apparel products with a high degree of precision. Stitching machines include an automated Texpa plant as well.

In line with its vision of becoming a vertically integrated setup, Lucky Textile Mills Limited has successfully established its own Spinning Unit. In the first phase, the company imported 14 Murata Vortex Spinning (MVS) machines and 04 Saurer Automatic Rotor Spinning Machines, all of which are now operational.

The second phase of the Spinning Unit expansion is currently underway and is scheduled to be completed by July 31, 2023. This phase involves the addition of 04 Saurer Automatic Rotor Spinning Machines and 02 Murata Vortex Spinning (MVS) machines. Once fully operational, these machines will further enhance LTML's spinning capabilities.

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 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.

Lucky Entertainment (Private) Limited

Onederland - Lucky Entertainment Private Limited, established in 2016, is dedicated to spreading accessible Screams of Happiness. As the largest Family Entertainment Center in Pakistan, we offer over 100 attractions across a two-story facility spanning 45,000 square feet. Our award-winning Spinning Roller Coaster and thrilling rides like Maverick, Twist & Swing, and Drop Tower provide an exhilarating experience. Guests can also enjoy virtual reality adventures, sports activities, and a range of arcade games. Inclusivity is a core value, ensuring that people of all ages, genders, and socio-economic backgrounds can find joy at Onederland.

We are honored to have been nominated for the Best Family Entertainment Center by MENALAC, ranking among the top 5 in the MENA region. Onederland's state-of-the-art facility has received acclaim from customers and recognition from the education sector, serving over 8,000 students annually.

We are committed to maintaining our position as the leader in Pakistan's entertainment landscape by prioritizing the environment, offering diverse packages, and ensuring a safe and enjoyable experience for all.

Lucky One (Private) Limited

Lucky One Apartments is a magnificent, multifaceted, first-of-its-kind-end residential complex that will revolutionize the luxury living experience in Pakistan. LuckyOne integrates 8 elegant residential towers and a large 8 - acre Rooftop Park. The project comprises 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 LuckyOne Apartments the premiere lifestyle destination for urban living in Karachi.

Lucky Landmark (Private) Limited

Situated in the heart of the city, LLPL owns the LuckyOne Mall, which opened its doors to the public on May 6, 2017. One of the largest malls in Pakistan, with more than 200 retail outlets, the LuckyOne Mall provides an unprecedented retail space that includes a "Health and 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 FEC - "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 malls with 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 one of 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.

Lucky Renewables (Private) Limited (LRPL) [Formerly Tricom Wind Power (Private) Limited

LRPL 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 project is equipped with state-of-the-art WTG, manufactured by Siemens Gamesa China; the electrical balance of plants has been supplied by various recognized vendors; whereas construction activities have been carried out by Hydro China International Engineering Company Limited and Orient Energy Systems (Private) Limited.

The project is financed by a consortium of local and foreign lenders. The local Lender consortium comprises Bank Al-Habib Limited and Allied Bank Limited. Foreign financing has been secured from International Finance Corporation. The company achieved its financial close on November 18, 2019, and started commercial operations in September 2021. It is a clean energy project, harnessing renewable wind resources for the generation of electric power without any carbon emissions.

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 & exports 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

LFPL 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 the marketing of milk and yogurt and plans to add more value-added dairy products. The farm is located at Super Highway, Karachi. LFPL aims to be a leading player in food-related products, across Pakistan and in the export market.

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.

The 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 plants has been supplied by Alstom France, a leading grid solution provider; whereas construction activities have been carried out by Descon Engineering Limited, the leading construction, and engineering company of Pakistan. It is a clean energy project, harnessing renewable wind resources for the generation of electric power without any carbon emissions. The project is supplying electricity to the national grid regularly post commencing commercial operations in September 2016. GTML holds 19.99% ownership in YEL.

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 Sohail Tabba
(Chairman)

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

Management Team

Muhammad Ali Tabba
(Chief Executive)

Noman Hasan
(Executive Director)

Muhammad Atif Kaludi
(Executive Director Finance and Chief Financial Officer)

Amin Ganny
(Chief Operating Officer)

Murtaza Abbas
(CEO International Businesses,Cheif Strategy Officer & Director Investments)

Company Secretary

Faisal Mahmood

Head of Internal Audit

Ahmad Waseem Khan

Board Committees

Audit Committee

Masood Karim Shaikh
(Chairman)

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

Human Resource and Remuneration Committee

Khawaja Iqbal Hassan
(Chairman)

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

Financial Institutions

Allied Bank Limited
Allied Bank Limited – Islamic Banking
Askari Bank Limited
Bank Alfalah Limited – Islamic Banking
Bank Al-Habib Limited
Bank Al-Habib Limited – Islamic Banking
BankIslami Pakistan Limited
Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited
Habib Bank Limited
Habib Bank Limited – Islamic Banking
Habib Metropolitan Bank Limited
Habib Metropolitan Bank Limited – Islamic Banking
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan –Aitemaad Islamic Banking
Pakistan Kuwait Investment Company (Private) Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Standard Chartered Bank (Pakistan) Limited – Sadiq – Islamic Banking
Saudi Pak Industrial & Agricultural Investment Company Limited
United Bank Limited
UBL Ameen Islamic Banking

Credit Rating

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

External Auditors

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

Cost Auditors

M/s. Grant Thornton Anjum Rahman – Chartered Accountants

Shariah Advisor

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

Registered Office

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

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

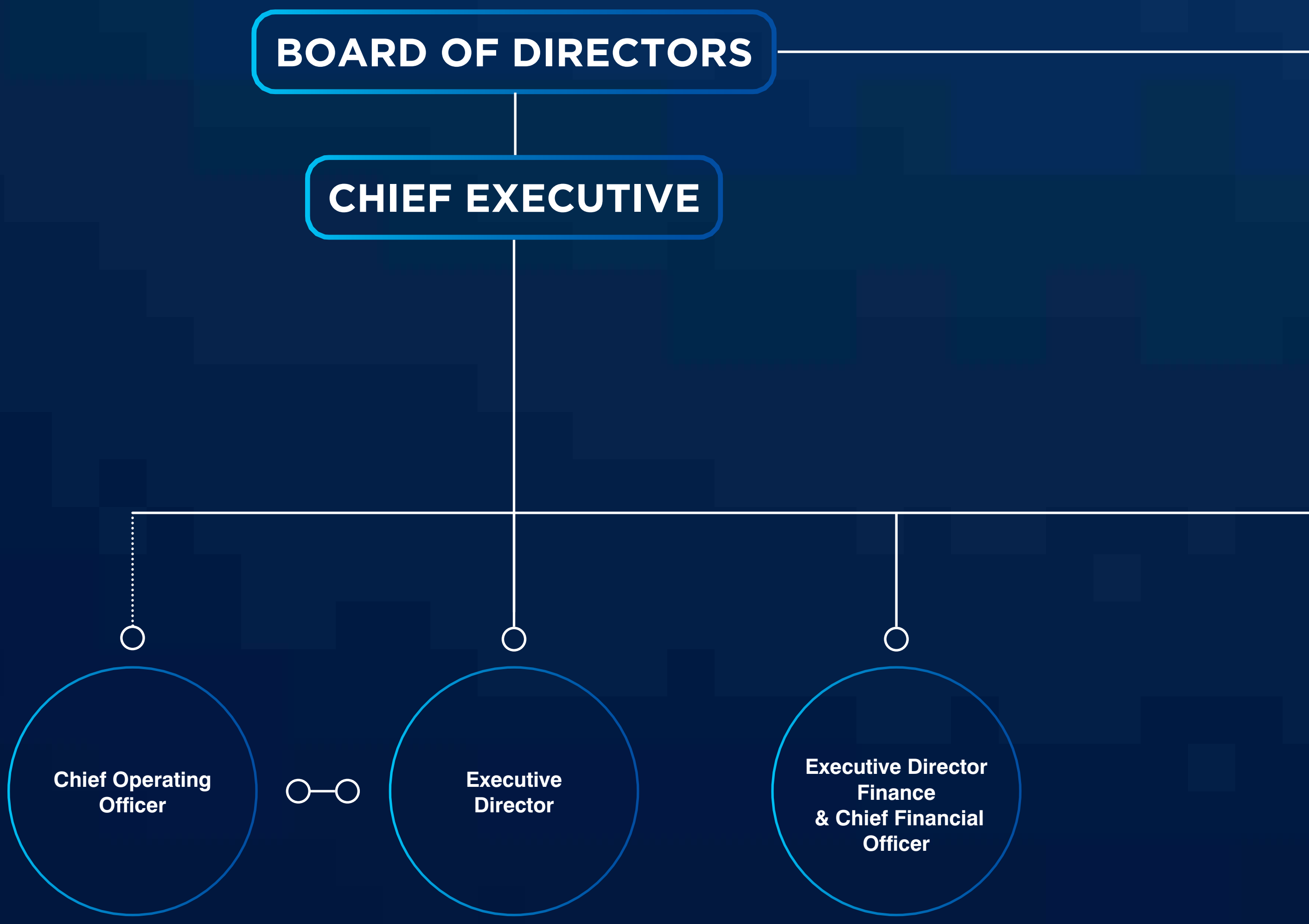
1. Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan

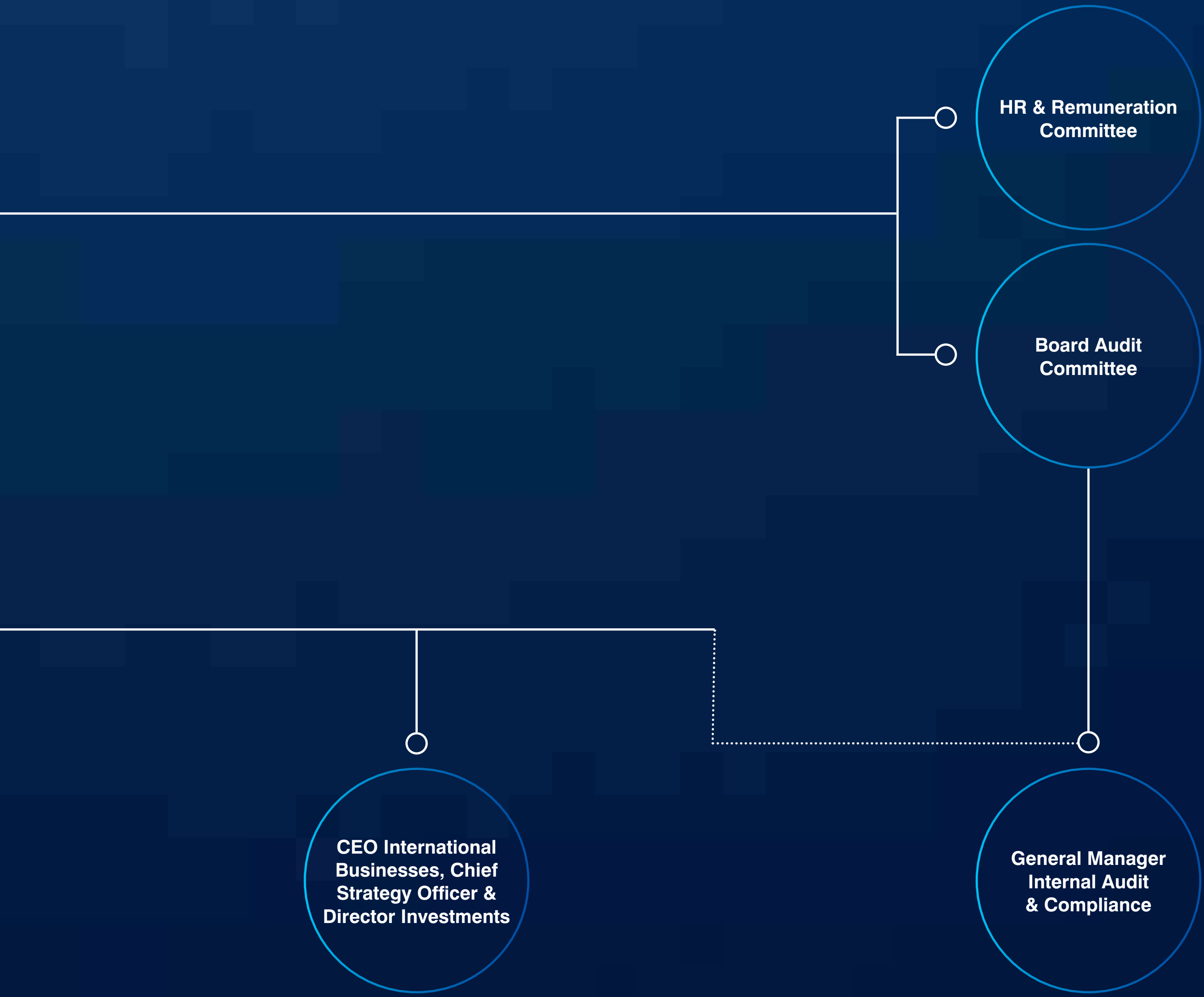
2. 58 Kilometers on Main M9 Highway, Gadap Town, Karachi, Pakistan

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
Chief Operating Officer
Executive Director
Executive Director Finance & Chief Financial Officer


HR & Remuneration Committee
Board Audit Committee
CEO International Businesses, Chief Strategy Officer & Director Investments
General Manager Internal Audit & Compliance

Our Human Capital

4.117%
Employee Turnover

2747
Average Number of Employees

9.84%
Karachi Office Female Ratio

305
Karachi Office Headcount

885
KP Headcount

1478
Pezu Headcount

115
No. of Training

1637
Attendance

2751
Total Headcount

Locations	Head Office	KP	Pezu	CMO	Silo & Warehouses	Total
No. of trainings	56	42	1	10	6	115
No of Participants	884	580	5	137	31	1637

Awards and Accolades

Lucky Cement Limited Awarded For Best Corporate Report

Lucky Cement Limited has won the Best Corporate Report Award with second position in the Cement category at the "Best Corporate & Sustainability Report Awards 2021." 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. This recognition has been instrumental in encouraging entities to follow transparency in preparing their annual reports according to the international best practices.

Lucky Cement Limited won the Environment Excellence Award

Lucky Cement Limited won the Environment Excellence Award at the 19th Annual Environment Excellence Awards 2022, organized by The National Forum of Environment and Health (NFEH).

Lucky Cement received the award in recognition to its commitment and efforts towards environment conservation 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 37th 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 emanate 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 the 15th Corporate Social Responsibility Award 2023

Lucky Cement Limited has won the award in the "Green Energy Initiatives" at the 15th Corporate Social Responsibility Award 2023, organized by The National Forum of Environment and Health (NFEH) held at a local hotel in Karachi.

The recognition was awarded to highlight Company's commitment towards environmental sustainability and adoption of Green Energy solutions in its operations.

Lucky Cement Limited won International Award on Environment, Health and Safety

Lucky Cement Limited has won the Environment Excellence Award at 8th International Award on Environment, Health & Safety 2022, organized by The Professionals Network (TPN).

Lucky Cement received the award in recognition to adopting best environment, health & safety practices in business operations.

Lucky Cement Limited secured the runner-up position at National Finance Olympiad

Lucky Cement secured the second runner-up position at the National Finance Olympiad held by ICAP. Our three-member team from Finance cleared multiple rounds and reached this spot after leaving behind 40 teams during the last two weeks to reach the Grand finale held on 22nd December 2022. The competition included knowledge tests on academic and current affairs, time-based group challenges, Harvard Business Simulation, rapid-fire, and presentations.

The achievement reaffirms Lucky Cement's relentless passion to nurture top talent and unleash employee potential to solve complex problems for Pakistan.

Lucky Cement Limited won the Annual Excellence Awards announced by the CFA Society for best investor relations and ESG reporting

Lucky Cement Limited was recognized for Best Investor Relations 2021/22-Listed Companies at the CFA Society's 19th Annual Excellence Awards.

Lucky Cement Limited strives to be transparent through open and honest communication during our Annual General Meetings, Analysts / Corporate briefings, press releases, and ongoing dialogue with analysts and investors to maintain our close relationship with all the stakeholders. We keep our stakeholders informed on a timely basis of all the ongoing activities of the Company. We are truly humbled that our efforts are endorsed by honorable judges and all the stakeholders which were reflected in this prestigious award. Lucky Cement was also recognized for Best ESG Reporting Award - 2021 as Runner-up at the CFA Society's 19th Annual Excellence Awards. Lucky Cement Limited always focuses on environmentally friendly business practices and continued its support to less privileged society.

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 keeps us ahead of the competition.

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

Factors Affecting the External Environment

PESTLE Analysis

P

Political

Factors	Organizational Response
Political instability and turmoil impact the organization negatively.	The management of Lucky Cement Limited (LCL) closely observes ongoing 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.

E

Economic

Factors	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. The Company constantly strives to bring efficiencies in its manufacturing process and energy mix, which helps mitigate the adverse effects of increase in production cost. Cost reduction initiatives to control production and non-production related fixed costs are regularly implemented. 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.
Devaluation of currency, increasing interest rates and higher inflation leads to greater input costs and reduced margins.	In times of depreciating local currency, the management identifies alternative sources for its input material, including the procurement of coal from local sources and substituting fossil fuel with renewable sources of energy. The management continues to search for and identify new markets for its products, both locally and internationally.

S

Social

Factors	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 it serves. It has launched dedicated scholarship programs for the deserving youth of District Lakki Marwat, where its Pezu plant is located. 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

Description	Organizational Response
Risk of technological obsolescence.	To continue its legacy of being the unparalleled leader of the cement industry, LCL has always given priority to the latest technological developments and in this regard, has remained at the forefront in upgrading its manufacturing facilities. After installation of Line H at Karachi plant and Line -1 in Pezu plant, the company has recently added new cement line of 3.15 MTPA at its Pezu Plant. LCL has also 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. The Company has taken various initiatives for digitalization and automation of its processes. This strategic approach not only underscores its commitment to staying at the forefront of technology but also positions it as a pioneer in harnessing technological advancements.

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, CFA Annual 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 renewable energy projects and Waste Heat Recovery systems. A 34MW solar plant has been established in Pezu, and a separate 25MW solar plant project is in the installation phase in Karachi, which is expected to come online by 1Q FY24. These initiatives showcase the company's dedication to reducing its carbon footprint, embracing clean energy sources, and contributing to a greener future. By investing in renewable energy infrastructure, the company not only demonstrates environmental stewardship but also paves the way for a more sustainable and resilient energy portfolio. 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 steps to understand the needs and interests of all its stakeholders. By employing innovative and industry leading practices, it sets the industry standards for understanding and meeting its stakeholders' needs.

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

To update the shareholders of the Company's performance and emerging trends in a timely manner, the Company regularly disseminates its periodic financial statements together with directors' comments on performance and future outlook. It also holds investors' briefing sessions on a quarterly basis where analysts' queries are addressed.

Our continuous growth is attributable to engaging reputed and dependable suppliers as our business partners. We have developed multiple sources for the supply of key components and materials which ensure that the Company receives an uninterrupted supply of raw materials required for the production process.

The Company also tailors its CSR activities to create 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.

Finally, the Company contributes to the national exchequer by paying its share of due taxes on a 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 a current production capacity of 15.30 MTPA, after the addition of 3.15 MTPA Line – 2 at the Pezu Plant in 2Q FY23.

The company has most efficient production facilities, bolstering its overall performance and profitability.

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 Limited 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 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 plants in Iraq and Democratic Republic of Congo.

The Company has diversified its businesses and has made strategic investments in Chemicals, Automobiles, mobile manufacturing and Power.

The Company has also successfully demonstrated that it is an environmentally responsible organization by launching ecofriendly renewable energy projects, as is evident by the COD of a 34MW solar project at the Pezu plant and the planned COD of a 25MW solar project at the Karachi plant in 1Q FY24. The carbon emissions by Lucky Cement Limited are well below the country's regulatory limits.

Weaknesses

The location of Company's North plant in Pezu, district Lakki Marwat faces high distribution cost due to the relatively large capacity of this plant and the distance from bigger markets in the North region. The Company endeavors to mitigate the impact of this limitation by an efficient warehousing network which offers effective market penetration. Further, the Company maintains an effective outreach to optimal retention areas to neutralize the impact of increased distribution cost.

OPPORTUNITIES

Pakistan has a very low per Capita consumption of cement as compared to its neighboring countries and therefore significant growth opportunities are available for the company.

The positive demographic trends like growing population, increasing urbanization and rising income levels are the key demand drivers.

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

The cement demand faces potential threats arising from factors such as political instability, challenging economic conditions and escalating inflation, which collectively impact the industry's stability and growth trajectory.

Rising costs on account of record high inflation coupled with the devaluation of the PKR versus other foreign currencies will continue to put pressure on the margins in the short-to-medium term.

Higher fuel prices coupled with increased freight costs will make exports unviable.

In the event of reduced Government's spending on infrastructure projects, the Company may face oversupply situation due to surplus production capacity.

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 one of the largest contributors 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. 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.

Competitive Landscape and Market Positioning

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

As the largest producer of Cement in Pakistan, Lucky Cement has further improved its position as a market leader during the year 2022-23. Over the years, Lucky Cement's operations have grown significantly. Within the country, we have developed a distribution network that allows us to send our domestically produced cement to 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 will maintain and increase our market share. We continue to reinforce our strength to expand our share in the local market. We channel our resources and energies towards the development of new markets and territories with the aim of becoming more accessible to the global construction industry and so that we can 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. Having developed multiple sources for supply of key components and materials, the Company received an uninterrupted supply of raw materials required for the production process throughout the year. Our strong and healthy relationship with our suppliers and esteemed reputation in the Industry ensures that the power of the supplier is managed effectively.

Power of Customers

With customer focus as one of our Core Values, we take proactive approaches, navigate changing expectations and demonstrate business agility to win over our customers and stakeholders. We remain responsive to our customers' needs and strive to produce 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 healthy competition to keep us alert and focused towards maintaining our market share, continuously improving our production processes and maintaining 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 not only make us a world-class Company but enable 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 and a marketing and distribution network that stretches across the length and breadth of the country, the threat of new entrants in the cement industry of Pakistan is significantly low. A highly capital-intensive production process, scarcity of raw material, market saturation and limited access to delivery channels are some of the 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 is 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 affect consumers, businesses, investors, financial markets and economic policymakers. Such 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, the Russia-Ukraine conflict induced commodity super-cycle has subsided. The prices of various commodities having fallen back to pre-conflict levels. This has presented a positive situation for the Company.

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

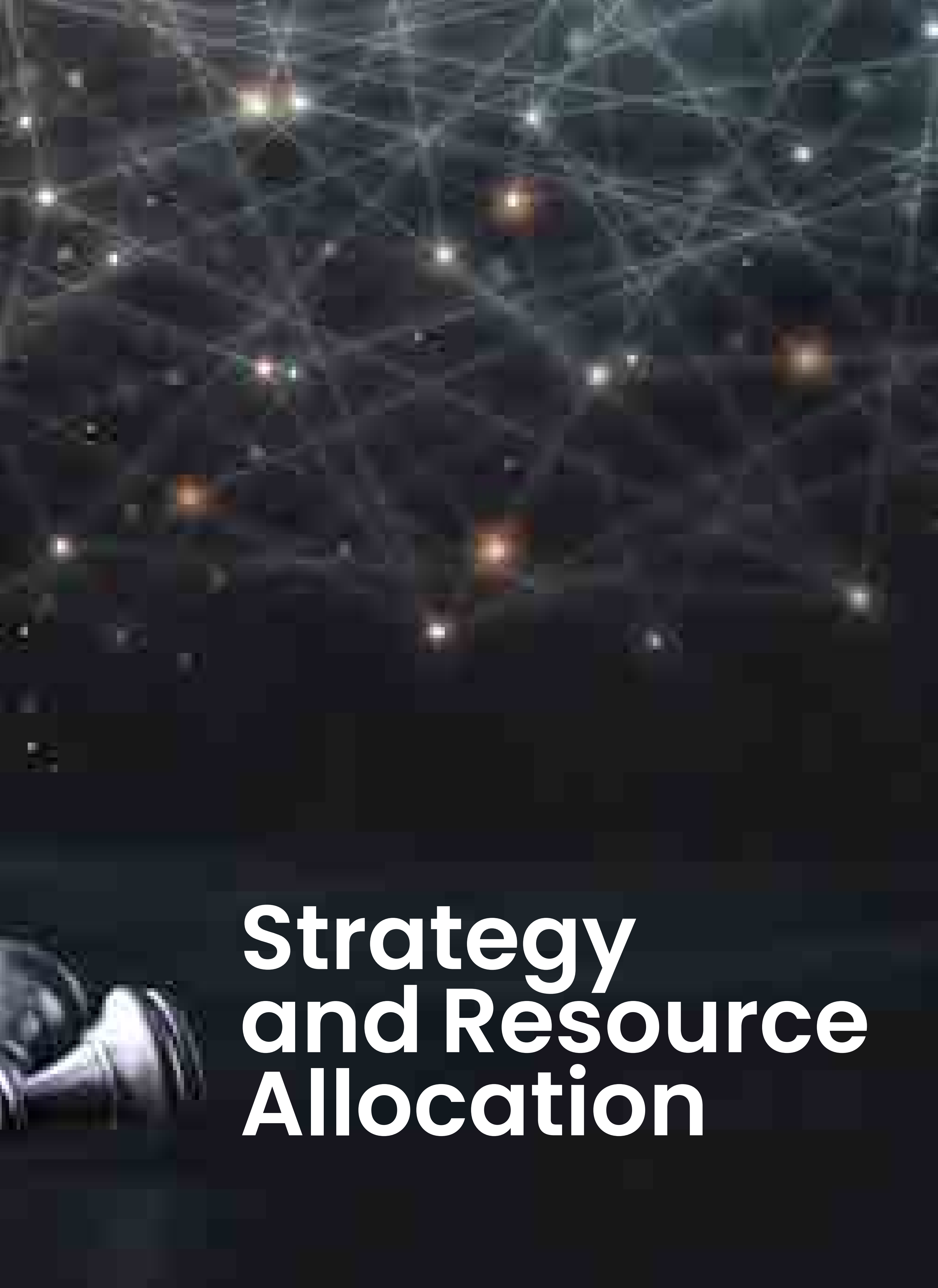
Significant Changes and Developments From Prior Years

FY23 was marred by significant uncertainties, both locally and globally. During the first half of the outgoing financial year, the unprecedented floods destroyed valuable farmland and infrastructure resulting in a vulnerable situation. Moreover, tough economic decisions undertaken by the Government, to ensure resumption of the IMF program led to negative repercussions for the economy. The challenges posed by the looming energy crisis, circular debt, record-high inflation, high interest rates, falling foreign exchange reserves, expenditure constraints leading to lower PSDP spending and the depreciation of the PKR continued to test the competitiveness of all businesses. All these factors resulted in decline in local cement demand.

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, 2023 are reported in the 'Calendar of major events' and 'Road to Success' sections of this report.



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 the following six strategic priorities, which aim to increase sustainable growth and improve cost efficiency. Everyone at Lucky Cement has a role to play in delivering these strategic priorities. To help achieve these goals, 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	**Sustainable Growth / profitability** • Growing local market share • Increasing share in the international market • Efficiency • Diversification	**Growing local market share** Our focus remains on designing business strategies for the local market that ensure holding and increasing our market share. The Company completed its expansion plan to increase its capacity at Pezu Plant by 3.15 MTPA in line with cement's demand projections. The plant came online in 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
		Increasing share in the international market We channel our resources and energies towards the 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 55 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
		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
		Diversification We endeavor to enhance stakeholders' value by diversification and making investments in such projects which maximize the returns for all stakeholders. LCI Limited is on a growth path and is increasing its product portfolio. Lucky Motor Corporation (formerly KIA Lucky Motors) showed remarkable growth. KIA was ranked as the 3rd Best Selling car brand in Pakistan. Lucky Motor Corporation has started manufacturing Samsung branded 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

S. No	Strategic Objectives	Strategies in place or intended to be implemented to achieve those strategic objectives	Plan
2	Organizational Development and Talent Management	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.	Medium Term
3	Environment Social and Governance	As a responsible corporate citizen, Lucky Cement ensures that all social and environmental dimensions are considered while developing strategies, policies, practices and procedures. The Company has installed a 34 MW captive solar power project 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. Also, Company announced to install 25MW solar power project at its Karachi plant which is expected to come online by 1Q FY24 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 increasing power generation capacity of 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.	Long Term
4	Upgradation of IT infrastructure and enhancement of automation	**Regular upgradation of Infrastructure:** The Company regularly evaluates the current IT infrastructure to identify gaps, bottlenecks, and areas for improvement. The operating and ERP system is regularly upgraded. **System/network safety, security & availability:** Regular upgradation of Network security infrastructure is carried out. Network infrastructure is regularly subjected to various audits and reviews by internal auditors and external consultants. **Promotion of automation and digitalization of various processes and use of Data Analytical tools:** The Company has automated various processes which were of repetitive nature. Implementation of Data Analytical tool in process to improve management reporting through dashboards on SAC.	Medium Term

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 2,751 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, Solar, TDF dual fuel resources, and 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.

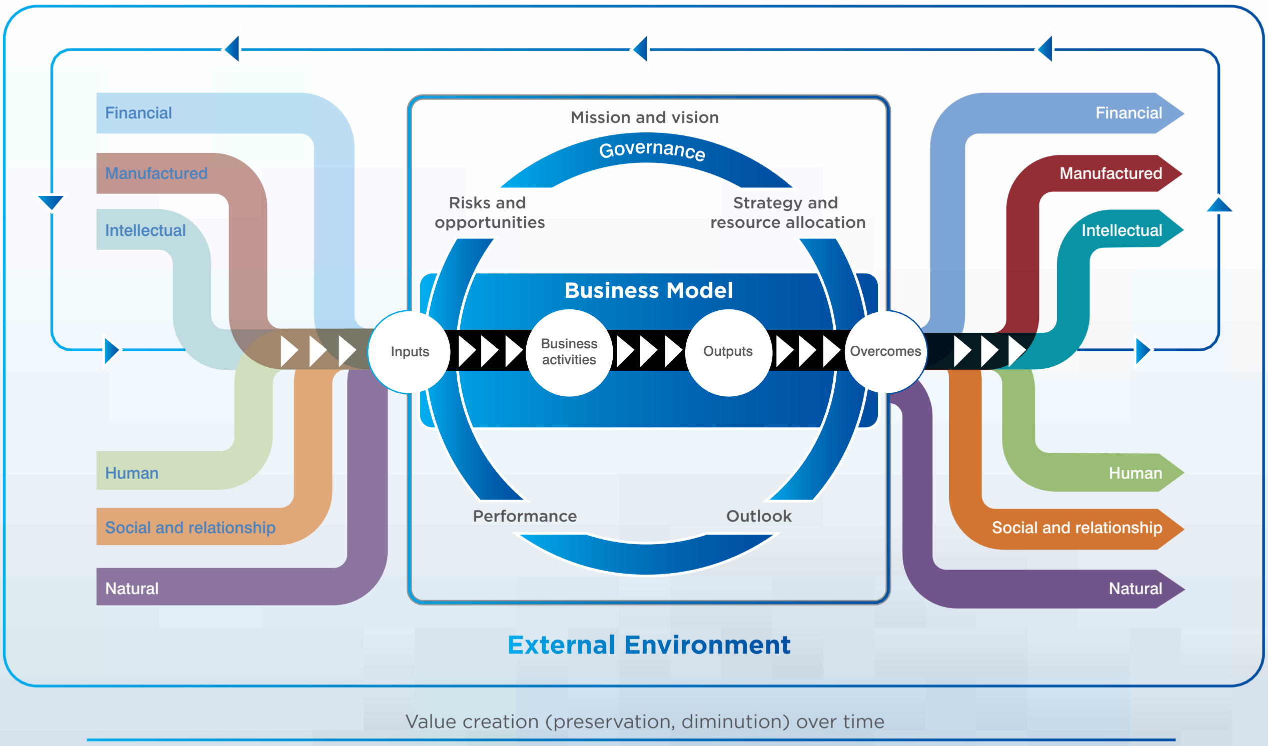
Social Capital

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 213.08 billion in Total Assets

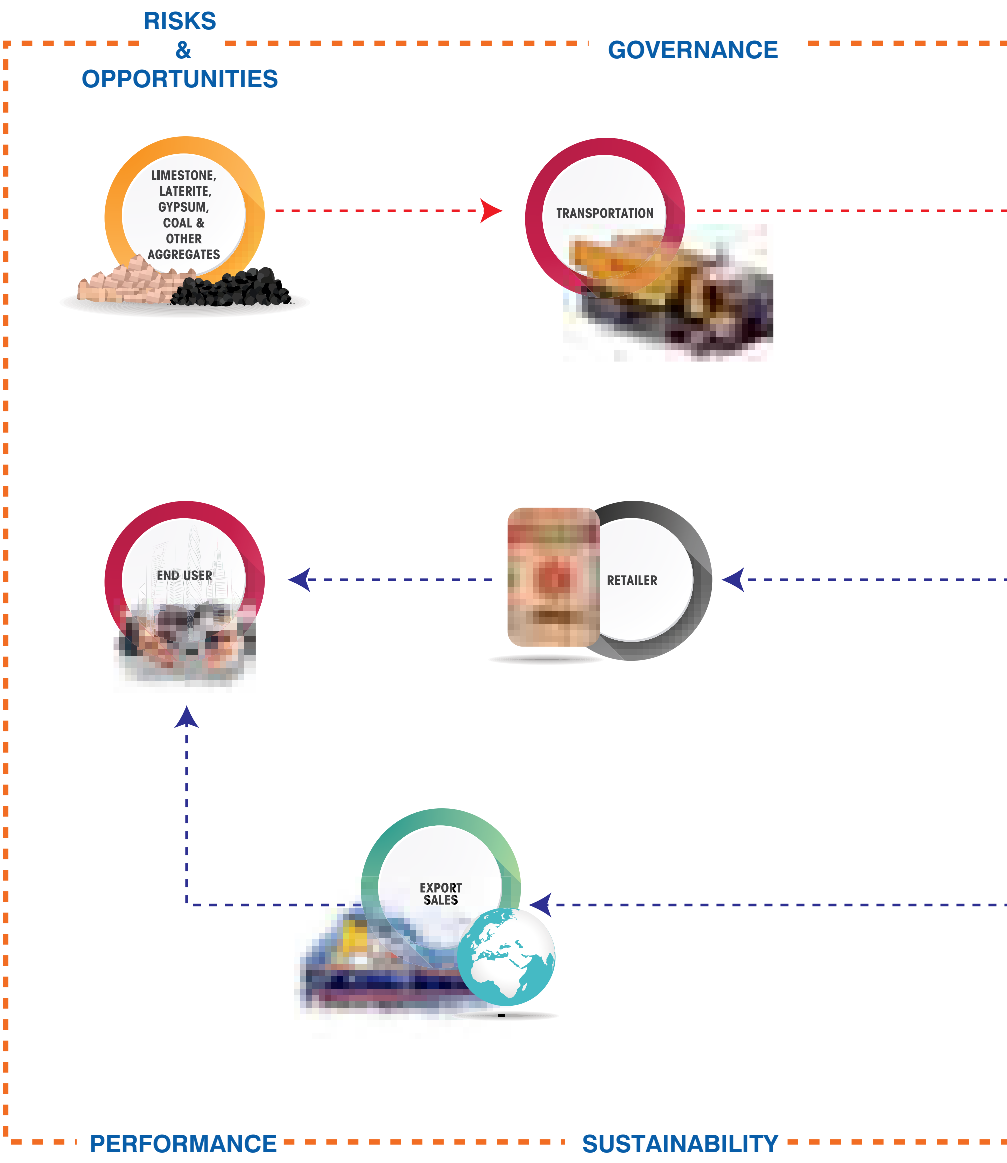
Social & Relationship Capital
252 dealers & distributors

Human Capital
2,751 employees

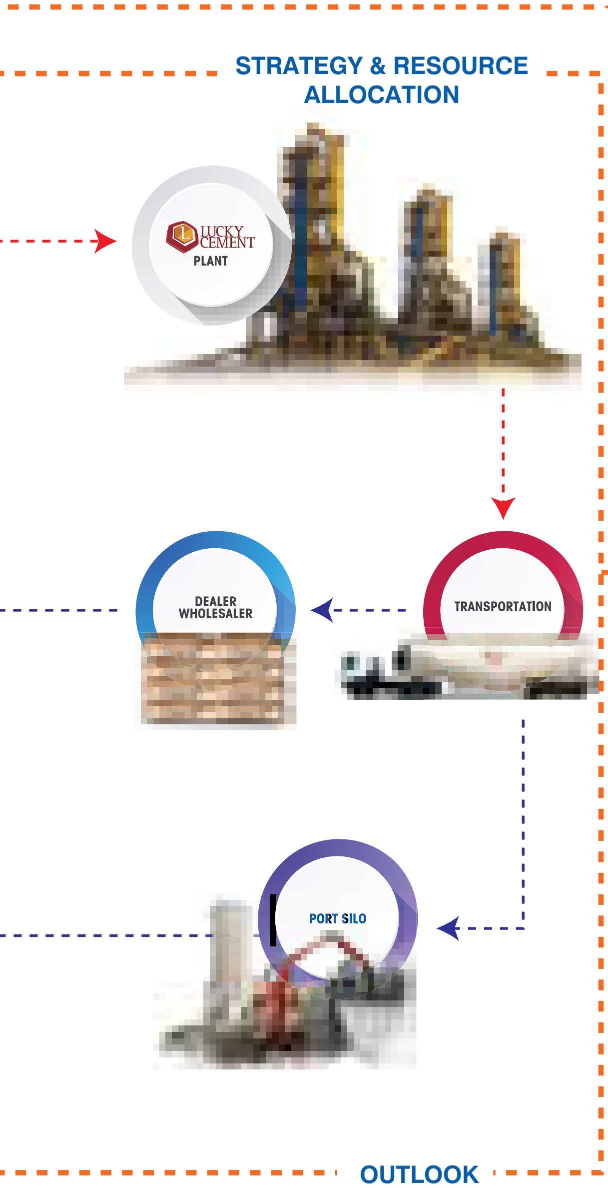
Intellectual Capital
SAP S/4 HANA

Manufactured Capital
Production capacity of 15.30 MTPA
- Vertical Cement Mills.
- Export terminals at Karachi Port

Natural Capital
Water, energy and environment conservation initiatives



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



Financial Capital
- Profit after tax of PKR 13.7 billion
- PKR 31.3 billion contributed to Government treasury

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

Human Capital
- Talent development
- Diversity promotion in workplace

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

Manufactured Capital
- Annual sales of 7.37 million tonnes
- Market share of 16.5%

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 financing facilities, 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 has made investments in capacity expansion and installation of a 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 and Capabilities 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 1.7 MTPA. The Company's JV integrated cement manufacturing plant in Samawah, Iraq having a capacity of 1.3 MTPA commenced operations in 2021. The plant in DR Congo, commenced its commercial operations in December 2016 with capacity of 1.3 MTPA. Our overseas cement capacity now stands at 4.3 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 25 MW captive solar power project at its Karachi plant site. Additionally, it has already completed and commission a solar plant of 34 MW power generation at Pezu in District 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 four WHR plants at Pezu having a cumulative generation capacity of 35 MW. Furthermore, the Company has also installed 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-nine (149) prime movers with over seventy-one (71) bulkers, and over a hundred and eighteen (118) 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.

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 implemented a solar power project at its Plant in Pezu and is currently endeavoring to install another at Karachi plant as well.

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

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	The KPIs will continue to remain relevant in the future
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	
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	
Upgradation of IT infrastructure and enhancement of automation	Financial Capital / Intellectual Capital	Upgradation of infrastructure, Operating system and ERP. Digitalization and automation of processes.	

Company's Sustainability Strategy

At Lucky Cement, sustainability is a vital commitment towards ensuring a better future for our planet and generations to come. Guided by our core values of innovation, excellence, and responsibility, our sustainability strategy encapsulates our vision for a greener tomorrow.

We understand the urgency of addressing climate change. Through innovative technologies, energy-efficient processes, and investments in renewable energy sources, we aim to significantly reduce our carbon footprint and lead the way towards a low-carbon cement industry. Our target is to ensure 100% compliance with Environmental Quality Standards (EQS) limits of Particular Matter, Sulfur Dioxide, Oxides of Nitrogen and Carbon Monoxide, which are regularly monitored and reported.

By promoting recycling, we pledge to reduce our consumption of virgin materials and minimize waste generation. Our aim is to transform waste into valuable resources, demonstrating our dedication to responsible production and consumption.

As stewards of the environment, we are committed to protecting and enhancing biodiversity around our operations. We actively engage with local communities and environmental experts to identify areas of ecological importance and implement measures that safeguard local ecosystems. Our goal is to leave a positive impact on the natural world while fostering harmony between our operations and the environment. Every year we set targets for tree plantations in and around our plants.

We are committed to working closely with our suppliers to ensure they adhere to ethical and sustainable practices. By promoting responsible sourcing, we aim to create a ripple effect of positive change throughout the industry, from raw material extraction to the end product.

Our success is intertwined with the well-being of the communities where we operate. Through targeted initiatives in education, healthcare, and skill development, we seek to uplift these communities and create a better quality of life. By fostering strong partnerships and transparent communication, we strive to be a force for positive change and progress.

At Lucky Cement, sustainability is not just a strategy; it's our responsibility towards the planet and future generations. By embracing innovation, fostering collaboration, and redefining industry norms, we are confident in our ability to create a world where economic growth coexists harmoniously with environmental preservation.

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 has completed the capacity expansion at Pezu Plant, which increased the production capacity by 3.15 MTPA to reach 15.30 MTPA. The Company completed a buyback of 10 million ordinary shares during FY23, and is currently in process of completing another buyback of 23.8 million shares. 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 completed a brownfield expansion of 3.15 MTPA at its Pezu plant in FY23. The business rationale behind this expansion was the anticipated growth in cement demand. By utilizing its available financial and operational leverage, 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 installed a solar power project, at its Pezu Plant, in FY23 and is currently in the process of installing another solar plant at the Karachi plant The business rationale for this capital expenditure is to reduce reliance on expensive fuels and to promote renewable energy sources.

Strategy to Manage Repayment of Debts

The Company has always been able to meet its debt obligations in a timely manner. Due to its robust business model, operational efficiencies, prudent financial management and diverse income streams, it has never faced liquidity problems. At Lucky Cement, we are committed to honoring our financial obligations while maintaining a strong financial footing. Our debt repayment strategy is underpinned by responsible financial management and a dedication to safeguarding the long-term sustainability of our business.

The Company has sufficient reserves for unforeseen circumstances and economic downturns. 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.

Human Resource Excellence

Attracting, Assessing, Onboarding & Retaining Talent

We recognize that our success is directly tied to the caliber of talent we attract and retain. As we continue to experience exponential growth, we understand that achieving optimal performance and excellence is critical. To accomplish this, we aim to strategically position our talented professionals in roles where they can take ownership and deliver value. We prioritize aligning our efforts throughout the employee lifecycle from recruitment to development to retention. We strive to provide ample opportunities for our employees to grow and thrive in their careers while contributing to the growth of Lucky Cement Limited. As we move forward, we remain committed to nurturing and retaining our talented team, as they are a vital part of our continued success.

Performance Management

We believe that performance management is an essential tool for fostering a culture of continuous improvement and achieving interdepartmental synergies. Our primary objective is to align the energy and efforts of our teams and individuals with our organizational goals. To achieve this, we have designed our performance management systems to ensure transparency and fairness at all levels. We have trained our managers on effective and result-oriented measuring tools and processes to conduct fair

appraisals that minimize the risk of organizational bias and prejudice. Our aim is to provide constructive feedback and identify areas of improvement for our employees, while also recognizing their contributions and achievements. By leveraging performance management as a tool for growth and development, we strive to create a motivated and high-performing workforce at Lucky Cement.

Salary Survey

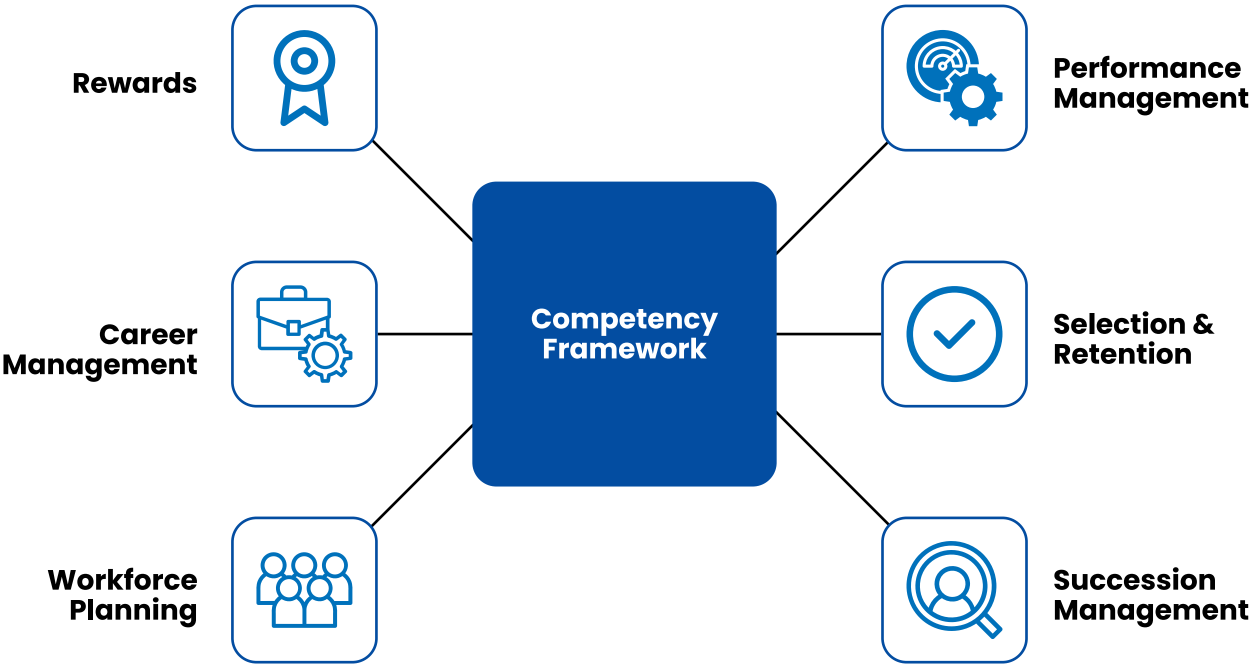
We are committed to analyzing employee compensation regularly to ensure that our employees are fairly compensated for their skills, experience, and contributions. To achieve this, we actively participate in salary surveys to align our compensation and benefits packages with industry standards. This approach enables us to offer a competitive compensation package that helps us attract and retain top talent within our organization. By leveraging salary surveys and analyzing employee compensation data, we aim to create a work environment that is rewarding, engaging, and supportive. This approach allows us to maintain our position as a competitive employer and align our compensation packages with the best-fit packages in the market.

Health, Safety & Environment

We are committed to maintaining a safe, healthy, and sustainable work environment for our employees and stakeholders. To ensure the safety and wellbeing of our employees, we have implemented routine health, safety, and environment practices. Our management staff conducts regular safety audits to identify potential hazards and take necessary actions to mitigate risks. We comply with the Permit to Work requirement and ensure that all employees are aware of the safety protocols and procedures. Our department-based Safety Captains conduct regular safety talks and provide focused HSE awareness communication to all employees. We also prioritize regular training on Health, Fire Safety, and the use of Fire Extinguishers to ensure that our employees are equipped with the necessary knowledge and skills to handle emergencies. Furthermore, we have placed Automated Fire Balls and Emergency Exits strategically throughout our facilities to ensure that employees have easy access to safety equipment and exit points in case of an emergency.

Industrial Relations

We understand that good industrial relations management is crucial for the success of our business. We believe that by prioritizing good industrial relations, we can create a positive work environment that contributes to the overall success of our company. We have a dedicated team who are responsible for maintaining industrial peace by ensuring fair labor practices, effective grievance handling, and compliance with labor-related statutes. Our HR/IR team at the plants and at the Head Office play a critical role in harmonizing labor and employee relations. We have also established a tribunal committee that conciliates



and arbitrates all labor-related issues, ensuring a win-win situation for both the company and our employees. We are committed to addressing any grievances and conflicts promptly and ensuring that our employees are treated with respect and fairness.

Succession Planning

Our succession planning strategy is designed to identify, train, and develop high-potential employees for critical positions in the upper management. To ensure a systematic approach to succession planning, we have developed a comprehensive policy manual that outlines the various practices and processes involved. Our strategy incorporates a competency matrix that helps us identify the best talent available and train them for important strategic positions in the future. To identify the best available talent within the company, we use the 9-Box Performance & Potential Matrix approach. This approach helps us systematically develop employees for strategic positions by providing them with opportunities and projects that help sharpen their people management and functional skills, as well as developing their leadership abilities. We believe that succession planning is an ongoing process, and we are committed to ensuring that we have a pipeline of qualified and capable leaders who can take on critical roles as needed. By investing in our employees and developing their potential, we are confident that we can continue to grow and thrive as an organization.

Women Empowerment

We are committed to creating a workplace that values and respects diversity and promotes gender equity, and we believe that these efforts will help us achieve our long-term business objectives. We recognize the vital role of women in creating a better world, and we are committed to empowering and celebrating them. To achieve this goal, we have implemented concrete measures to improve our gender equity balance and create a more inclusive

workplace. We have established programs and initiatives to empower our women employees and create a more supportive and inclusive work environment. We also ensure that our recruitment and promotion processes are fair and free from bias, and we provide equal opportunities for all employees, regardless of gender. We believe that by empowering women, we not only create a more inclusive workplace but also contribute to building a more sustainable and equitable society and world in general.

Job Rotation

We believe that job rotation is a key element in our talent development strategy. We facilitate our employees through a systematic process that enables them to transfer to different departments within the organization. Our goal is to provide our employees with a well-rounded and diverse experience, which not only benefits them but also strengthens the organization as a whole. Through job rotation, we aim to create opportunities for our employees to enhance their learning, exposure, and skillsets. We encourage our employees to step outside their comfort zones and take on new challenges, which in turn increases their motivation and interest in their work. Our job rotation program is designed to support the career development of our employees and help them broaden their horizons within the organization. It is an effective tool to retain and develop our existing talent pool while creating a dynamic and agile workforce.

Talent Development

We believe that developing our talent is crucial to our success, and that's why we strive to create a culture of continuous learning and growth at Lucky Cement Limited. Our Talent Development program is designed to harness the potential of our employees, providing them with the resources they need to cultivate their skills and develop their careers. To ensure that, we have implemented a Competency Framework Model that identifies core and functional competencies, and helps us to identify competency gaps. This allows us to create customized learning interventions for employees at all levels of the company. One of our flagship programs is a three-day Leadership Development Training Program that covers six behavioral leadership competencies. This program not only helps to develop leadership skills, but also fosters team spirit and knowledge sharing across departments and levels. This year we also launched Functional Competency Framework based Training Need Analysis for the Head Office and developed exclusive training & development initiatives based on the gap analysis. We strived to achieve the best of both worlds by identifying and developing internal subject matter experts as well as by engaging external industry experts as training facilitators. We are committed to developing our talent and creating a learning environment that supports their success.

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 Effecting Capital

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	• Building relationships along the value chain and investing in the Lucky brand.	Medium to long term
Natural Capital	• Depletion of raw materials	• Responsible use of raw material	Long term

Statement for determining the Company's level of risk tolerance by establishing risk management policies

The Board of Directors of Lucky Cement recognizes that effective risk management is a cornerstone to the Company's commitment to sustained success and responsible governance. In today's dynamic and ever-evolving business landscape, understanding and managing risks is paramount to safeguarding our business, stakeholders, and the trust they place in us.

We firmly believe that risk-taking is inherent in business growth, innovation, and value creation. However, it must be approached with a clear understanding of our risk appetite and tolerance. We acknowledge that not all risks are equal, and careful consideration is essential to distinguish between those that align with our strategic objectives and those that jeopardize our integrity and stability. To ensure that we navigate risks effectively, the Board has established comprehensive risk management policy that serve as a framework for identifying, assessing, mitigating, and monitoring risks across all facets of our operations. 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.

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. To navigate the risks effectively, the Company has established comprehensive risk management policy that serve as a framework for identifying, assessing, mitigating, and monitoring risks across all facets of our operations. The risk management framework incorporates a systematic process for identifying and assessing risks, both internal and external, that could impact our business. This involves engaging with all levels of management to gather insights, data, and perspectives that contribute to a holistic understanding of potential risks. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on Lucky Cement Limited and probability of occurrence. Once risks are identified and assessed, mitigation strategies tailored to each risk category are developed. These strategies encompass a range of actions, from proactive measures to minimizing the likelihood of risks. Clear roles and responsibilities are defined for risk management at various levels of the organization, emphasizing accountability for risk oversight and response.

In 2022-23, 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. Going forward, 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 and Mitigating Strategies

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: Sustainable Growth / Profitability	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.
Change in Competitive Scenario Threat of local and foreign players causing changes in market dynamics. Any decline in cement's demand may create an over-supply situation in the industry. Assessment: Likelihood: Medium Impact: Low	Financial Capital Strategic Objective: Sustainable Growth / Profitability	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.

Strategic Risks

Risk	Area of Impact	Source of Risk	Mitigating Action
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: Sustainable Growth / Profitability	External	Regular advocacy through different forums, like APCMA, Pakistan Business Council etc. to timely apprise the relevant Government departments and Regulators of all issues that may have an adverse impact on the Industry or competitive environment. Management regularly monitors the changing regulatory and competitive environment and assesses the impact of any change in Government policy, so as to take timely action.
Risk 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 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: Sustainable Growth / Profitability	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
Technology Obsolescence Technological shift rendering the Company's production process inefficient Assessment: Likelihood: Medium Impact: Medium	Intellectual/ Manufactured Capital Strategic Objective: Sustainable Growth / Profitability	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 the optimal utilization of SAP, the Company has been able to improve its business processes and strengthen the control environment.

Operational Risks

Type of Risks	Area of Impact	Source of Risk	Mitigating Action
Maintenance Risk Possibility of production loss due to capacity or breakdown factor. Assessment: Likelihood: Low Impact: Medium	Manufactured Capital Strategic Objective: Sustainable Growth / Profitability	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: m Sustainable Growth / Profitability Upgradation of IT infrastructure and automation	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: Sustainable Growth / Profitability	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: Sustainable Growth / Profitability	External	Company meets its working capital requirements from internally generated cash flows. 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: Sustainable Growth / Profitability	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: Sustainable Growth / Profitability	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.

Compliance Risks

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 Growth / Profitability	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, continuous trainings

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.

Disclosure of Supply Chain Disruption Risks and Mitigation Strategy in the Face of Environmental, Social, and Governance Incidents

In an ever-evolving global landscape, businesses are increasingly recognizing the inter-dependence of their operations with environmental, social, and governance (ESG) factors. The Company acknowledges the potential risks stemming from these factors, particularly those impacting the supply chain and it maintains a comprehensive risk assessment framework to proactively identify potential supply chain disruption risks linked to ESG incidents. This involves close collaboration with internal stakeholders, suppliers, and industry partners to gain insights into emerging risks. To ensure the ongoing evaluation of supply chain risks, we employ a robust monitoring system that enables real-time tracking of relevant ESG incidents.

Mitigating the risks associated with supply chain disruptions necessitates a proactive and collaborative approach. The Company has established a multifaceted strategy to address these challenges effectively:

Supplier Engagement and Collaboration: We engage with our suppliers to enhance their awareness of ESG considerations and encourage alignment with our values. This includes fostering responsible sourcing practices, ethical labor standards, and sustainable production methods.

Diversification of Suppliers: We strive to diversify our supplier base to reduce dependency on a single source, mitigating the potential impact of disruptions in any one region.

Resilience Enhancement: We continually invest in strengthening the resilience of our supply chain, incorporating redundancy and alternative sourcing options when feasible.

The Company remains steadfast in its commitment to addressing ESG-related supply chain disruption risks. By identifying, monitoring, and mitigating these risks, we ensure the long-term sustainability of our operations, minimize potential adverse impacts, and contribute to a more resilient and responsible business ecosystem.

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, 2023 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 Sohail Tabba

Chairman / Director

August 07, 2023

Details of Board Composition

The details pertaining to Board's composition are provided in the Directors' Report and the Directors' Profile section of this annual report.

Role of Chairman

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

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

Role of CEO

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

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

Corporate Governance Framework

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

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, 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.

Following is the summary of Board's function during the year:

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	Continuous 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, 2023, 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

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

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 systems audit by the Internal Audit function;
- The Company's processes at both of its plants and corporate office were thoroughly reviewed for compliance with best practices for HSE by a firm of external specialists.
- The Information Systems and network security were audited by a firm of external specialists / external Information Systems auditors;
- The Manufacturing processes are regularly reviewed on the basis and guidelines of International industry's best practices, industry norms and standards setting authorities, e.g. NEQS etc.; 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.

Details of party-wise disclosure of such transactions is also given in the statement u/s 134 annexed with the Notice of AGM.

Director's Interest

Since the Company is a part of a conglomerate, often some directors are interested in certain transactions due to their common directorships in the Group companies. Accordingly, the matter of approval of related party transactions is presented to the general meeting of the shareholders for their approval.

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, 2023, 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, 2023 before the Annual General Meeting for obtaining shareholders' approval for the same.

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. Following are the cornerstones of the Board's policy on diversity:

- 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 entrepreneurship, 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 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 Company also regularly undertakes corporate briefing sessions with the investors / research analysts to update them on the Company's performance and future plans. 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. In the interest of the Company, it is the responsibility of every employee to ensure that no inappropriate event occur. 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; which also includes the Head of Internal Audit, for the oversight of Whistle blowing policy and its compliance. Such communications are investigated independently and are reported at the highest level. The policy 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 received three complaints, which were reported by the Head of Internal Audit to the Board Audit Committee.

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.

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 Head Office and at Karachi and Pezu plants for maintenance of official documents and records.
- Maintenance of a fire-proof vault for the safekeeping of legal documents and conduct trainings to deal with fire hazards

Company's Approach to Managing and Reporting Policies

Lucky Cement takes a comprehensive and diligent approach to managing and reporting policies, reflecting its commitment to transparency, accountability and ethical practices. While recognizing that well-defined policies form the foundation of a robust organizational framework, our systematic policy management system encompasses policy creation, dissemination, implementation, and review. Our policies are formulated with input from relevant stakeholders, incorporating industry best practices and legal requirements.

To ensure effective communication and understanding, we employ a clear and accessible policy dissemination strategy, making them readily available to all employees through our intranet platform. We also conduct regular training sessions to enhance awareness and compliance among our workforce.

The policies provide clear guidelines to all concerned, including for management and external reporting. The policies and procedures; including for procurement, waste and emissions are subject to review at regular intervals and take into account any change in regulatory environment, operational efficiencies and compliance with international best practices.

I.T. Governance Policy

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

Strategic direction of the Company in terms of technology;

- Aligning the I.T. Strategy with Business Strategy;
- Ensuring adequate information security;
- Influencing development and design of technology services, policies and solutions; and
- Business Continuity Management including Disaster Recovery.
- The Company's I.T. Governance Policy encompasses:
- Engaging stakeholders to establish priorities for technology investment that are aligned with Company's goals and objectives
- Promoting governance, transparency, accountability and dialogue about technology that facilitates effective strategy adoption

- Securing network and data
- Keeping the I.T. function proactive from an innovation perspective, providing ideas to the business
- Maximizing return on technology investment with controlled spending, while providing the company with a coherent and integrated I.T. architecture and management structure
- Ensuring compatibility, integration and avoidance of redundancy

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 backup, 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.

Compliance With the Best Practices of Code of Corporate Governance

Living up to its standard, the Board of Directors has throughout the financial year 2022-23, 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 with the Code of Corporate Governance by the Chief Executive Officer of the Company, 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. More than minimum specified independent directors

The Company has three independent directors on its Board, which are more than the minimum specified two independent directors.

b. 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. The half yearly financial results are announced to the PSX within 30 days; whereas, the annual financial results are announced within 40 days of close of accounting period.

c. 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.

d. 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.

e. 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.

f. **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.

Details Of Shares Held by Sponsors / Directors / Executives and Distribution of Shareholders

Details of shares held by sponsors and distribution of shareholders are given in the Shareholders' category and Pattern of Shareholding sections of this report.

Details of Attendance in Meetings of the Board Committees

The 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 26, 2022	Within one month
Half-yearly Financial Statements	January 27, 2023	Within one month
Third Quarterly Financial Statements	April 28, 2023	Within one month
Annual Financial Statements	August 7, 2023	Within 40 days

Presence of the Chairman of the Board Audit Committee at the General Meetings

During the FY 2023 one Annual General Meeting and two Extra-ordinary general meetings took place. The Chairman of Board Audit Committee attended all the meetings wherein he was available to answer any question pertaining to the Board Audit Committee's activities.

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, Modaraba 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.

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. Mufti Uzair Bilwani, the Head - Research & Development, is a well known Shariah Scholar and registered as a Shari'ah Advisor by Securities and Exchange Commission of Pakistan. He has completed his Islamic education in Johannesburg from Darululoom Azadville, South Africa, where he studied various aspects of Islamic sciences, including Arabic grammar, Islamic law, Tafseer ul Qur'an and Islamic history. He then enrolled at Jamiah Darululoom Karachi, where he specialized in Islamic law (Fiqh) and qualified as a Mufti. Here he was able to study under some of the world's renowned scholars, including Mufti Mohammad Taqi Usmani and write over 300 Fatwas on complex issues in today's society. He is associated with various Financial and non-financial institutions as a Shariah Advisor locally and globally.

Shariah Review Report

For the year ended June 30, 2023

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, 2023, 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;
- Further, the Shariah non-compliant income earned by the company during the period has been purified from the company's income.

The Company has obtained loan under conventional mode of financing amounting to PKR 8.356 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. The commission through its letter dated July 21, 2023 has provided a clarification to the company that the reference to the regulations as referred to in the above mentioned clause (a) shall include the screening criteria as stipulated in clause 11 (b) (ii) of the regulation. 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, the Company has equity investments in companies whose core businesses do not violate Shariah principles; however, to comply with clause 13 of the regulations, we recommend that the Company 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.

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

والسلام علیکم ورحمة الله وبرکاته

Mufti Muhammad Ibrahim Essa

Chief Executive Officer

Dated: July 11, 2023

Mufti Uzair Bilwani

Executive Director

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 Sohail Tabba is serving Lucky Cement Limited as the Chairman of the Board. With his vast leadership experience spanning over three decades, 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 impact of overall economic environment and the policies of the Government of Pakistan on the Company's businesses are disclosed in the Directors' Report, included in this annual report.

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 three (3) 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, five meetings of the Audit Committee were held which the Chief Executive Officer and Chief Financial Officer also attended by invitation. The external auditors of the company also attended two of the meetings when issues related to accounts and audit were discussed.

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2023 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, 2023, 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 2023

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 2023 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, 2023 and shall retire on the conclusion of the 30th 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, 2024. 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 current engagement partner has started his tenure from FY 2023.

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 ending June 30, 2024.

Masood Karim Shaikh
Chairman Audit Committee

Karachi: August 7, 2022

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019
Lucky Cement Limited
For the year ended June 30, 2023

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

Shabbir Hamza Khandwala

Non-Executive Directors:

Muhammad Sohail Tabba

Jawed Yunus Tabba

Executive Director:

Muhammad Ali Tabba

Female Director (Non-Executive):

Mariam Tabba Khan

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

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

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

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

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

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

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

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

11. 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. Jawed Yunus Tabba
iii. Mariam Tabba Khan
iv. Khawaja Iqbal Hassan
v. Shabbir Hamza Khandwala

b. HR and Remuneration Committee

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

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

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

    (a) Audit Committee: five meetings during the financial year ended June 30, 2023

    (b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2023

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;

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6,7,8,27,32,33 and 36 are below:

Committee	Regulation No.	Explanation
Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code. It regularly monitors and assesses the requirements with respect to any changes needed on Board's committees including chairmanship of those committees. The Board also actively monitors requirements regarding its structure, size and composition and timely reviews and adapts any necessary changes in that regard.
Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The Board itself and through its Audit Committee annually reviews business risks facing the Company to ensure that a sound system of risk identification, risk management and related systemic and internal controls is being maintained to safeguard assets. All material controls (financial, operational, compliance) are monitored and reviewed. The Board ensures that risk mitigation measures are robust.

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive/Director

Karachi: August 7, 2023

Directors' Report

Report of the Directors for the year ended June 30, 2023

The Directors are pleased to present this report, accompanied by the audited financial statements for the Company for the fiscal year ended June 30, 2023. The information provided below encompasses the unconsolidated and consolidated performance of the Company during this year.

This report has been prepared in accordance with 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 thirtieth Annual General Meeting of the Company to be held on September 26, 2023.

Overview of Economy and Consolidated Financial Performance

Overview of Economy

The outgoing year was a challenging period for the country characterized by significant financial turmoil and the most substantial economic crisis we have ever encountered. It began with a severe political-economic crisis, leading to falling foreign exchange reserves. In order to stabilize the economic situation of the country, the Government made its utmost effort to resume the ongoing IMF program, implementing several policy actions including raising fuel and electricity prices, market determined exchange rate policy, imposing high taxation measures to improve tax collection and increasing the discount rate to decade high of 22% to combat inflationary pressure. These measures resulted in an unprecedented level of inflation, reaching a peak of 38% in May'23.

To combat the situation of falling foreign exchange reserves and the rising current account deficit of the country, varying levels of import restrictions were imposed by the State Bank of Pakistan. While this move did halt the increasing trend of the current account deficit, it resulted in serious challenges for industries relying fully or partially on imported parts and materials. The effect of these import restrictions created a spiral impact on the economy, affecting businesses across various sectors.

Adding to the challenges, the country faced heavy rainfall and widespread floods during the first quarter of the financial year which significantly compounded an already vulnerable situation, putting further strain on our economy. The global recession also took its toll, impacting the country's exports as well as remittances.

The economic challenges faced by our country over the past year have been significant, with adverse impacts on various sectors and businesses. However, amidst these difficulties, we remain optimistic about the potential for positive change. The proposed structural changes by the International Monetary Fund (IMF) have the potential to pave the way for improved financial discipline and stability in our nation.

The measures suggested by the IMF, such as increasing electricity prices and gradually phasing out subsidies, are aimed at addressing the pressing economic issues and reducing the burden on the national budget. While these changes may present short-term challenges, they are essential steps towards achieving long-term sustainability.

Your Company's leadership is proactively implementing various strategies and plans to mitigate the prevailing challenges impacting the Company's financial performance and operations. The leadership is committed to increasing operational efficiencies through cost optimization, risk management, and employing innovations to deliver value to our stakeholders. We hold the utmost confidence in the strength and perseverance of the business to navigate any challenges and adapt to changing economic scenarios with ease.

Consolidated Financial Performance

On a **consolidated basis,** your Company achieved 18.4% higher net turnover of PKR 385.1 billion as compared to last year's turnover of PKR 325.4 billion. The significant growth in revenue, despite the economic challenges mentioned above, is primarily owed to the full-year operational impact of Lucky Electric Power Company Limited (LEPCL) which contributed 25.5% of net revenue, in FY23, as compared to 10.4% contribution during FY22. This is a testament to the various business initiatives 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 59.5 billion out of which PKR 48.8 billion is attributable to the owners of the holding company, compared to PKR 36.4 billion and PKR 29.5 billion, respectively for the prior year. This translates into an EPS of PKR 152.97 during the fiscal year ended June 30, 2023, as compared to PKR 91.22 during last year, representing a growth of 67.7%. The major reason for this increase was the operations of LEPCL as explained above and improved profitability of foreign cement operations. Apart from this, the consolidated net profit also includes a one-off gain, from Lucky Core Industries (LCI), on the sale of controlling interest in Nutrico Morinaga amounting to PKR 9.6 billion, of which PKR 5.3 billion is attributed to your Company.

The **consolidated** financial performance of your Company for the year ended June 30, 2023, as compared to last year is as follows:

PKR million except EPS	FY 23	FY 22	Change (%)
Gross Revenue	459,459	396,704	15.82%
Net Revenue	385,125	325,400	18.35%
Gross Profit	93,634	60,041	55.95%
GP as % of Net Revenue	24.31%	18.45%	31.77%
Operating Profit	77,295	43,669	77.00%
EBITDA	94,047	55,404	69.75%
Net Profit	59,537	36,423	63.46%
NP (Attributable to Owners of the holding company)	48,758	29,497	65.30%
Earnings Per Share (PKR)	152.97	91.22	67.69%

Local Cement Operations

During the year under review, the Company's overall gross sales revenue increased by 15.9% as compared to last year. Similarly, the pre-tax operating results of cement operations also increased by 16.2% as compared to last year. Higher taxes on income in the form of Super tax resulted in lower after-tax profitability versus last year, as explained in the later section of this report.

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. Overall cement demand in Iraq remained stable. The capacity utilization at Najmat-Al-Samawah remained at full and the conversion of Kiln from HFO to Gas added to the profitability of the Company. Cement demand in Congo also remained high leading to better absorption of fixed cost, which ultimately translated into higher profits.

Polyester, Soda Ash and Chemicals

On December 23, 2022, the name of the subsidiary was changed from 'ICI Pakistan Limited' to 'Lucky Core Industries Limited' (LCI). Drawing on its core strengths, the new brand name embodies the company's central role in delivering enduring value through a diverse portfolio of essential products that are at the 'core' of almost every industry and a part of almost every home in Pakistan.

The subsidiary's Net Turnover at PKR 109.49 billion for the year under review is 26% higher compared to the last year primarily resulting from additional volumes from the Soda Ash business following the successful commissioning of the 135,000 tons per annum (TPA) Soda Ash expansion project. Additional volumes coupled with cost-push price adjustments, due to inflationary increases on account of the devaluation of the Pak Rupee and higher energy prices, led to higher revenue by 65% versus the SPLY for the Soda Ash business. Revenues of the Animal Health, Polyester, Chemical & Agri Sciences, and Pharmaceuticals businesses increased by 22%, 10%, 8% and 3% respectively versus the SPLY.

The Operating Result at PKR 14.65 billion for the year under review is 25% higher than the last year. The Soda Ash, Chemicals & Agri Sciences and Animal Health businesses delivered higher Operating Results by 71%, 29% and 23% respectively as compared to the last year, whereas the Polyester and Pharmaceuticals businesses posted a decline in Operating Results by 16% and 19% as compared to the last year.

In January 2023, the subsidiary successfully concluded the sale of 21,763,125 ordinary shares of NutriCo Morinaga Private Limited ('NMPL') (constituting approximately 26.5% of the issued and paid-up share capital of NMPL) at an aggregate price of USD 45.08 million to Morinaga Milk Industry Co. Ltd Japan ('Morinaga Milk'). Consequently, a sum of PKR 9.842 billion was recorded in the standalone financial statements of the Company being the premium for the loss of controlling interest and gain on sale of shares. The Company continues to hold approximately 24.5% shareholding in NMPL, an 'Associated Company', whilst Morinaga Milk's shareholding has increased to 51% in NMPL resulting in a controlling interest of Morinaga Milk. The acquisition of majority shareholding by Morinaga Milk is expected to accelerate the growth of NMPL, resulting in accretive value creation for all shareholders.

Power

LEPCL is a 660 MW Supercritical Coal-Fired Power Plant at Bin Qasim, Karachi. 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. The latest technology for emission control has been installed, which includes Flue Gas Desulphurization (FGD), Electrostatic Precipitators (ESP) with associated environmentally friendly equipment. The project successfully completed its first year of commercial operation on March 21, 2023. The plant faced teething issues since the beginning of its operations which continued up till the start of the current financial year. However, the management of LEPCL successfully resolved these issues and achieved 100% plant availability in 4Q FY23. During this year, operations were partially carried out on Thar Coal (to the extent available) along with Indonesian Lignite Coal. 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

The automobile sector right from the start of July 2022 has witnessed a significant downturn in volumes on the back of the substantial devaluation of PKR to USD which led to an increase in the prices of cars. Apart from this, other factors that caused a significant decline in automotive volumes included the State Bank of Pakistan's (SBP) requirement of prior approval for opening LCs for the import of CKD kits and parts, complete restrictions effective end of December 2022 on the import of CKD kits for automobile manufacturers, unusual delays in remittances to foreign suppliers, imposition of CVT @ 1% on cars having engine capacity exceeding 1300 CC, increase in Sales Tax rates from 17% to 25% on cars having engine capacity of 1400 CC & above, and SUVs irrespective of their engine capacities, high-interest rates and tightening of auto financing scheme by the SBP, high inflation and the significant increase in fuel prices. The automobile sector has witnessed an overall decline of around 55% + in terms of volumes during the year ended 30th June 2023 compared to last year. Similarly, the mobile phones market saw approximately a 60% + decline in volumes compared to last year due to import restrictions and substantial devaluation of PKR v/s USD.

Cement Industry and Company's Performance – Unconsolidated

FY23 has presented several challenges to the construction sector; including but not limited to political instability, surging inflation, escalating interest rates, devastating floods, expenditure constraints leading to lower PSDP spend and volatile energy prices. The Cement industry in Pakistan declined by 15.7% to reach 44.6 million tons during the year ended June 30, 2023, in comparison to 52.9 million tons last year. The local sales volumes declined by 16.0% to clock in at 40.0 million tons during the year under review versus 47.6 million tons in the last year. Export sales volume decreased by 13.1% to 4.6 million tons during the year compared to 5.3 million tons 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 first half of FY23, in the international market coupled with increased shipping freights. As a result, cement manufacturers switched to local coal which was cheaper. Also the cement manufacturers focused their efforts to deploy green energy projects i.e. solar power.

In comparison to the Cement Industry, your Company's overall sales volumes declined by 18.8% to reach 7.4 million tons during the year ended June 30, 2023, in comparison to 9.1 million tons last year. Local sales volume dropped by 14.9% to reach 6.2 million tons in the current year compared to 7.3 million tons last year, due to a downturn in dement demand. Furthermore, the Company's export sales volume reduced to 1.2 million tons in the current year as compared to 1.8 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, 2023, compared to last year are as follows:

Particulars	FY 23	FY 22	Growth/ (Decline)
	Tons in '000'		%
Clinker Production	6,235	8,794	(29.1%)
Cement Production	7,060	8,284	(14.8%)
Cement / Clinker Sales	7,374	9,079	(18.8%)

A comparison of **Pakistan's Cement Industry** and your **Company's dispatches** for the year ended June 30, 2023, in comparison with SPLY, is presented below:

Particulars Tons in '000'	FY 23	FY 22	Changes %	
Cement Industry*				
Local Sales	40,018	47,643	(7,625)	(16.0%)
Export Sales				
- Bagged	2,512	2,065	447	21.6%
- Loose	83	415	(332)	(79.9%)
- Clinker	1,971	2,772	(801)	(28.9%)
Total Exports	4,566	5,252	(686)	(13.1%)
Grand Total	**44,584**	**52,895**	**(8,311)**	**(15.7%)**
Lucky Cement				
Local Sales				
- Cement	6,203	7,263	(1,060)	(14.6%)
- Clinker	-	25	(25)	-
	6,203	7,288	(1,085)	(14.9%)
Export Sales				
- Bagged	750	586	164	27.9%
- Loose	83	415	(331)	(79.9%)
- Clinker	337	791	(453)	(57.3%)
Total Exports	1,170	1,791	(621)	(34.7%)
Grand Total	**7,374**	**9,079**	**(1,705)**	**(18.8%)**

Market Share	FY 23	FY 22	Changes %
Local Sales	15.5%	15.3%	1.3%
Export Sales			
- Bagged	29.8%	28.4%	5.2%
- Loose	100.0%	99.9%	0.00
- Clinker	17.1%	28.5%	(40.0%)
Total Export	25.6%	34.1%	(24.8%)
Grand Total	**16.5%**	**17.2%**	**(3.6%)**

* Industry data is based on best available market estimates

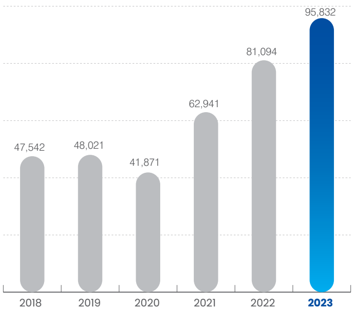
Financial Performance – Unconsolidated

The unconsolidated financial performance of your Company for the fiscal year ended June 30, 2023, as compared to last year is presented below:

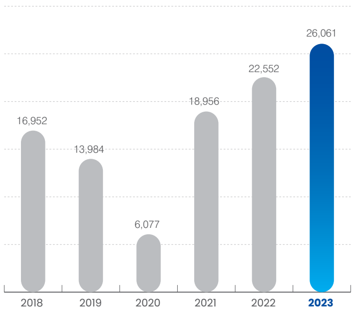
PKR million except EPS	FY 23	FY 22	Change (%)
Gross Revenue	125,819	108,601	15.9%
Net Revenue	95,832	81,094	18.2%
Gross Profit	26,061	22,552	15.6%
GP as % of Net Revenue	27.2%	27.8%	(2.2%)
Operating Profit	18,908	16,275	16.2%
EBITDA	24,223	20,803	16.4%
Net Profit	13,726	15,299	(10.3%)
EPS	43.06	47.31	(9.0%)

Six year's financial performance:

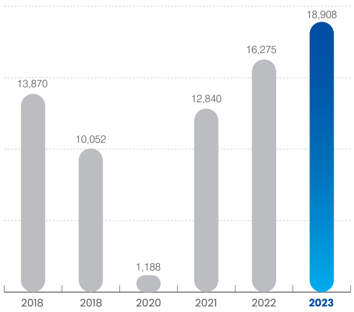
Net Revenue
(PKR in Million)



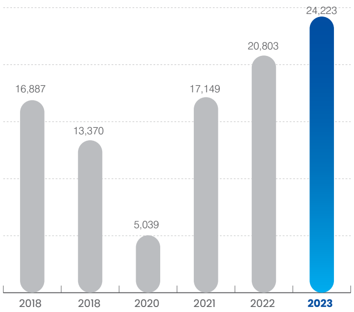
Gross Profit
(PKR in Million)



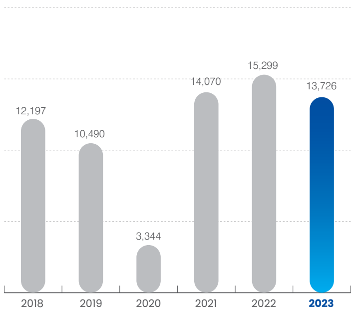
Operating Profit
(PKR in Million)



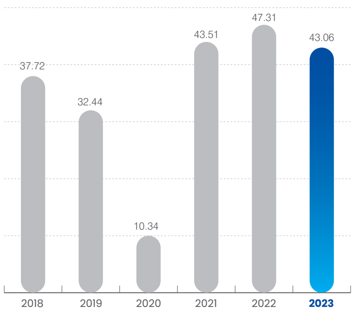
EBITDA Profit
(PKR in Million)



Net Profit
(PKR in Million)



EPS
(PKR)



Revenue

During the year under review, your Company's overall gross sales revenue increased by 15.9% as compared to last year. Although the local sales volumes declined by 14.9%, the sales revenue showed an increase of 16.9% (PKR 112.1 billion vs PKR 95.9 billion), mainly due to higher cement prices owing to increased cost of inputs. Likewise, while the export volumes declined by 34.7%, the export gross sales revenue increased by 7.6% (PKR 13.7 billion vs PKR 12.7 billion) due to the depreciation of PKR against the USD.

Cost of Sales

During FY23, the per ton cost of sales of your Company increased by 46.7% as compared to last year. This increase is primarily attributable to a continuous rise in input costs mainly coal, furnace oil, diesel, and imported consumables, mainly on account of the significant devaluation of PKR.

Gross Profit

The gross profit margin for the current fiscal year reached 27.2% compared to 27.8% last year, reflecting our unwavering commitment to cost mitigation and operational efficiency. Despite facing numerous challenges and cost pressures, our diligent efforts in optimizing operations and implementing effective cost management strategies have yielded positive results.

Dividend Income

During the year ended 30 June 2023, the dividend income received by your Company was PKR 2.4 billion (2022: PKR 3.5 billion). The decline in dividend income can be primarily attributed to the challenging and uncertain operating environment within the automobile segment. Additionally, the expansion efforts in the Chemicals segment have necessitated significant funds, further impacting the overall dividend payout by the subsidiaries.

Subsidiary/ Associate PKR Billion	FY 2023	FY 2022	FY 2021	FY 2020
LCI	1.3	2.0	1.3	0.8
LHL	0.2	0.3	0.2	0.4
YEL	0.2	0.2	0.1	0.1
LMC	0.7	1.1	2.9	0.0
Total	2.4	3.5	4.4	1.3

Net Profit

Despite lower sales volumes on the back of a challenging economic environment, your Company achieved a profit before tax of PKR 21.3 billion during FY23 as compared to PKR 21.4 billion reported last year.

Accordingly, an after-tax profit of PKR 13.7 billion was achieved during FY23 as compared to PKR 15.3 billion reported last year, mainly on account of higher tax charges because of the levy of super tax @ 10% on a perpetual basis in Finance Act 2023.

Earnings per share

The earnings per share of your Company for the year ended June 30, 2023, was PKR 43.06 in comparison to PKR 47.31 reported last year.

Growth and Expansion

Brownfield cement plant expansion at Pezu

During the year, your Company commissioned an additional cement line, of 3.15 Million Tons Per Annum (MTPA), at its plant in Pezu, KPK on December 22, 2022. With the addition of this new line, the total production capacity of the Company has now reached 15.30 MTPA, reinforcing your Company's position as the largest manufacturer of cement in Pakistan.

Renewable Energy Initiatives of Lucky Cement

A testament to your Company's commitment to energy conservation and promotion of green energy resources is evident in the various renewable energy projects initiated. The Company successfully commissioned a 34 MW solar power project at its Pezu plant on December 29, 2022.

Moreover, the Company is also in the process of implementing a 25 MW Solar Power Project at the Karachi Plant. Procurement processes for the necessary equipment and materials have been completed. The management expects to complete the project in 1Q FY24.

The company's endeavors to invest in renewable energy projects will have a significant impact on cost savings and decrease the nation's dependence on imported fuel.

Clinker production capacity expansion in Samawah, Iraq – 1.82 million tons per annum

Keeping pace with the increasing demand for cement in Iraq on the back of revival of economic activity, uptick in construction projects and to secure supply of clinker for our associated company Al Mabrooka Cement Manufacturing Company Limited in Basra, Iraq, the Shareholders have resolved to enhance the production capacity of clinker in Najmat Al Samawah Company for Cement Industry, Samawah, Iraq, by adding a new production line of 1.82 million tons per annum.

This capacity expansion will significantly enhance the overall efficiencies of business operations as it will play a crucial role in achieving self-reliance in terms of clinker availability within Iraq.

The engineering and procurement contract for the main Plant & Machinery has been executed. The company is currently in the negotiation stage with the potential contractors.

The construction activity on the project is expected to commence within 1Q FY24 and is expected to be completed in 18 months.

Share Purchase Agreement for the acquisition of shares of Lotte Chemical Pakistan Limited by Lucky Core Industries Limited (LCI)

During the year under review, the subsidiary also entered into a Share Purchase Agreement with Lotte Chemicals Corporation on January 26, 2023, which was subsequently assigned to Lucky Core Ventures (Private) Limited (wholly owned subsidiary) for the acquisition of approximately 75.01% of the issued and paid up capital of Lotte Chemical Pakistan Limited, comprising 1,135,860,105 ordinary shares. The completion of the transaction remains subject to the terms of the Sale Purchase Agreement, including receipt of requisite approvals and completion of other closing conditions.

Share Buy-back of Lucky Cement Limited

In 1Q FY23, the Company announced a share buy-back of up to 10 million ordinary shares, which was subsequently approved by the shareholders in EOGM dated September 20, 2022. The said purchase was made from Pakistan Stock Exchange Limited (PSX) at the prevailing spot prices and was completed within the stipulated time at an average price of PKR 435.6 per share.

With a view to creating further value for the shareholders, a second buy-back of up to 23.8 million ordinary shares was also announced by the Company in 4Q FY23, which was subsequently approved by the shareholders in EOGM held on May 24, 2023. The purchase period commenced during the last month of FY23 and as of 30th June, 1.6 million ordinary shares were purchased under this buy-back.

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. Taking into consideration the current capital and equity investment plans; the board has recommended a final cash dividend of PKR 18/- per share subject to the approval of shareholders in the upcoming Annual General Meeting scheduled to be held on September 26, 2023.

Since the Company is the process of carrying out a second buy-back of its shares (which are to be cancelled), dividend shall not be payable in respect of shares which have already been purchased by the Company. Accordingly, the entitlement will be paid to the shareholders appearing in the Register of Members on September 15, 2023 (i.e. upon commencement of book closure), the aggregate amount of which is not ascertainable before that date.

Contribution to the National Exchequer

On an unconsolidated basis, your company contributed PKR 31.3 billion (2022: PKR 31.5 billion) to 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 55.17 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 of Lucky Cement's operations. By rigorously following the laid down HSE guidelines, Lucky Cement is committed to providing a safe working environment for all its employees, Contractors, 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, no major injury or accident was reported. It was achieved by strong HSE follow-ups, audits, safety talks, continual risk assessment and by taking mitigating measures to control the potential Hazards. Compliance with HSE policies & SOPs played a vital role in ensuring a safe work environment.

Compliance with NEQ Standards

To ensure regulatory compliance, environmental testing is performed regularly from EPA approved laboratory. The Company's facilities are positioned almost 72% less than the permissible limit of NEQ standards due to the use of advanced technology, timely maintenance, and use of WHR plants. Lucky Cement's plants are equipped with new and more advanced bag houses to control the emission of particulate matter. The efficiency of the bag house is 99.95% and the efficiency of environmental protection is 99%. Tree plantation drives in and around the plant facilities are at the forefront of our sustainable eco-friendly practices.

Waste Heat Recovery (WHR) Plants

Your Company also strives to save the environment by recycling exhaust heat from the production process to generate electricity through WHR (Waste Heat Recovery) process. Through the use of these senvironment-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

Throughout its history, Lucky Cement has steadfastly confronted and navigated numerous challenges, demonstrating unwavering perseverance and strength. Your Company's diverse portfolio, ever-expanding operations and exemplary strategies have fortified its foundations as not just the leading manufacturer of cement, but also as one of the most prosperous organizations, in Pakistan. It has built a strong foundation to propel its growth through fiscal discipline, cost leadership and a robust distribution network. 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.

The management firmly believes in implementing best governance practices and upholding the true spirit of adherence. Your Company is dedicated to ensuring equitable treatment of all stakeholders, fostering trust and appreciation. Moreover, it fosters an environment of employee engagement, recognizing employees as the most valuable resource and internal stakeholders.

To accomplish the specified corporate objectives, Your Company has undertaken organization-wide initiatives involving all employees in formalizing SOPs (Standard Operating Procedures) and establishing individual KPIs (Key Performance Indicators) aligned with the broader corporate goals. This approach empowers every employee as a self-assessor, with clear annual targets and transparent measurement criteria, fostering their contribution to the organizational mission. Additionally, we have optimized and strengthened our human resource strategies while creating a well-structured management trainee program in collaboration with the country's top 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 recent floods.

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 5 corporate goals” and they assist us in setting our strategic direction.

a) Sustainable growth/profitability, improving market share both in domestic and foreign markets and lower cost of production
b) Organizational development and Talent management
c) Environment, Social and Governance (ESG)
d) Diversification of product portfolio
e) Upgrade IT infrastructure / Enhance automation

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 prevalent economic and political turmoil in the outgoing year, your company successfully managed to maintain its market share of 16.5% in FY 2022-23, 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 FY 2022-23. The cost of production per ton remains to be one of the lowest in the industry.

Sales Volume:

The sales volume reduced by 18.8% in FY 2022-23 as compared to last year. This was mostly attributed to a 14.9% decline in the Company’s local sales on the back of reduced cement demand. Meanwhile, the Company’s export sales volumes witnessed a decline of 34.7% mainly due to rising freight and input costs coupled with economic challenges in the Company’s export markets.

Cost Reduction Initiatives:

Your Company increased its utilization of locally available coal to take advantage of lower prices. Additionally, the addition of a new cement line enhances operational efficiencies within the system. The Company also commissioned and completed a 34MW solar power project at its Pezu plant. Moreover, another solar project, of 25MW, is currently underway at the Karachi plant. This would result in increased utilization of cheaper sustainable energy, all the while contributing to the carbon neutrality goals of Lucky Cement Limited.

Corporate and Brand Image

During the year under review, the Company’s practices and initiatives 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 37th MAP Annual Corporate Excellence Award Ceremony.
- Won the Best Investor Relations 2021/22 – Listed Companies at the 19th Annual Excellence Awards, organized by the CFA Society.
- Won the Runner-up position for the Best ESG Reporting Award-2021 at the 19th Annual Excellence Awards, organized by the CFA Society.
- Won the Joint Second Position for the Best Corporate Report Award in the Cement category at the “Best Corporate & Sustainability Report Awards 2021.” 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 19th Annual Environment Excellence Awards 2022, organized by the National Forum of Environment and Health (NFEH).
- Won the Corporate Social Responsibility Award in the Green Energy Initiatives category at the 15th Corporate Social Responsibilities Awards 2023, organized by the National Forum of Environment and Health (NFEH).

- Won the Environment, Health & Safety Award at the 8th International Award on Environment, Health & Safety, organized by The Professionals Network (TPN).

Human Resources

At Lucky Cement Limited, we recognize that our success as a leading company in the cement industry is intrinsically tied to the strength and capabilities of our staff. Our Human Resources team plays a pivotal role in nurturing a high-performing, engaged, and empowered workforce, enabling us to navigate challenges, achieve sustainable growth, and deliver long-term value to our stakeholders.

Creating an Empowering Work Environment

Central to our HR philosophy is the creation of an empowering work environment that fosters employee excellence and unleashes their full potential. We remain committed to providing our employees with challenging opportunities for professional growth, recognizing that their knowledge, skills, and dedication are instrumental in driving our organizational success. Through strategic talent acquisition & management, and succession planning, we ensure the continuity of capable leaders who can navigate the evolving business landscape.

Attracting the best-fit Talent

In an industry where talent is the key to success, our HR team has been relentless in attracting and retaining the best professionals. Through strategic recruitment efforts, we have sought out individuals who embody our core values and possess the skills & expertise necessary to drive our company forward.

By providing new hires with the necessary knowledge, resources, tools and support, we enable them to quickly adapt to their roles and contribute effectively from the outset. Our onboarding process is designed to foster a sense of belonging and purpose, allowing employees to align with our organizational culture and goals.

Organizational Culture

We understand that diversity and inclusion are essential to fuel innovation, enhance decision-making, and foster a harmonious workplace. Our HR initiatives are designed to cultivate a diverse and inclusive culture where employees from various backgrounds, experiences, and perspectives feel valued and appreciated.

At Lucky Cement Limited, we are committed to fostering a positive and inclusive working culture that aligns with our Core Values and Code of Conduct. Our dedication to upholding values such as innovation, customer focus, excellence, and integrity lies at the foundation of our efficiency-driven culture. By cultivating a high-value culture, we empower our workforce, driving productivity, and innovation, and strengthening our organizational fabric. Moreover, we prioritize the well-being, development, growth, and engagement of our employees, ensuring a holistic approach to their success.

To reinforce our employee value proposition, we have consistently strived to connect with our workforce through various engagement sessions. These sessions provide employees with valuable opportunities to disconnect from their work and foster meaningful connections with one another. By nurturing a sense of community and promoting open communication, we enhance collaboration and teamwork, fostering a culture where every individual feels valued and supported.

Lucky Cement Limited understands the significance of embracing diversity within our workforce. We envision developing a high-performing talent pool by leveraging the power of diversity and deliberately fostering inclusivity. Through a range of initiatives and training sessions introduced during the year, we empower all employees to perform at their highest potential. By embracing diverse perspectives, backgrounds, and experiences, we unlock innovation, creativity, and adaptability, enabling us to thrive in a dynamic business environment. As we move forward, Lucky Cement Limited remains steadfast in its commitment to continuously improve our organizational culture.

Employee Engagement and Well-being

At Lucky Cement Limited, we understand that engaged and satisfied employees are the foundation of our success. We place great emphasis on creating an inclusive and supportive work environment that encourages collaboration, creativity, and personal growth. Through various initiatives, such as employee recognition programs, team-building activities, and transparent communication channels, we foster a sense of belonging and pride among our workforce.

Enhancing Capabilities

We firmly believe in the continuous development of our employees' competencies and skills. Our HR department has implemented robust learning and development programs that equip our workforce with the necessary tools and knowledge to thrive in their respective roles. Through targeted training initiatives, mentoring programs, and cross-functional exposure, we enable our employees to broaden their skill sets, embrace innovation, and adapt to emerging industry trends. By investing in the growth of our talent, we foster a culture of continuous learning and equip our workforce to meet the evolving demands of the cement industry. Our commitment to ongoing professional development enables our workforce to stay ahead of industry trends, promoting a culture of continuous learning and innovation.

At Lucky Cement Limited, we are deeply committed to the growth and development of our people. Learning and development are integral to our organizational culture and we consistently invest in initiatives to bridge competency gaps and enhance capabilities. Guided by the Competency Gap Assessment, we have designed and implemented a comprehensive training plan that encompasses both in-house and external programs, addressing a wide range of soft and hard skills required at different staff levels across all locations.

To ensure our employees have access to the best training resources, we have collaborated with internal and external trainers who possess expertise in localized and international training content. This collaboration has enabled us to deliver tailored programs and equip our employees with the necessary skills and knowledge to excel in their respective roles, contributing to individual growth and overall organizational success.

Leadership Development and Succession Planning

At Lucky Cement Limited, we believe that strong leadership is essential for long-term success. We take a vital role in identifying and nurturing leadership potential within our organization. We provide targeted development programs, mentoring opportunities, and succession planning initiatives to groom future leaders who can steer our company through dynamic market conditions. By investing in the growth of our employees and promoting a culture of leadership, we ensure a robust pipeline of talent that can drive our strategic objectives and sustain our competitive edge.

Financial Management

The Company's unconsolidated balance sheet as on June 30, 2023, remains on a strong asset footing of PKR 213.1 Billion (2022: PKR 185.0 Billion), with a current ratio of 1.29 (2022: 1.48) and a quick ratio of 0.85 (2022: 0.87).

Cash Flow Strategy

Your Company has an efficient Cash Flow Management System in place that projects and monitors cash inflows and outflows regularly. 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 18.7 billion, own shares purchased for cancellation (first and second ongoing buyback) amounting to PKR 5.2 Billion, and income tax payment of around PKR 1.0 billion.

Capital Structure and Financial Position

While your company mostly is equity financed, it also utilized the incentive offered by SBP through various 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 stakeholder's and vendor's confidence in doing business with the company. After a 7.0% increase, our reserves now equal PKR 134.2 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 of SBP's various loan facilities, amounting to PKR 1.0 billion. Your company further availed Islamic Export Refinance facilities of around PKR 4.9 billion (2022: PKR 1.0 billion) from various 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 can make timely payments, the medium to long term rating of AA+ symbolizes high credit quality and strong protection factors. The 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 the 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 LCI Pakistan and investments in Lucky Electric Power Company Limited and Lucky Motor Corporation were a part of the Company's strategy to diversify its business and create value for its shareholders. While the outgoing financial year was marred by economic challenges, all the company's subsidiaries demonstrated remarkable resilience, optimizing their operations and adhering to strict financial discipline. A snapshot of the 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	18.14%	20.72%	15.04%	149.93	32.67
Polyester	10.29%	7.97%	6.98%	18.33	16.62
Soda Ash	65.24%	21.04%	15.98%	50.44	11.61
Pharma	3.08%	23.29%	8.03%	9.72	5.53
Life Sciences & Chemicals	26.03%	23.44%	12.11%	21.51	4.27
Automobiles & mobile phones assembling	-34.00%	9.61%	8.44%	52.58	17.23
Power Generation	190.89%	33.88%	33.50%	215.84	23.19
Others	-52.69%	23.58%	14.16%	2.12	11.02

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.

Soaring inflation, adverse exchange rate parity and continuous rise in prices of key inputs such as coal and other fuel with limited availability of natural resources lead 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, macroeconomic indicators and uncertainties, inconsistent/arbitrary government policy changes, unexpected regulatory regime changes, and technological changes.

Operational Risks

With a 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

Earnings in USD from foreign operations, USD based tariff of LEPCL and cement/clinker exports have partially protected your Company from foreign currency volatility and some 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.

To minimize 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

Education

Education plays a pivotal role in fostering a sustainable society capable of effectively addressing poverty. By investing in human capital, we can ignite significant social transformations and unlock opportunities for individuals in developing nations to unleash their true potential, emerging as leaders of future generations. Lucky Cement Limited places a robust focus on enhancing education standards in the country, aligning with its commitment to sustainability and creating a lasting positive impact on communities and the environment.

Women Empowerment

Keeping in view the importance on the impact of women empowerment in Pakistan, Lucky Cement Limited 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's education in the country, the Company has transformed these schools into model educational institutions for girls in Pakistan.

Primary Education

Your Company is committed to enhancing the quality of primary education in Pakistan and making efforts to bring healthy improvement from the grass root level. In this connection, Lucky Cement Limited has continued its partnership with Shahid Afridi Foundation (SAF) and adopted a school in a remote less privileged area of Karachi.

Furthermore, Lucky Cement Limited has supported the 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).

Lucky Cement Limited, in partnership with The Citizen Foundation, has successfully established a complete primary and secondary school near our PEZU plant. The school is now operational and actively providing quality education to the enrolled students for the 2023-24 academic year.

Scholarships/Financial Assistance

Lucky Cement Limited has partnered with various prestigious institutes of Pakistan providing educational assistance to deserving and bright students. The primary aim is to make education accessible and affordable to talented students regardless of their financial position.

Institute Of Business Management (IoBM)

Lucky Cement Limited has joined hands with the Creek High School & Creek College (IoBM Campus) for providing scholarships to deserving and bright students. In continuity, Lucky Cement Limited has been extending scholarships to regular students of IoBM and Creek High School. Further, Lucky Cement has sustained its scholarship assistance for the students selected by the IoBM from The Citizen Foundation (TCF) Schools.

Lahore University of Management Sciences (LUMS)

Lucky Cement Limited sustained her understanding with the Lahore University of Management Sciences (LUMS) for providing scholarships to students selected through its National Outreach Program (NOP).

Institute of Business Administration

Lucky Cement Limited has partnered with the Institute of Business Administration (IBA), to provide educational assistance to bright students in pursuit of quality education from IBA and continued its patronage in assisting deserving yet bright students.

PEZU Scholarship Program

Pezu Scholarship Program 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 intermediate, graduate and undergraduate programs. 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.

Vocational Training

Lucky Cement Limited has continued its partnership with the Country's leading vocational training provider for the vocational training for the youth of District Lakki Marwat, PEZU, to equip the youth of PEZU with skills. This program aims to provide equitable opportunities for vocational training to underprivileged but capable and deserving male and female students without any ethnic, secretariat, or religious discrimination, leading them to employment or small business creation. Students of the previous two batches have been provided employment opportunities as well in our plant operations.

Junior CEO Challenge

Lucky Cement Limited recognizes the importance of fostering creativity, leadership, and entrepreneurial skills among young students. In line with this vision, the company sponsored the Junior CEO Challenge, an inter-school business idea generation competition.

Health Initiatives

Provision of quality healthcare for the society at large 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 provide vital support in bridging the gap between specialized and modern medical care available in the Country.

Community Development:

LRBT Annual Fundraising Golf Tournament:

Lucky Cement Limited is dedicated to supporting initiatives related to health and well-being. Your company proudly served as the associate sponsor for the 6th Annual

Fundraising Golf Tournament organized by LRBT. The event aimed to raise funds for the treatment of blindness among underprivileged patients across Pakistan.

Flood Relief Program

Lucky Cement Limited responded to devastating floods by taking proactive measures to support the worst-affected areas and address the urgent needs of the victims. Your Company provided essential aid, shelter, medical kits, clothing, and nutrition products to the flood victims.

Supporting Differently Abled Persons:

Lucky Cement Limited has exemplified its commitment to social impact and inclusivity through various contributions. Your Company generously donated to support the mission of spreading compassion, and acceptance, and transforming the lives of individuals with Intellectual Disabilities through the 'Power of Sports'. Moreover, Your Company also sponsored the "National Blind Women Sports 2022" to empower visually impaired female athletes. Lucky Cement Limited aims to create positive change, foster inclusivity, and promote the transformative potential of sports in improving the lives of diverse individuals within the community.

Environment Conservation

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

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 with 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 the approval of the Board;
- Appropriate accounting policies have been consistently applied in the 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 the preparation of financial statements and any departure therefrom 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 about the company's ability to continue as a going concern;
- Statement of the 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 the 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	3
II)	Other Non-executive Directors	3
III)	Executive Director	1

Changes in the Board of Directors after the demise of Mr. Muhammad Yunus Tabba

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

The Board pays rich tributes to Mr. Muhammad Yunus Tabba and lauds the valuable services he rendered in making YBG and Lucky Cement a diversified group and leading corporate house.

To fill the casual vacancy arising due to the sad demise of Mr. Muhammad Yunus Tabba, the Board of Directors appointed Mr. Shabbir Hamza Khandwala as a director.

Meetings of the Board of Directors

Board of Directors - 7 Meetings

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

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

* Mr. Shabbir Hamza Khandwala was appointed as a director on January 27, 2023, to fill the casual vacancy arising due to the demise of Mr. Muhammad Yunus Tabba.

Training of the Board

The Company takes a keen interest in the professional development of its Board members and regularly updates its Board members with any changes in corporate laws or the Code of Corporate Governance. It 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 the 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 to 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 a 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 traveling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

The remuneration, including the directors' fee for attending the Board or Board Committee meetings, paid to the directors and CEO, is disclosed in Note 38 to the unconsolidated Financial Statements.

Board Committees and Meetings

Audit Committee

Audit Committee - 5 Meetings

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

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

* After the demise of Mr. Muhammad Yunus Tabba, the Board appointed Mr. Muhammad Sohail Tabba as the Chairman of the Board. In the consequent reconstitution of Board Committees, Mr. Muhammad Sohail Tabba, being Chairman of the Board, is not a member of the Board's Audit Committee; whereas, Mr. Shabbir Hamza Khandwala became a member of the Board's Audit Committee effective from January 27, 2023.

HR and Remuneration Committee

HR & Remuneration Committee – 1 Meeting

S.No.	Name of Directors	No. of Meetings Attended
1	Mr. Khawaja Iqbal Hassan (Chairman) Independent Director	1
2	Mr. Muhammad Ali Tabba Executive Director	1
3	Mr. Muhammad Sohail Tabba* Non-Executive Director	1
4	Mr. Jawed Yunus Tabba Non-Executive Director	1

5	Mrs. Mariam Tabba Khan Non-Executive Director	1
*	Mr. Masood Karim Shaikh Independent Director	1
*	Mr. Shabbir Hamza Khandwala Independent Director	0

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

* After the demise of Mr. Muhammad Yunus Tabba, the Board appointed Mr. Muhammad Sohail Tabba as the Chairman of the Board. In the consequent reconstitution of Board Committees, Mr. Muhammad Sohail Tabba, being Chairman of the Board, is not a member of the Board's HR & Remuneration Committee; whereas, Mr. Shabbir Hamza Khandwala became a member of the Board's HR & Remuneration Committee effective from January 27, 2023.

CEO Performance Review

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

Vision, Mission, and Overall Corporate Strategy Approval by the Board

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

Adequacy of Internal Financial Controls

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

Statement of Unreserved Compliance with 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 consist of the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and the provisions of and directives issued under the Act.

Qualifications of CFO and Head of Internal Audit

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

Pattern of Shareholding

The pattern of shareholding of the Company in accordance with Section 227 (2)(f) of the Companies Act, 2017 and rule 5.19.11 of the PSX Rule Book as at June 30, 2023, is annexed to this report.

Auditors

The financial statements of the company for the current year 2022-23 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 forthcoming year, as recommended by the Audit Committee, subject to the approval of the members at the upcoming 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

As we step into the financial year 2024, Pakistan continues to grapple with significant political and economic challenges, setting a somewhat gloomy outlook. The country faces the repercussions of a global recessionary environment, substantial inflationary pressures, monetary constraints, and environmental disasters, all of which have contributed to a complex economic scenario.

Amidst these challenges, there has been a recent development on the economic front that provides a glimmer of hope. The Federal Government has successfully resumed the long-pending IMF program, taking the form of a "Stand-by Agreement." Under this agreement, the disbursement of USD 3.0 billion over a nine-month period is expected, offering much-needed relief to the economy and assisting in meeting short to medium-term financing needs.

This resumption of the IMF program brings several positive implications. First and foremost, it helps reduce uncertainty in the financial landscape, providing some stability and predictability to businesses and investors. Additionally, it opens up new opportunities for the country to access further borrowing from other international lenders and friendly nations, enhancing financial flexibility.

While the road ahead remains challenging, the resumption of the IMF program brings optimism for Pakistan's economic prospects in FY24. It underscores the importance of fiscal discipline, financial management, and strategic engagement with international financial institutions to navigate through the ongoing difficulties and foster a path toward sustainable economic growth.

Furthermore, to restore confidence in the economy and ensure long-term economic growth, it is crucial to have certainty in the country's political landscape. The upcoming general elections are anticipated to bring political stability, which will play a vital role in revitalizing the current economic scenario. By implementing sustainable and long-term measures, confidence in the economy can be restored, paving the way for a prosperous future.

Local Cement Operations

The current economic climate continues to pose significant challenges, with high inflation, rising interest rates, and a weakening currency likely to suppress demand for cement in the near future. However, the prospect of political stability within Pakistan and the reallocation of funds towards public sector development, including major infrastructure projects such as the revival of China-Pakistan Economic Corridor, could serve as crucial drivers for the national economy, potentially sparking increased demand within the cement sector.

Furthermore, the commodity super cycle, which began in the aftermath of the pandemic and intensified due to the Russia-Ukraine conflict, is showing signs of easing, as indicated by decreasing oil and coal prices. This development could positively affect the cement industry, with lower global coal prices and higher utilization of local coal projected to bolster the sector's profit margins. Technological advancements in the industry, such as the use of alternative fuels and energy-efficient production methods, could further enhance these margins.

Nonetheless, it is important to recognize the ongoing challenges. Any further depreciation of the Pakistani Rupee and potential increases in energy tariffs could exert additional pressure on the cement sector's profit margins. These same factors could also negatively impact the competitiveness of all export sectors in the country.

Therefore, while there are encouraging signs, caution and strategic planning are still necessary in navigating this complex economic environment.

Foreign Cement Operations

International cement operations are expected to experience robust demand, and the Company is well-positioned to benefit from increased utilization of existing operational lines in the forthcoming financial year. Moreover, the addition of a new clinker line, with a capacity of 1.82 MTPA, in Samawah, Iraq, will greatly enhance the operational efficiencies of our business. This strategic move plays a crucial role in achieving self-reliance in terms of clinker availability within Iraq.

Polyester, Soda Ash and Chemicals

In the FY 2024, Lucky Core Industries Limited is expected to navigate a challenging landscape, shaped by the broader economic conditions in the country. Despite the anticipated monetary tightening measures that may suppress industrial activity and impact demand for the company's products, the Lucky Core Industries Limited remains committed to deliver sustainable results.

The company's diverse product portfolio is expected to be a key strength in this environment, providing a buffer against sector-specific downturns and enabling it to cater to a wide range of customer needs. This diversity could help maintain revenue streams even if demand for certain products decreases due to the economic conditions.

Moreover, LCI's commitment to cost rationalization is expected to play a crucial role in its strategy for the coming year. By focusing on improving operational efficiency and reducing unnecessary expenses, the company aims to protect its margins and maintain profitability even in the face of potential demand reductions.

Power

A major milestone anticipated in FY24 is the completion of Phase III by the SECMC, which is expected to enable the plant to switch to 100% Thar Coal operations. This transition is expected to bring about substantial financial and strategic benefits as it will eliminate the need for foreign currency expenditure currently being incurred for coal imports. Furthermore it is likely to reduce the energy basket price, contributing to cost efficiencies. Lastly, the shift to domestic coal resources will enhance the country's energy security, reducing reliance on foreign sources.

Automobiles and Mobile Phones

The outlook for the automobile sector in Pakistan for FY 2024 is marked by uncertainty, with sales volumes expected to remain under pressure due to an economic slowdown, rising costs of raw materials, and the depreciation of the Pakistani Rupee. These factors are likely to dampen demand for new vehicles and put pressure on the margins of automobile manufacturers. However, the company's focus on optimizing its operations and localization will help reduce reliance on imported components and protecting margins and enhancing competitiveness.

Regarding the forecast for Pakistan's mobile industry in the fiscal year 2024 it is expected that the industry may face similar headwinds due to the prevailing economic slowdown and the rising cost of smartphones due to depreciation of the local currency. The economic downturn is expected to suppress consumer demand for smartphones, as discretionary spending may be curtailed. In response to these challenges the company is likely to shift its focus towards the production and promotion of low-cost phones. This strategy could help maintain sales volumes, thereby mitigating some of the negative impacts.

In conclusion, while FY 2024 presents a challenging landscape for both the automobile and mobile sectors in Pakistan, strategic adjustments such as increased localization and cost optimization will be key to navigate through these headwinds.

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 shareholder value.

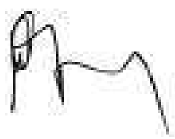
Acknowledgment

The Board would like to thank all our stakeholders, employees, customers, suppliers, shareholders, and bankers for their support. The confidence and goodwill of the stakeholders have allowed the Company to sustain and grow over the years.

We continue to pray to Allah for the success of the Company and the benefit of all stakeholders, and the country in general.

On behalf of the Board

Muhammad Sohail Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive / Director

Karachi: August 7, 2023

Financial Highlights Standalone

Financial Highlights Six Years at a Glance

Financial Position (PKR in million)	2018	2019	2020	2021	2022	2023
Assets Employed						
Property, plant and equipment	40,913	57,276	60,248	62,390	82,301	95,620
Intangible Assets	55	18	11	1	51	86
Long term investments	24,981	34,314	47,144	53,194	57,594	57,594
Long term advance	91	99	87	99	192	194
Long term deposit & deferred cost	3	3	3	8	8	8
Current assets	42,956	33,379	28,375	40,676	44,816	59,577
Total Assets	**108,999**	**125,089**	**135,868**	**156,368**	**184,962**	**213,079**
Financed By						
Shareholders' Equity	86,367	94,318	99,184	113,200	128,540	137,366
Long-term liabilities						
Long term finance	–	–	380	4,042	16,273	16,679
Current portion of long term finance	–	–	127	507	487	600
	–	–	507	4,549	16,760	17,278
Long term deposits and deferred liabilities	7,395	7,193	7,349	8,739	9,788	12,853
Current liabilities	15,237	23,578	28,955	30,387	30,361	46,181
Current portion of long term finance	–	–	(127)	(507)	(487)	(600)
	15,237	23,578	28,829	29,880	29,874	45,581
Total Funds Invested	**108,999**	**125,089**	**135,868**	**156,368**	**184,962**	**213,079**
Turnover & Profit						
Turnover - Net	47,542	48,021	41,871	62,941	81,094	95,832
Gross Profit	16,952	13,984	6,077	18,956	22,552	26,061
Operating Profit	13,870	10,052	1,188	12,840	16,275	18,908
Profit before taxation	15,119	12,221	3,820	16,992	21,421	21,343
Profit after taxation	12,197	10,490	3,344	14,070	15,299	13,726
Total comprehensive income	12,079	10,539	3,508	14,016	15,340	13,984
Cash Dividends	5,497	2,587	2,102	–	–	–
General Reserve	8,199	9,492	8,437	3,509	14,016	15,340
Profit carried forward	12,079	10,539	3,509	14,016	15,340	13,984
Earning per share (Rupees)	37.72	32.44	10.34	43.51	47.31	43.06
Cash Flow Summary						
Net Cash from Operating Activities	17,080	17,084	5,047	12,493	15,469	23,243
Net Cash used in Investing Activities	(25,793)	(29,187)	(8,396)	(5,762)	(24,826)	(12,979)
Net Cash (Outflow) / Inflow from Financing Activities	(5,477)	1,359	3,364	3,141	6,159	245
(Decrease) /Increase in Cash and Bank Balance	(14,190)	(10,744)	15	9,871	(3,198)	10,509
Cash and cash equivalent at the beginning of the Year	33,738	19,548	8,804	8,820	18,691	15,493
Cash and cash equivalent at the end of the Year	19,548	8,804	8,820	18,691	15,493	26,002

Analysis of Statement of Financial Position

PKR in '000	2018	2019	2020	2021	2022	2023
Share Capital & Reserves	86,366,822	94,318,417	99,183,861	113,200,258	128,540,324	137,366,326
Non Current Liabilities	7,395,033	7,192,747	7,729,261	12,780,738	26,060,686	29,531,862
Current Liabilities	15,237,262	23,578,050	28,955,352	30,387,066	30,361,358	46,180,879
Total Equity & Liabilities	**108,999,117**	**125,089,214**	**135,868,474**	**156,368,062**	**184,962,368**	**213,079,067**
Non Current Assets	66,043,440	91,710,415	107,493,561	115,691,694	140,146,677	153,502,425
Current Assets	42,955,677	33,378,799	28,374,913	40,676,368	44,815,691	59,576,642
Total Assets	**108,999,117**	**125,089,214**	**135,868,474**	**156,368,062**	**184,962,368**	**213,079,067**

Vertical Analysis - (%)	2018	2019	2020	2021	2022	2023
Share Capital & Reserves	79.24	75.40	73.00	72.39	69.50	64.47
Non Current Liabilities	6.78	5.75	5.69	8.17	14.09	13.86
Current Liabilities	13.98	18.85	21.31	19.44	16.41	21.67
Total Equity & Liabilities	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Non Current Assets	60.59	73.32	79.12	73.99	75.77	72.04
Current Assets	39.41	26.68	20.88	26.01	24.23	27.96
Total Assets	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Horizontal Analysis (i) Cumulative (%)	2018	2019	2020	2021	2022	2023
Share Capital & Reserves	24.59	36.06	43.08	63.29	61.11	59.05
Non Current Liabilities	6.12	3.21	10.91	83.40	261.51	299.35
Current Liabilities	58.43	145.15	201.06	215.95	193.53	203.08
Total Equity & Liabilities	**26.88**	**45.61**	**58.15**	**82.02**	**90.02**	**95.49**
Non Current Assets	41.98	97.16	131.10	148.72	174.96	132.43
Current Assets	9.04	(15.27)	(27.97)	3.25	(3.35)	38.69
Total Assets	**26.88**	**45.61**	**58.15**	**82.02**	**90.02**	**95.49**

Horizontal Analysis (ii) Year on Year (%)	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022
Share Capital & Reserves	8.25	9.21	5.16	14.13	13.55	6.87
Non Current Liabilities	2.58	(2.74)	7.46	65.36	103.91	13.32
Current Liabilities	47.31	54.74	22.81	4.94	(0.08)	52.10
Total Equity & Liabilities	**11.98**	**14.76**	**8.62**	**15.09**	**18.29**	**15.20**
Non Current Assets	29.57	38.86	17.21	7.63	21.14	9.53
Current Assets	(7.36)	(22.29)	(14.99)	43.35	10.18	32.94
Total Assets	**11.98**	**14.76**	**8.62**	**15.09**	**18.29**	**15.20**

Analysis of Statement of Profit or Loss

PKR in '000	2018	2019	2020	2021	2022	2023
Turnover	47,541,724	48,021,399	41,870,796	62,940,805	81,093,525	95,832,147
Cost of Sales	30,589,363	34,037,568	35,794,031	43,984,873	58,541,684	69,771,469
Gross Profit	**16,952,361**	**13,983,831**	**6,076,765**	**18,955,932**	**22,551,841**	**26,060,678**
Distribution Cost	1,992,454	2,728,809	3,699,154	4,859,096	4,764,574	5,326,894
Administrative Cost	1,089,446	1,202,939	1,189,638	1,257,074	1,512,279	1,825,578
Operating Profit	**13,870,461**	**10,052,083**	**1,187,973**	**12,839,762**	**16,274,988**	**18,908,206**
Finance Cost	–	24,933	176,378	332,905	394,517	1,169,770
(Other Income)/Charges	(1,248,194)	(2,194,065)	(2,808,333)	(4,485,356)	(5,540,761)	(3,604,838)
Profit before taxation	**15,118,655**	**12,221,215**	**3,819,928**	**16,992,213**	**21,421,232**	**21,343,274**
Taxation	2,921,565	1,730,986	475,995	2,922,024	6,122,614	7,617,460
Profit after taxation	**12,197,090**	**10,490,229**	**3,343,933**	**14,070,189**	**15,298,618**	**13,725,814**
Other Comprehensive Income	(117,874)	48,366	164,550	(53,792)	41,448	257,842
Total Comprehensive Income	**12,079,216**	**10,538,595**	**3,508,483**	**14,016,397**	**15,340,066**	**13,983,656**

Vertical Analysis - (%)	2018	2019	2020	2021	2022	2023
Turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	64.34	70.88	85.49	69.88	72.19	72.81
Gross Profit	**35.66**	**29.12**	**14.51**	**30.12**	**27.81**	**27.19**
Distribution Cost	4.19	5.68	8.83	7.72	5.88	5.56
Administrative Cost	2.29	2.51	2.84	2.00	1.86	1.90
Operating Profit	**29.18**	**20.93**	**2.84**	**20.40**	**20.07**	**19.73**
Finance Cost	–	0.05	0.42	0.53	0.49	1.22
(Other Income)/Charges	(2.63)	(4.57)	(6.71)	(7.13)	(6.83)	(3.76)
Profit before taxation	**31.80**	**25.45**	**9.12**	**27.00**	**26.42**	**22.27**
Taxation	6.15	3.60	1.14	4.64	7.55	7.95
Profit after taxation	**25.66**	**21.84**	**7.99**	**22.35**	**18.87**	**14.32**
Other Comprehensive Income	(0.25)	0.10	0.39	(0.09)	0.05	0.27
Total Comprehensive Income	**25.41**	**21.95**	**8.38**	**22.27**	**18.92**	**14.59**

Horizontal Analysis (i) Cumulative - (%)	2018	2019	2020	2021	2022	2023
Turnover	5.33	6.39	(7.23)	39.45	77.50	101.57
Cost of Sales	30.78	45.53	53.04	88.06	140.04	128.09
Gross Profit	**(22.04)**	**(35.69)**	**(72.06)**	**(12.83)**	**5.89**	**53.73**
Distribution Cost	(1.28)	35.20	83.27	140.74	179.65	167.35
Administrative Cost	(1.63)	8.61	7.41	13.50	48.02	67.57
Operating Profit	**(25.51)**	**(46.01)**	**(93.62)**	**(31.04)**	**(12.37)**	**36.32**
Finance Cost	–	100.00	100.00	100.00	100.00	100.00
(Other Income)/Charges	(668.28)	(1,098.92)	(1,378.58)	(2,142.10)	2,596.90	188.80
Profit before taxation	**(17.83)**	**(33.58)**	**(79.24)**	**(7.65)**	**14.07**	**41.17**
Taxation	(46.45)	(68.27)	(91.28)	(46.44)	20.38	160.73
Profit after taxation	**(5.77)**	**(18.96)**	**(74.17)**	**8.70**	**11.73**	**12.53**
Other Comprehensive Income	(489.56)	59.85	443.82	(277.78)	1,037.43	(318.74)
Total Comprehensive Income	**(6.90)**	**(18.77)**	**(72.96)**	**8.03**	**12.00**	**15.77**

Horizontal Analysis (ii) Year vs Year - (%)	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022
Turnover	4.06	1.01	(12.81)	50.32	28.84	18.17
Cost of Sales	25.42	11.27	5.16	22.88	33.10	19.18
Gross Profit	**(20.41)**	**(17.51)**	**(56.54)**	**211.94**	**18.97**	**15.56**
Distribution Cost	16.94	36.96	35.56	31.36	(1.95)	11.80
Administrative Cost	6.63	10.42	(1.11)	5.67	20.30	20.72
Operating Profit	**(25.32)**	**(27.53)**	**(88.18)**	**980.81**	**26.75**	**16.18**
Finance Cost	-	100.00	607.41	88.75	18.51	196.51
(Other Income)/Charges	507.54	75.78	28.00	59.72	23.53	(34.94)
Profit before taxation	**(19.49)**	**(19.16)**	**(68.74)**	**344.83**	**26.06**	**(0.36)**
Taxation	(42.56)	(40.75)	(72.50)	513.88	109.53	24.42
Profit after taxation	**(10.92)**	**(13.99)**	**(68.12)**	**320.77**	**8.73**	**(10.28)**
Other Comprehensive Income	(3,334.74)	141.03	240.22	(132.69)	(177.05)	522.09
Total Comprehensive Income	**(11.80)**	**(12.75)**	**(66.71)**	**299.50**	**9.44**	**(8.84)**

Notes on Analysis

Comments on six year Statement of Comprehensive Income analysis

Turnover

Revenues increased from PKR 47.5 billion in 2018 to PKR 95.8 billion in 2023 with an increase of 101.6%. The increase in revenue was mainly due to higher cement prices owing to increased cost of inputs. Also, the export revenue showed an increase due to depreciation of PKR against the USD.

Cost of Sales

The cost of sales increased from PKR 30.6 billion in 2018 to PKR 69.8 billion in 2023 , 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 17.0 billion in 2018 to PKR 26.1 billion in 2023. However, gross profit margins dropped by 8.5 percentage points from 35.7% to 27.2% 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.

Distribution Cost

The distribution cost of the company increased from PKR 2.0 billion (4.2% as % of sales) in 2018 to PKR 5.3 billion (5.6% as % of sales), an increase of 167.4%. The major reason for the increase was inflationary pressure and rise in fuel costs along with higher sea freight for exports.

Finance Cost

Finance cost is minimal since debt financing is principally based on subsidized 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 12.1 billion to PKR 14.0 billion, majorly on account of an 15.8% increase in net profit.

Comments on six year Statement of Finanical Position analysis

Share Capital & Reserves

The company's share capital changed during the period due to 1st shares buyback of 10 million shares. The company is continuously investing profits in new projects and another shares buyback of 23.8 million shares is in progress.

Non Current Liabilities

The increase of 299.4% 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 66.0 billion to PKR 153.5 bilion, an increase of 132.4%, in the six years. The increase came from capital expenditures on expansions (new cement lines) and power generation (Solar project in Pezu and Karachi), 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	2018	2019	2020	2021	2022	2023
Profitability Ratios							
Gross profit to sales	percent	35.66%	29.12%	14.51%	30.12%	27.81%	27.19%
Operating Cost to sales	percent	70.82%	79.07%	97.16%	79.60%	79.93%	80.27%
Profit before tax to sales	percent	31.80%	25.45%	9.12%	27.00%	26.42%	22.27%
Net profit after tax to sales	percent	25.66%	21.84%	7.99%	22.35%	18.87%	14.32%
EBITDA to sales	percent	35.52%	27.80%	12.03%	27.25%	25.65%	25.28%
Operating Leverage	percent	(623.68%)	(2,728.45%)	688.49%	1,940.09%	92.77%	89.02%
Return on Equity	percent	13.99%	11.17%	3.54%	12.38%	11.93%	10.18%
Return on Capital Employed	percent	14.54%	11.67%	3.62%	12.89%	11.66%	9.32%
Shareholders' Funds	rupees in Mn	86,367	94,318	99,184	113,200	128,540	137,366
Return on Shareholders' Funds	percent	14.12%	11.12%	3.37%	12.43%	11.90%	9.99%
Liquidity Ratios							
Current ratio	times	2.82 : 1	1.42 : 1	0.98 : 1	1.34 : 1	1.48 : 1	1.29 : 1
Quick/Acid test ratio	times	2.12 : 1	0.95 : 1	0.65 : 1	0.89 : 1	0.87 : 1	0.85 : 1
Cash to Current Liabilities	times	1.28 : 1	0.37 : 1	0.03 : 1	0.38 : 1	0.48 : 1	0.56 : 1
Cash flow from Operations to Sales	times	0.36 : 1	0.36 : 1	0.12 : 1	0.20 : 1	0.19 : 1	0.24 : 1
Cash flow to Capital Expenditures	times	2.65 : 1	0.87 : 1	0.74 : 1	1.93 : 1	0.63 : 1	1.24 : 1
Cash flow Coverage ratio	times	0.00 : 1	0.00 : 1	9.96 : 1	2.75 : 1	0.92 : 1	1.35 : 1
Activity / Turnover Ratios							
Inventory turnover	times	3.22	3.15	3.49	3.81	3.66	3.62
No. of days in Inventory	days	113.35	115.87	104.58	95.80	99.73	100.83
Debtor turnover	times	23.73	21.42	15.28	20.53	26.02	22.25
No. of days in Receivables	days	15.38	17.04	23.89	17.78	14.03	16.40
Creditor turnover	times	2.73	2.11	1.86	2.19	2.66	2.63
No. of days in Payables	days	133.70	172.99	196.24	166.67	137.22	138.78
Operating Cycle	days	(4.97)	(40.08)	(67.77)	(53.09)	(23.46)	(21.55)
Total assets turnover	times	0.44	0.38	0.31	0.40	0.44	0.45
Fixed assets turnover	times	1.16	0.84	0.69	1.01	0.98	1.00
Investment Valuation Ratios							
Earnings per share (EPS) and Diluted EPS	rupees	37.72	32.44	10.34	43.51	47.31	43.06
Price / Earning ratio (after tax)	times	13.47	11.73	44.64	19.84	9.70	12.12
Dividend Yield	percent	2.56%	1.71%	0.00%	0.00%	0.00%	3%
Dividend Payout ratio	percent	34.47%	20.04%	0.00%	0.00%	0.00%	42%
Cash Dividend per share	rupees	13.00	6.50	-	-	-	18.00
Stock Dividend per share	shares	-	-	-	-	-	-
Break up value per share:	rupees						
i) Without surplus on Revaluation of property	rupees	267.08	291.67	306.71	350.06	397.50	440.50
ii) With Surplus on Revaluation of PPE including all effect of all investments	rupees	267.08	291.67	306.71	350.06	397.50	440.50
iii) Including investment in related party at fair / market value (if any) and also with Surplus on Revaluation of PPE	rupees	267.08	291.67	306.71	350.06	397.50	440.50
Market Value Per Share as on 30th June	rupees	507.93	380.47	461.58	863.44	459.04	522.09
Year High Close	Rupees	723.19	583.66	566.47	940.74	911.53	537.02
Year Low Close	Rupees	445.80	344.27	310.30	488.93	436.17	383.90
Price to Book Ratio	percent	1.90	1.30	1.50	2.47	1.15	1.19
Capital Structure Ratios							
Financial leverage ratio	times	0.00 : 1	0.03 : 1	0.09 : 1	0.10 : 1	0.14 : 1	0.17 : 1
Weighted Average Cost of Debt	percent	0.00%	1.72%	3.11%	3.32%	2.69%	5.72%
Debt to Equity ratio (as per Book Value)	times	0.00 : 1	0.00 : 1	0.01 : 1	0.04 : 1	0.13 : 1	0.13 : 1
Debt to Equity ratio (as per Market Value)	times	0.00 : 1	0.00 : 1	0.00 : 1	0.02 : 1	0.11 : 1	0.11 : 1
Net assets per share	rupees	267.08	291.67	306.71	350.06	397.50	440.50
Interest Coverage ratio	times	-	403.16	6.74	38.57	41.25	16.16
Employee Productivity Ratios							
Production per Employee	MT	3,024	2,718	2,567	3,589	3,258	2,688
Revenue per Employee	rupees in MN	18.78	19.09	16.56	24.77	31.89	36.49
Staff turnover ratio	times	4.54%	4.17%	2.77%	2.25%	3.81%	4.12%
Non-Financial Ratios							
% of Plant Availability		88.90%	81.80%	76.42%	89.63%	84.81%	47.63%
Others							
Spares Inventory as % of Total Assets		4%	3%	3%	4%	3%	3%
Maintenance Cost as % of Operating Expenses		2%	2%	1%	2%	1%	1%

Analysis of Variation in Interim Period

Particulars	Qtr-1	Qtr-2	Qtr-3	Qtr-4	FY 2022-23
Sales Volume (in '000 Tons)	1,576	1,995	1,872	1,931	7,374
Sales Revenue	19,743	25,590	25,015	25,484	95,832
Cost of Good Sold	13,712	19,099	18,543	18,418	69,771
Gross Profit	6,032	6,491	6,471	7,066	26,061
Gross Profit Margin	31%	25%	26%	28%	27%
Operating Profit	4,224	4,726	4,757	5,202	18,909
Operating Profit Margin	21%	18%	19%	20%	20%
EBITDA	5,410	5,941	6,157	6,716	24,224
EBITDA Margin	27%	23%	25%	26%	25%
Net Profit Before Tax	5,364	4,712	5,640	5,627	21,343
Taxation	1,512	1,436	1,634	3,035	7,617
Net Profit After Tax	3,852	3,276	4,005	2,592	13,726
Net Profit After Tax Margin	20%	13%	16%	10%	14%
EPS in PKR	11.91	10.18	12.66	8.31	43.06

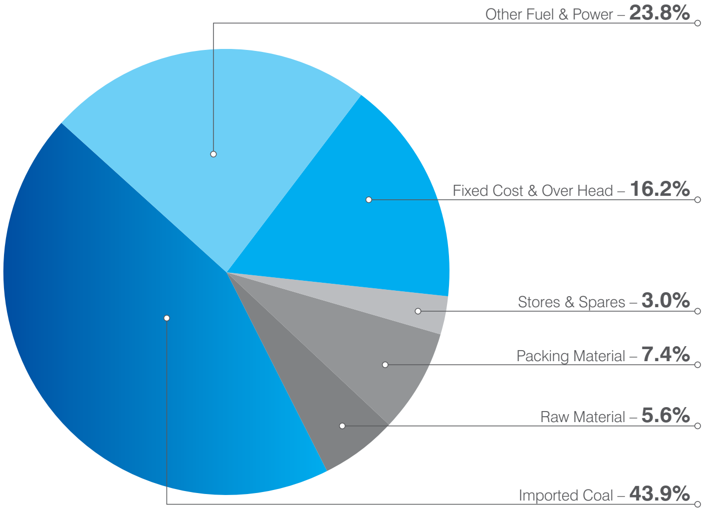
The first quarter outperformed during the year 2022-23 in terms of Gross Profit Margin (31%), Operating Profit (OP) Margin (21%) as well as EBITDA Margin (27%) mainly on account of consuming lower cost of coal inventory and efficient management of power. However, the bottom line was lower than the 3rd quarter due to lower sales volumes in 1st quarter. In 4th quarter, the bottom line was lower due to company booking provision of super tax.

Composition of Local vs Imported Products & 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 various types of foreign coal.

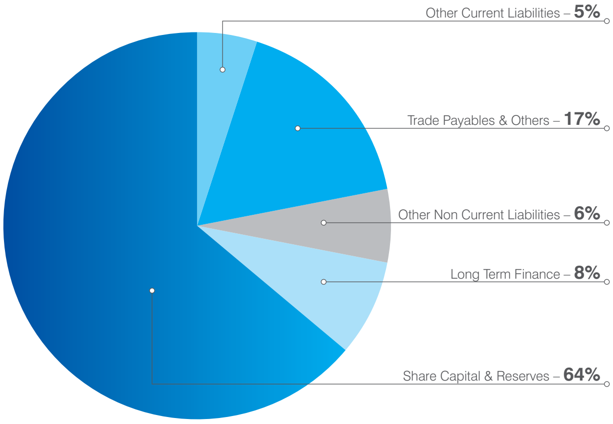
A fluctuation in coal price of PKR 100 per ton affects the cost of production by PKR 14 per ton. The cost of Sales of the Company will increase/decrease by 4.4% and 8.8% in case of foreign currency fluctuation by 10% and 20% respectively.

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.

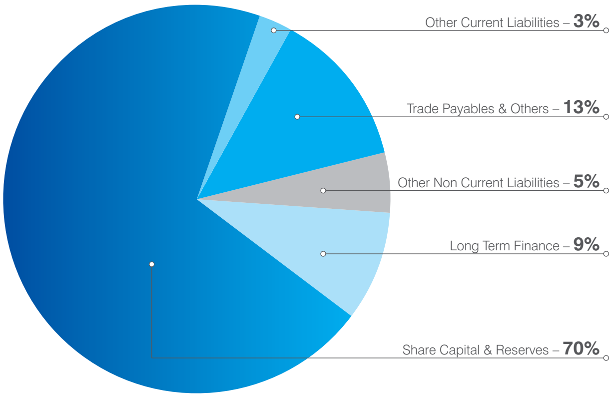


Composition of Balance Sheet

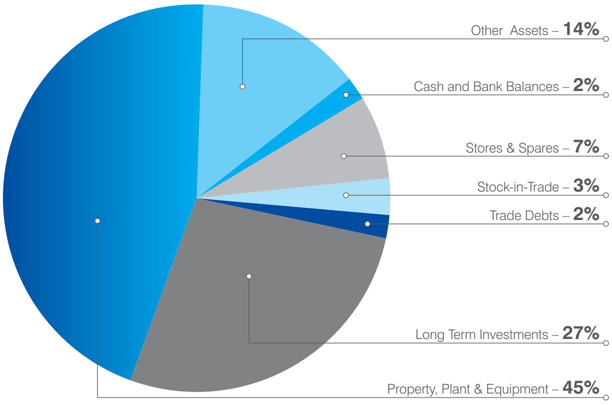
Equity and Liabilities - FY 2023
Percentage



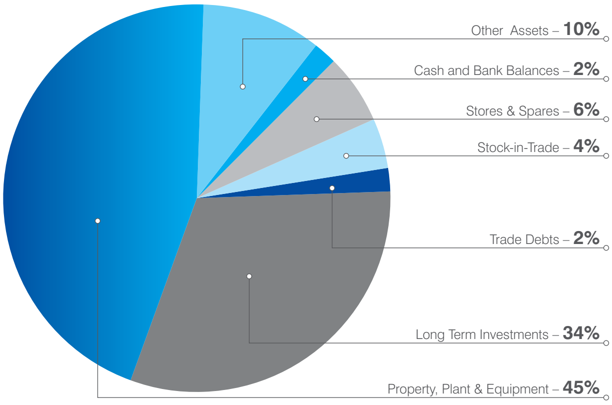
Equity and Liabilities - FY 2022
Percentage



Assets - FY 2023
Percentage

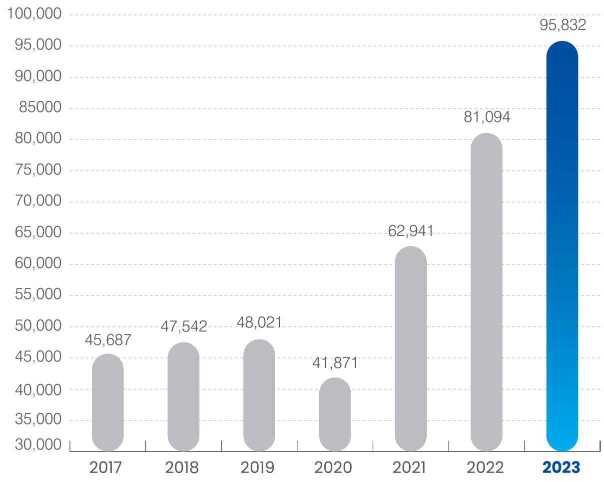


Assets - FY 2022
Percentage

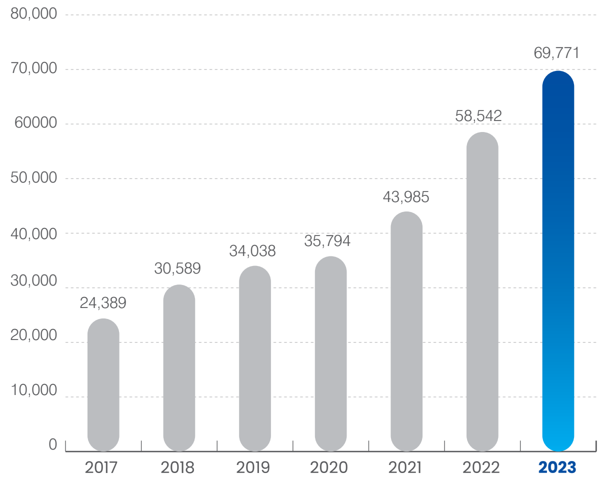


Key Financial at a Glance

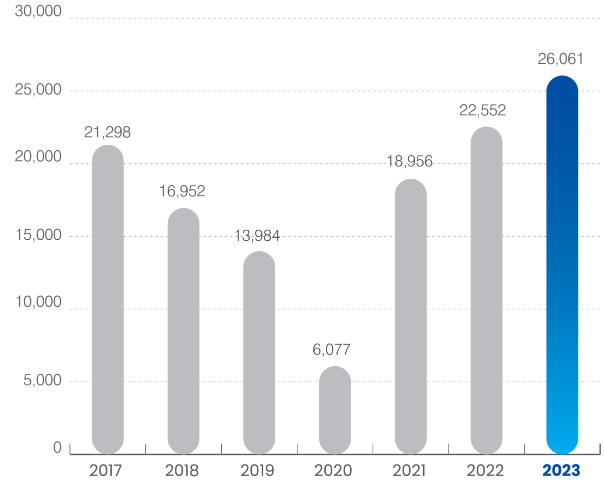
Sales Revenue
(PKR in Million)



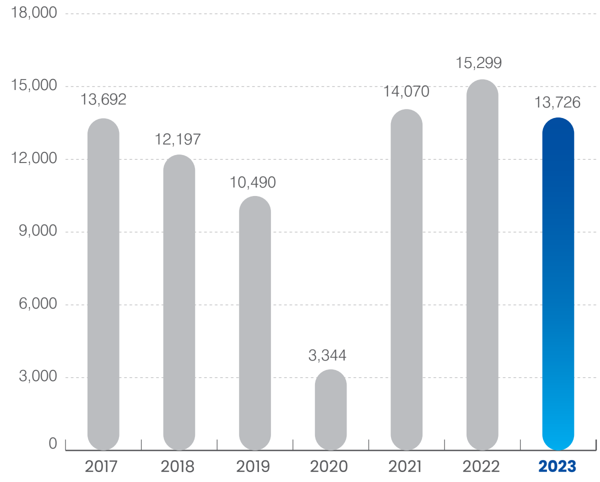
Cost of Sale
(PKR in Million)



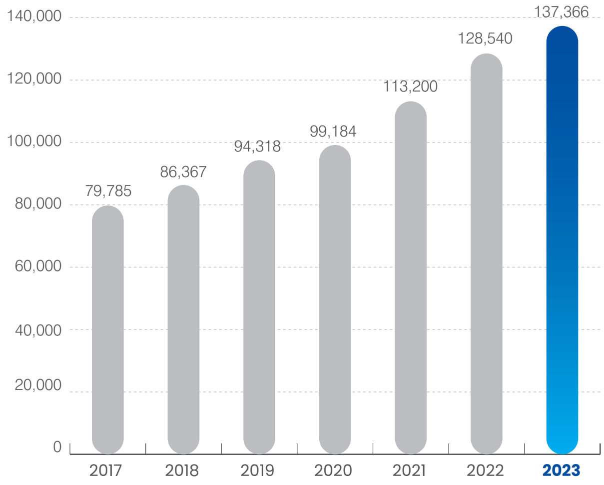
Gross Profit
(PKR in Million)



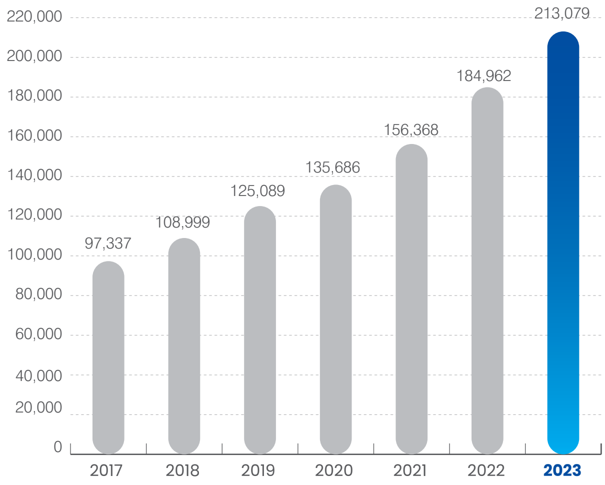
Net Profit
(PKR in Million)



Shareholders Equity
(PKR in Million)



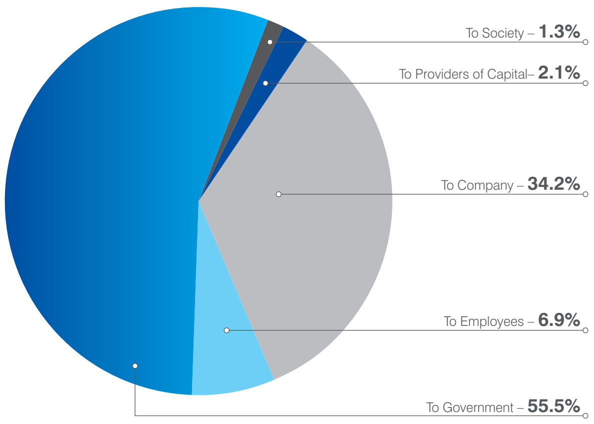
Total Assets
(PKR in Million)



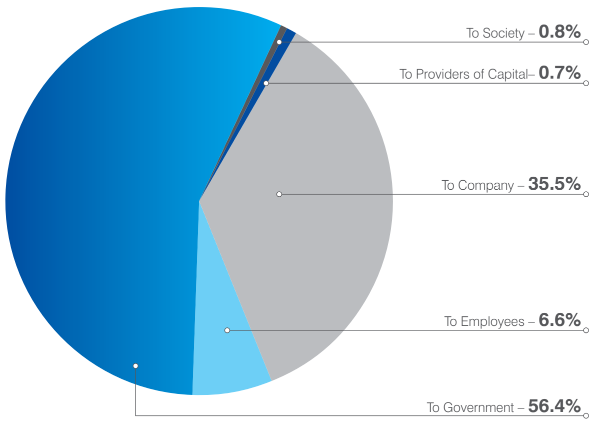
Statement of Value Addition and Wealth Distribution

Financial Position	2023 PKR in '000'	%	2022 PKR in '000'	%
WEALTH GENERATED				
Gross Sales/ Revenues	125,819,372		108,600,945	
Bought-in-material and services	(69,421,514)		(52,673,867)	
	56,397,858	**100.0%**	**55,927,078**	**100.0%**
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	3,881,462	6.9%	3,700,179	6.6%
To Government				
Income tax, sales tax, excise duty and others	31,290,376	55.5%	31,542,832	56.4%
To Society				
Donation towards education, health and environment	757,832	1.3%	421,721	0.8%
To Providers of Capital				
Dividend to shareholders	–	0.0%	–	0.0%
Markup / Interest expenses on borrowed funds	1,169,770	2.1%	394,517	0.7%
To Company				
Depreciation, amortization & retained profit	19,298,418	34.2%	19,867,829	35.5%
	56,397,858	**100.0%**	**55,927,078**	**100.0%**

Wealth Distribution - 2023
Percentage



Wealth Distribution - 2022
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.

		2019-20	2020-21	2021-22	2022-23
Cost of capital					
Cost of Equity	%	11.20%	11.26%	18.93%	20.67%
Weighted average cost of capital (WACC)	%	14.31%	10.85%	17.14%	18.73%
Average capital employed		96,751,139	108,719,960	120,870,291	132,953,325
Economic Value Added					
NOPAT		3,520,311	14,103,458	14,904,101	12,556,044
Less: Cost of capital		13,846,217	11,790,749	20,721,192	24,897,504
Economic Value added		(10,325,906)	2,312,709	(5,817,091)	(12,341,460)
Enterprise Value					
Market Value of Equity		149,263,433	279,214,910	148,442,060	163,609,954
Add: Debt		506,908	4,041,984	16,760,103	17,278,254
Less: Cash & Bank balance		888,638	11,641,039	3,871,078	4,116,181
Enterprise Value		148,881,703	271,615,855	161,331,085	176,772,027
Return ratios					
NOPAT / Average capital employed	%	4%	13%	12%	9%
EVA / Average capital employed	%	-11%	2%	-5%	-9%
Enterprise value / Average capital employed	times	1.54	2.50	1.33	1.33

Free Cash Flow (FCF)

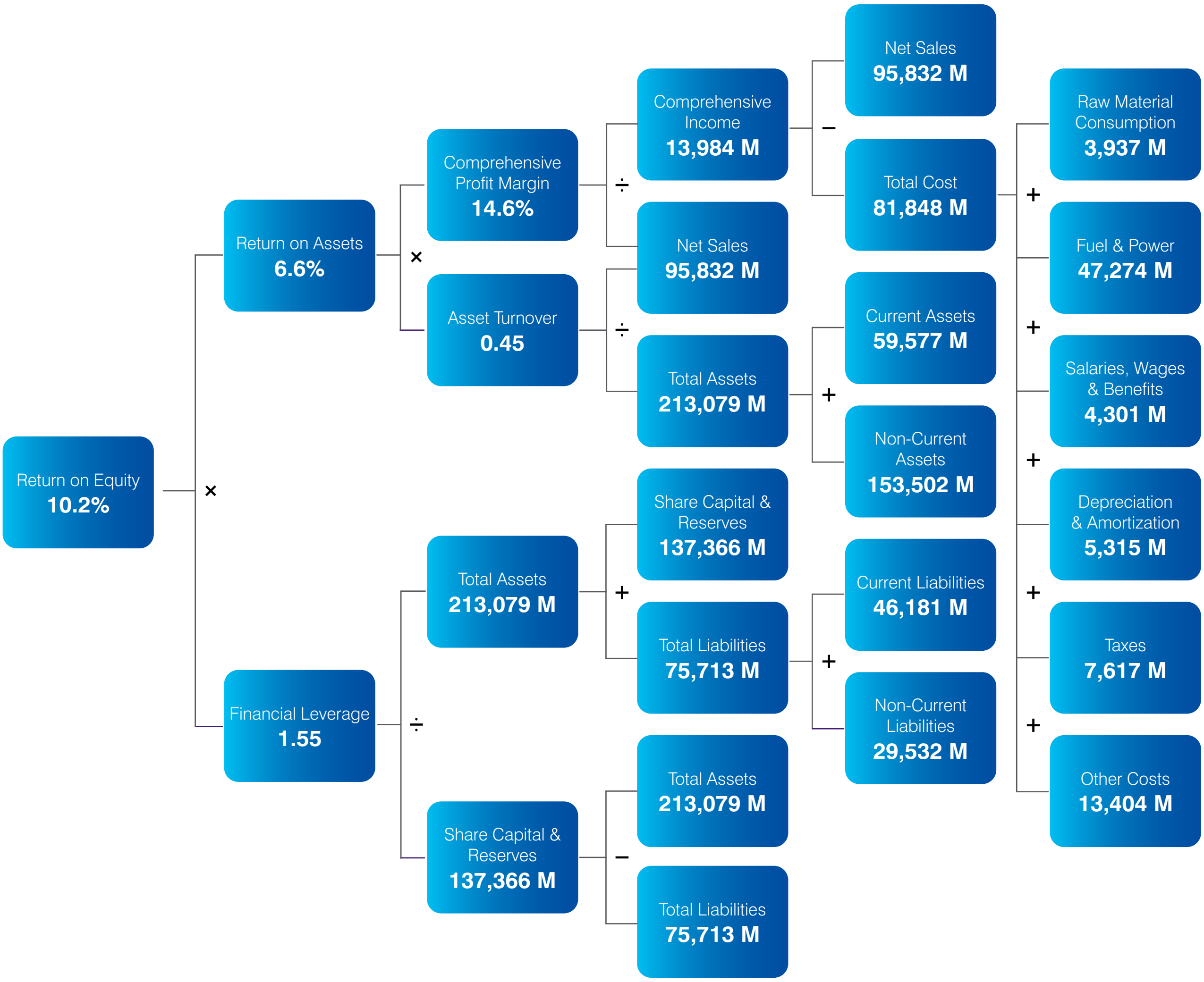
Free Cash Flow - FCF	2019-20	2020-21	2021-22	2022-23
Net cash provided by operating activities	5,046,861	12,492,631	15,469,448	23,242,896
Less: Capital Addition & Investments	(15,900,417)	(12,520,913)	(28,991,059)	(18,711,022)
Add: Net Debt Issued	506,908	4,041,984	12,211,211	518,151
FCF - Total	**(10,346,648)**	**4,013,702**	**(1,310,400)**	**5,050,025**

Shariah Ratios

For the year ended June 30, 2023

	2023	2022
Interest bearing loan to market capitalization	5.13%	5.41%
Interest taking deposit to market capitalization	0.00%	0.00%
Income generated from prohibited component to total income	0.03%	0.02%
Market price per share to net liquid assets per share	24.91	39.86

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
2023	14.59%	0.45	1.55	10.2%
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	21.84%	0.38	1.33	11.1%
2018	25.41%	0.44	1.26	14.0%

The main highlights of DuPont analysis are as follows:

1. In 2023, the net margin of the company plunged to 14.59% compared to 18.92% in the same period 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 nominally to 0.45 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 the Pakistan Stock Exchange (PSX). Our free float is 30.74% and market capitalization at the end of the day of the fiscal year was PKR 164 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 1.31.

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 its business and its geographical locations. Our international footprint exposes us to the benefits and risks of the markets we operate in. Therefore, diversification can affect our consolidated earnings, therefore affecting our EPS, which 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 Company has also validated its network security through various internal and external audits. The Board has not evaluated the cyber risks at a high level.

IT Governance and cyber security programs

The Company has constituted an IT Steering Committee which is charged with 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. The reports of external specialists on IT risk management and cyber-security are also reviewed by the Board.

Company's controls about early warning system

Company has implemented adequate controls and procedures about early warning systems. As preventive controls, the Company regularly updates its operating system and anti-virus programs so that its operating and application systems remain updated against any vulnerability. Moreover, Incident Management policies and procedures are in place. In addition to that, company has also implemented 24x7 Siem and SOC system, which work together to monitor, detect, analyze, and respond to security threats and incidents in a continuous and proactive manner.

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, 2023. 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

Detailed information about the Company's initiatives on digital transformation are given in the 'Advancement in Digital Transformation to Improve Transparency and Governance' section of this report.

EDUCATION AND TRAINING TO MITIGATE CYBER SECURITY RISKS

Regular security awareness trainings are also provided for all locations of the Company. Whereas, security awareness emails are sent regularly to everyone. Such regular communications help 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 frequent surveys with our customers 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 installed 34MW Solar power project at Pezu plant and also installing 25MW Solar plant at its Karachi 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 candidate 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. To encourage the minority shareholders to attend the general meeting, the Company informs them to attend the meeting through video conferencing. The shareholders, irrespective of their holding can attend the general meeting, if they register themselves with the Company within the prescribed time, before the date of general meeting. Apart from this, following steps are taken to encourage our minority shareholders to attend the general meetings:

- Notice of the meeting and email 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.

The shareholders had approved the first buy-back of Company's shares during the extra-ordinary meeting held on August 20, 2022. The said buy-back was completed within the purchase period. Moreover, in the Extra-Ordinary General Meeting of the Company held on May 24, 2023, the shareholders had approved the second buy-back of Company's shares, which is currently in progress.

Understanding Stakeholders' Views Through Corporate Briefing Sessions

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.

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 2023

CEO's Business Performance Review 2023

Redressal of Investor Complaints

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

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 began in the aftermath of the pandemic and intensified due to the Russia-Ukraine conflict, is showing signs of easing, as indicated by decreasing oil and coal prices. This development could positively affect the cement industry, with lower global coal prices and higher utilization of local coal projected to bolster the sector's profit margins. Although the full extent of the effects of the international coal price decline remains to be seen, the continuous depreciation of the Pakistani Rupee (PKR) is counterbalancing the potential benefits that could have been derived from the decline in international coal prices.

Domestically, the country is facing record high inflation levels and exorbitant interest rates that are proving to be a significant strain on the economy. After a delay of nine months, the recent execution of a "Stand by agreement" with the IMF would oversee the disbursement of USD 3.0 billion over a period of nine months. This development is due to recent policy decisions by the federal government, indicating acceptance of IMF demands. These inflows are expected to allay fears of default and augment Pakistan's debt repayments during FY24. This development is also expected to give confidence to other multilateral and bilateral lenders to follow suit.

Lucky Cement Limited remains committed to leveraging its diverse portfolio to augment strong earnings. Your

Company's strong financial position is a testament to the efforts of the management in ensuring operational efficiencies, making wise investment decisions and enhancing shareholder value.

In the long-term, Pakistan's Cement industry's outlook remains promising on account of the Government's key initiatives to build both small and mega-capacity / multipurpose water reservoirs / dams, construction of Special Economic Zones as part of CPEC projects, and low-cost affordable houses for the public at large. Development expenditure, highlighted in the Budget for FY24, showcases increased development spending which is expected to translate into more growth for the construction sector.

International cement operations are expected to experience robust demand, and the Company is well-positioned to benefit from increased utilization of existing operational lines in the forthcoming financial year. Additionally, the addition of a new clinker line, with a capacity of 1.82 MTPA, in Samawah, Iraq, will greatly enhance the operational efficiencies of our business. This strategic move plays a crucial role in achieving self-reliance in terms of clinker availability within Iraq. However, it is important to note that margins may face pressure due to the volatility in the exchange rate of Iraq and rising input costs.

The businesses under our subsidiary LCI, which include Polyester Staple Fiber, Soda Ash, Pharmaceutical, Animal Health and Agri Sciences, due to the fact that monetary tightening measures will continue in the short run which will keep industrial activity in check to avoid a 'boom-bust' cycle and thus will impact demand for the Subsidiary's products.

LCI remains committed to leveraging its diverse product portfolio and cost rationalization efforts to minimize adverse impacts and deliver sustainable results.

The uncertain outlook for FY24, influenced by various exogenous factors mentioned in this report, has a direct impact on sales volumes in the automobile sector. The management is actively addressing these challenges by optimizing operating costs and enhancing localization to ensure sustainability and competitiveness.

Lucky Cement's strong financial position and free cash flow generating ability are anticipated to further support its Vision to improve operational efficiencies, make new investments and enhance shareholders' value. The Company shall continue to support its diversification initiatives with the focus to enhance shareholders' value by investments in high yielding projects.

Financial Projections

With the highest cement capacity of 15.30 MTPA, Lucky Cement will continue to be a key driver of growth in the Pakistani cement industry and is well-positioned to maintain its leading position. The easing of commodity super-cycle could positively affect the cement industry, with lower global coal prices and higher utilization of local coal projected to bolster the sector's profit margins. Technological advancements in the industry, such as the use of alternative fuels and energy-efficient production methods, could further enhance these margins.

Nonetheless, it is important to recognize the ongoing challenges. Any further depreciation of the Pakistani Rupee and potential increases in energy tariffs could exert additional pressure on the cement sector's profit margins. These same factors could also negatively impact the competitiveness of all export sectors in the country.

Therefore, while there are encouraging signs, caution and strategic planning are still necessary in navigating this complex economic environment.

Several initiatives of the Government which include the funds allocated for flood rehabilitation, focus on low cost housing schemes and increased provisions for public sector development in the national budget for FY24 are expected to maintain the cement demand for the upcoming FY24.

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

Your Company's other income is also likely to remain stable as the Company anticipates continued dividends from its subsidiaries.

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 in Forward Looking Statement last year	Actual performance
"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."	The commodity super cycle started to subside in the latter half of FY23 due to the prevalent global economic slowdown and the resultant decreased demand.
"A similar trend has been witnessed in other construction materials as well, mainly steel which has resulted in a hike in overall construction costs."	The federal government took several measures to keep imports in check which resulted in higher steel prices, consequently driving overall construction costs higher.
"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."	The SBP continuously raised interest rates, during FY23, finally settling on a record high of 22%. The exorbitant rates eroded purchasing power, consequently, leading to a decline in the demand of local cement sector dispatches by 16% in FY23.
"High global commodity prices especially coal and furnace oil prices, and PKR depreciation along with inflation will put stress on Company's margins."	Company's gross margins declined on yearly basis and settled at 27% in FY23 vs 28% in same period last year due to higher input costs coupled with PKR depreciation which caused constricted margins.
"By making investments in local expansions and renewable projects, your company continues to exploit and benefit from opportunities to create value for its shareholders."	The Company installed a 34MW solar power plant at Pezu and is currently in the process of implementing a 25MW solar plant at Karachi. The Company also commissioned its Line-2, at the Pezu plant, increasing total cement capacity to 15.3MT/annum.

Status of Capital Projects in Progress

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

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
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 2023) • 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.
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.
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 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 has been installed at PEZU plant, which is the country's largest on-site captive solar plant. The output energy is used on-site resulting in substantial savings for the company in cost of energy. In addition to this, the Company is also in process of installing a 25 MW captive solar power project at Karachi plant. The energy harnessed from these initiatives will contribute to a significant reduction of approximately 53,369 tons of CO2 equivalent emissions annually. This is roughly equivalent to planting over 2.4 million trees.

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 settlements inclusive, safe, resilient and sustainable.	We support Government and private sector in large infrastructure projects by providing quality cement in economical prices, and we ensure that our operations have no adverse impact on the cities and communities in which we operate	• We believe that as countries develop, solutions for sustainable prosperity are needed. Under the Government of Pakistan's initiative to provide low cost and affordable housing to the people, we remain available to address the significant need for affordable housing. • As a part of our community development programs, to empower the community and to improve income-earning possibilities, we embarked on a journey of developing a model village near our Karachi Plant. • We often sponsor initiatives that are not only 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.

Statement For Adoption of Best Practices For CSR

At Lucky Cement, we view Corporate Social Responsibility (CSR) as an integral component of our organizational ethos and commitment to sustainable growth. We recognize our responsibility to positively impact the communities and environment in which we operate, and we are dedicated to upholding the highest standards of ethical conduct and social contribution.

With unanimous endorsement from our Board of Directors, we proudly announce the adoption of comprehensive CSR best practices that reflect our dedication to making a meaningful difference. This decision underscores our belief that business success must align harmoniously with societal well-being.

Our CSR approach will be guided by a steadfast commitment to:

Ethical Governance: We commit to conducting our business with the utmost integrity, adhering to ethical principles that prioritize transparency, accountability, and fairness in all our interactions.

Stakeholder Engagement: We will engage closely with our stakeholders, including employees, customers, partners, and local communities, to understand their needs and concerns, and to collaboratively develop initiatives that address pressing social and environmental challenges.

Community Development: Through strategic philanthropic investments, skill development programs, and community partnerships, we aim to uplift under-served communities, enabling them to thrive and contribute positively to society.

Environmental Stewardship: We are resolute in minimizing our ecological footprint by embracing sustainable practices, resource efficiency, and conservation efforts that safeguard the environment for future generations.

Employee Empowerment: Our commitment extends to our employees, whom we consider vital contributors to our CSR journey. We will provide them with a safe, inclusive, and diverse work environment that fosters professional growth and nurtures a culture of giving back.

Transparency and Reporting: We pledge to transparently communicate our CSR initiatives, progress, and impact to our stakeholders through regular and comprehensive reporting, allowing for accountability and fostering a spirit of continuous improvement.

Our Board's endorsement of these best practices reflects our conviction that responsible business practices are not merely a moral obligation, but an essential driver of long-term success. We believe that by embracing these practices, we can create a lasting positive impact on society while ensuring the sustainable growth and resilience of our company.

Statement About the Company' Strategic Objectives On ESG and Sustainability Reporting

As stewards of Lucky Cement, The Board remains steadfast in its commitment to fostering a sustainable and responsible business ecosystem. With the recognition that environmental, social, and governance (ESG) considerations are vital components of our corporate strategy, we are dedicated to integrating ESG principles into every facet of our operations, aligning with our core values and the expectations of our stakeholders.
Our strategic objectives encompass:

Environmental Responsibility: We are resolute in minimizing our environmental footprint through innovative practices that conserve resources, reduce emissions, and protect biodiversity.

Social Well-being: By prioritizing employee welfare, diversity, equity, and inclusion, and by collaborating with local communities, we endeavor to create a positive impact on the lives of those we touch.

Effective Governance: Sound governance is integral to our sustainability journey. We are committed to maintaining a governance framework that emphasizes transparency, accountability, and ethical behavior across all levels of our organization.

Stakeholder Engagement: We recognize that shared success emerges from effective engagement with our stakeholders. Through open dialogue and partnerships, we seek to address concerns, gather insights, and collaboratively develop solutions that drive positive change.

Innovation and Adaptation: Our commitment to sustainability demands continuous innovation and adaptation. We will invest in research, development, and technological advancements that enable us to evolve in a dynamic and responsible manner.

Robust Reporting: We acknowledge the importance of transparent and comprehensive reporting. Our ESG and sustainability reports will provide a clear view of our progress, challenges, and opportunities, allowing our stakeholders to hold us accountable and participate in our journey.

We recognize that by setting these strategic objectives, we strengthen our resilience, enhance our reputation, and contribute to a world that thrives for generations to come.

Chairman's Overview: Leveraging Sustainable Practices for Enhanced Financial Performance

Dear Shareholders and Stakeholders,

I am pleased to provide you with an overview of how our company's steadfast commitment to sustainable practices is intricately interwoven with our financial performance. In today's evolving business landscape, where environmental, social, and governance (ESG) considerations are paramount, our approach to sustainability isn't just an ethical choice; it's a strategic imperative that significantly influences our bottom line.

Operational Efficiency and Cost Savings: Our sustainable practices drive operational efficiency by optimizing resource usage, streamlining processes, and reducing waste. These efficiencies translate directly into cost savings, enhancing our profitability while aligning with our responsibility to protect our planet's resources.

Risk Mitigation and Resilience: By proactively addressing ESG factors, we mitigate risks associated with regulatory non-compliance, reputational damage, and supply chain disruptions. This risk-aware approach enhances our business resilience, ensuring continuity in an increasingly uncertain world.

Reputation and Stakeholder Trust: Our commitment to sustainability bolsters our reputation as a responsible corporate citizen. This reputation attracts loyal customers who value ethically produced goods and services. Stakeholder trust and loyalty are not only intangible assets but also key drivers of long-term revenue growth.

Access to Capital and Investor Confidence: Investors are increasingly evaluating companies based on ESG performance. Our robust sustainability initiatives attract socially conscious investors who recognize that aligning financial returns with positive societal impact is a sustainable model for long-term success. This, in turn, broadens our access to capital.

Employee Engagement and Productivity: Our dedication to a diverse, inclusive, and ethical work environment fosters employee loyalty, engagement, and job satisfaction. Engaged employees are more productive, which ultimately enhances our overall operational efficiency and, by extension, financial performance.

Regulatory Agility and Competitive Advantage: Adapting to evolving regulatory landscapes ensures our compliance and minimizes the risk of penalties. Moreover, it positions us as a forward-thinking organization, giving us a competitive edge in an environment where responsible business practices are increasingly valued.

In summary, our sustainable practices are not mere appendages to our business strategy; they are integral enablers of our financial success. By aligning our core values with sound business decisions, we ensure that our profitability goes hand in hand with the betterment of our planet, communities, and future generations.

Thank you for your steadfast support as we continue this transformative journey.
Sincerely,

Muhammad Sohail Tabba
Chairman

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. 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 Quality, Health, Safety, and Environment (QHSE) policy outlines our commitment to measure and reduce the environmental impact of our operations, and our manufacturing units are certified to ISO 14001.

Our Environment strategy is built around four key areas that are critical to our sustainability efforts.

- We focus on emission control and reduction, which involves minimizing the amount of greenhouse gases and other pollutants released into the atmosphere.
- We prioritize energy management to reduce our carbon footprint and ensure that we use energy as efficiently as possible.
- We are committed to responsible water management to ensure that we use this valuable resource sustainably and minimize waste.
- We focus on waste reduction and resource management to minimize the amount of waste generated by our operations and to ensure that we use resources as efficiently as possible.

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

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 CO_2 Emissions

Advanced Sustainability Initiatives

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

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

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

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 producing 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 will 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 efficient bag houses to control Emission of Particulate Matter (PM). The efficient bag houses reduce dust emissions to minimum levels and consume less electricity 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 are 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 Commitment to Consumer Protection

At Lucky Cement Limited, we take our commitment to consumer protection seriously. We strive to provide our customers with cement products of the highest quality, and ensure that our manufacturing units adhere to strict international safety standards. To achieve this, we conduct regular internal and third-party audits at our plants and offices, in compliance with ISO 9001:2015 Quality Management System.

In addition, we engage independent parties to serve as an additional quality checkpoint, guaranteeing that our cement meets international benchmarks of safety and quality. We are fully compliant with South African, Kenyan, and EN 197-I & II standards, and display safety notices on our packaging material to inform customers about the necessary safety measures, such as suitable safety clothing and dust masks.

We also provide Safety Data Sheets to our customers and users, ensuring that they have all the necessary information about our products' usage and any additional safety precautions that may be required. Our unwavering dedication to consumer protection has earned us the trust of our customers and cemented our position as a leader in the industry.

Our Partnerships and Commitments to Promote Sustainable Development

Good for Planet, Good For Business Webinar on Decarbonisation

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.

While addressing the webinar the CEO of the Company as keynote speaker 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 Head Office. The event, organized in collaboration with The Indus Hospital, witnessed a commendable turnout of donors who volunteered to support maintenance of blood bank stock and contribute to the health of many people.

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

Education

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

Company's Contributions Towards Literacy, Girls Education And Scholarships

Details of Company's contributions towards, literacy, girls' education and scholarship programs are given in the CSR section of the Directors' Report.

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 and second 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.

Junior CEO Challenge an Inter-School Business Idea Generation Competition

Lucky Cement Limited recognizes the importance of fostering creativity, leadership, and entrepreneurial skills among young students. In line with this vision, the company sponsored the Junior CEO Challenge, an inter-school business idea generation competition. This competition provides students with a platform to showcase their innovative thinking, effective communication, and aspiring entrepreneurial spirit. Organized in collaboration with esteemed partners, including the Rotary Club of Educational Development and the All Private School Management Association, the event took place at the prestigious Arts Council Pakistan. Over 1500 students from 50+ schools in Karachi participated, and 16 outstanding business ideas were shortlisted across four themes: Education & Health, Science & Technology, Food, Travel & Tourism, and Climate, Energy & Agriculture. The Grand Finale held on November 12, 2022, allowed students to pitch their unique ideas in front of a distinguished jury. Lucky Cement Limited firmly believes in promoting such events that encourage and nurture young minds, equipping them with valuable business and life skills.

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 for the 3rd batch were transferred to the ATIN NLC Mandra in District Rawalpindi, where they are enrolled for a professional vocational training diploma in various trades. Lucky Cement Limited is covering the boarding, lodging, and tuition fees 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.

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.

Flood Relief activities for the flood affected areas of Sindh, Baluchistan & KPK

"One-third" of the country was under water, affecting 33 million people. In response to the devastating monsoon rains and floods in Pakistan, Lucky Cement Limited took proactive measures to provide relief to the affected areas. Recognizing the dire situation faced by the victims, the company's volunteers distributed essential aid to those worst affected. This assistance included ration bags containing ready-to-eat and grocery items, shelter camps to provide temporary housing, medical kits to address health needs, mosquito nets to prevent the spread of diseases, clothing and bedding to ensure comfort, and children nutrition products to combat starvation among the young victims.

LRBT- 6th Annual Fundraising Golf tournament

Lucky Cement Limited is dedicated to supporting initiatives related to health and well-being. Your company proudly served as the associate sponsor for the 6th Annual Fundraising Golf Tournament organized by LRBT. The event aimed to raise funds for the treatment of blindness among underprivileged patients across Pakistan. LRBT operates a vast network of 19 hospitals and 63 clinics, ensuring that individuals in need receive the necessary care. The tournament witnessed active participation from 30 teams comprising professionals from various sectors. Lucky Cement Limited recognizes the importance of transforming lives and shares LRBT's mission that no man, woman, or child should go blind due to a lack of access to treatment.

Special Olympics Pakistan

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

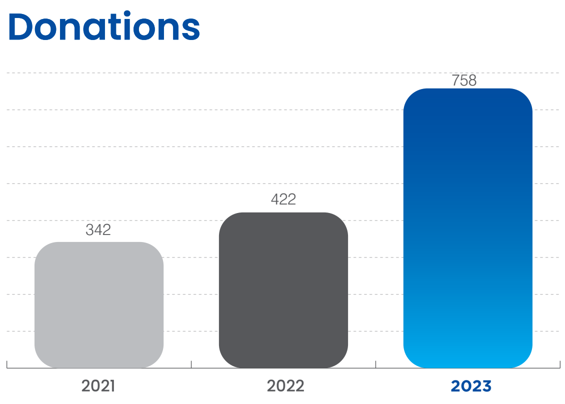
National Blind Women Sports 2022 – Binae Welfare Association

Lucky Cement Limited proudly sponsored the "National Blind Women Sports 2022", organized by Binae Welfare Association at DHA City Karachi. This event was aimed for the empowerment and inclusion of visually impaired female athletes in Pakistan. Lucky Cement Limited supports such events and activities that promote the well-being and dignity of people with disabilities. We are committed towards community development and social responsibility.

Binae Welfare Association is a non-profit organization that was created in 2017 under the umbrella of the Pakistan Blind Sports Federation. It helps the visually impaired community grow by providing them education and skills training for employment opportunities.

Donations

Our company has a strong sense of Corporate Social Responsibility and we are effusively committed to support the areas of women empowerment, education, health, and community development. Our aim is to increase our contribution every year towards social responsibilities for creating a positive social impact.



HEALTH & SAFETY

We are committed to cultivate an environment which ensures health and safety embedded at its core. We are determined to offer a safe & secure workplace for our employees and all stakeholders engaged in our business operations.

Health and Safety – Protecting the Human Capital

By rigorously following the laid down HSE guidelines, Lucky Cement is committed to provide a safe working environment for all of its employees and stakeholders engaged in its business operations. We are an ISO 45001, ISO 14001 and ISO 9001 certified organization and continuously implement practices that offer development of health, safety and environment at our work place.

Health, Safety and Environment

At Lucky Cement Limited, we are committed to maintaining the highest standards of workforce health and safety. This core value is deeply embedded in everything we do, from our daily operations within our plants to our interactions with the surrounding communities. Our goal is to conduct our business with zero harm to the people we work with and to create a safe and healthy environment for all stakeholders, including our employees, contractors, visitors, vendors, customers, and communities.

Our manufacturing unit has been certified to ISO 45001, which serves as a testament to our commitment to safety excellence. We have a well-structured model that is driven by line function engagement to ensure that safety standards are implemented across the organization. Our Occupational Health & Safety department oversees the implementation of safety standards, and we place strong emphasis on line management ownership to ensure that safety practices are followed in letter and spirit.

We recognize that assurance is a critical element in maintaining the safety management system and achieving continual improvement. As a result, we have implemented rigorous safety protocols, especially in light of the recent pandemic situation.

Incident Prevention Programs

We prioritize the safety and well-being of our employees, contractors, and all stakeholders. To ensure a safe working environment, we have implemented several safety initiatives, including:

- Safety Induction Program: All new employees, contractors, and visitors undergo a mandatory safety induction program that familiarizes them with our safety protocols and procedures.
- Working at Height: We have strict safety procedures in place for working at height, including the use of scaffolding and safe lifting practices.
- Permit to Work and Energy Isolation: Our permit to work system ensures that only authorized personnel can perform high-risk tasks, while our energy isolation procedures prevent the inadvertent release of hazardous energy.
- Hot Work and Cold Work Safety Permit System: Our hot work and cold work safety permit system ensures that these tasks are carried out only by trained and authorized personnel in a safe manner.
- Contractor Safety Management: We work closely with our contractors to ensure that they adhere to our safety standards and procedures.

- Incident Investigation and Root Cause Analysis: In the event of an incident, we conduct a thorough investigation to identify the root cause and take corrective actions to prevent a recurrence.
- Fire Protection System: Our fire protection system includes a water hydrant system, fire alarm system, FM200 system for database server rooms.
- HSE Inspections and Audits: We conduct regular internal and external audits to ensure compliance with our safety standards and identify areas for improvement.
- 24x7 In-house Site Dispensary and ambulance: We have a fully equipped in-house site dispensary to provide medical assistance to employees in case of an injury or illness.
- Brand New Fully Equipped Fire Tender: We have recently acquired a brand new fully equipped fire tender to enhance our firefighting capabilities in case of a fire emergency.
- Pedestrian Safety Program to ensure the safety of employees, contractors, and visitors while walking in and around the plant premises. The program includes clear signage, designated walkways, speed limits, and awareness campaigns etc.
- Heavy Vehicle Inspection and Operator Assessment Program to ensure that all heavy vehicles used in the plant are regularly inspected and maintained to prevent any accidents caused by faulty equipment. The program also assesses the skills and capabilities of the vehicle operators to ensure they are qualified and trained to operate the vehicles safely.

Emergency Response and Preparedness

Emergency Response and Preparedness is a crucial aspect of any organization's safety management system. We recognize the importance of being prepared for any potential emergency situations that may arise on our premises. To this end, we have implemented a comprehensive emergency response plan that outlines the necessary steps to be taken in the event of an emergency.

Our emergency response plan is overseen by a high-level emergency response committee, which is responsible for ensuring that the plan is up-to-date and relevant. The committee comprises senior management, HSE Head, and other key personnel who have the necessary expertise and experience to manage an emergency situation effectively.

In addition to the emergency response committee, we have a dedicated response team that is comprised of all concerned shift employees. These employees are well trained in emergency response procedures and are equipped to deal with a wide range of emergency situations. To support the response team, we have a team of well-trained HSE staff who are available around the clock to provide guidance and support as needed. We also have a training program for the emergency response team, which includes regular mock drills to ensure that everyone is familiar with their roles and responsibilities in an emergency.

Frequent mock drills are being conducted including firefighting, emergency evacuation, oil and chemical spillage, and employee recovery in case of illness or injury. We have a well-equipped in-house site dispensary, ambulance and a brand new fully equipped fire tender to deal with any first aid, medical emergencies and fires, respectively.

Our emergency response and preparedness program is designed to ensure that we are prepared for any potential emergency situation that may arise. By having a comprehensive emergency response plan in place, a dedicated response team, and well-trained HSE staff, we are confident that we can manage any emergency situation effectively and minimize the impact on our employees and the environment.

Training and Awareness

At Lucky Cement, we prioritize the safety and health of our employees and contract workers, and we believe that awareness and training are crucial in achieving a safe work environment. We have a comprehensive HSE awareness and training program that is regularly updated to ensure that our employees and contractors are equipped with the necessary skills and knowledge to identify, prevent and manage safety risks.

As part of this program, we conduct daily toolbox talks and weekly safety meetings where information is shared by the HSE team to all concerned. We also have a comprehensive training program that covers all aspects of the job, including safety procedures, safe equipment use, and emergency response. Our employees and contractors are trained to adhere to safety rules and regulations, ensuring they work in a safe environment.

Moreover, our training program includes specialized training for high-risk jobs such as working at heights, confined spaces, and hazardous materials handling. We also conduct regular safety audits and inspections to assess the effectiveness of our training program and identify areas for improvement. Our goal is to ensure that our employees and contractors are equipped with the necessary skills and knowledge to work safely and maintain a healthy work environment.

LCL celebrated Safety Day 2023 on 28th April and organized special safety meetings at each department to deliver important information regarding the ILO World Safety Day and to discuss new safety guidelines.

The objective of these discussions is to raise awareness and promote safe working practices that will prevent accidents and reduce the risk of injuries. Our aim is to create a safe and healthy work environment that allows our employees to perform their tasks without fear of harm.

At Lucky Cement, we believe that effective HSE training is key to achieving our safety objectives, and we are committed to providing our employees and contract workers with the necessary resources and support to maintain a safe work environment.

Health, Safety and Environment department

Lucky Cement Limited has a dedicated Health, Safety and Environment (HSE) department, responsible for monitoring, guiding, advising and improving the HSE management system of the company. The HSE department consists of experienced and qualified professionals who provide ongoing support to all levels of the organization. They ensure that all HSE policies and procedures are followed in letter and spirit, and provide guidance to line managers on the implementation of HSE policies, standards and practices.

The HSE department is responsible for conducting regular inspections and audits to ensure compliance with HSE standards, and identifying areas for improvement. They also provide training and awareness programs for employees and contractors, covering all aspects of HSE management.

The department also monitors and reports on key performance indicators related to HSE, and recommends improvements to the management system to reduce risks and improve overall HSE performance. In addition, the HSE department works closely with regulatory bodies to ensure compliance with all relevant regulations and standards. Their efforts are integral in achieving Lucky Cement's goal of maintaining a healthy and safe workplace for all employees, contractors, vendors, communities, customers and stakeholders.

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'.

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, 2023 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, 2023.

AFFerguson&Co.

A. F. Ferguson & Co
Chartered Accountants
Karachi

Date: September 4, 2023

UDIN: CR2023100566odPJ0B5F

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KARACHI LAHORE ISLAMABAD

A·F·FERGUSON&Co.

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, 2023. 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, 2023) is assessed, comprised of the Shariah principles in light of the following:

(a) rules, regulations and directives issued by the Commission from time to time;

(b) pronouncements of the Shariah Advisory Board;

(c) Shariah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, as adopted by the Commission, if any;

(d) requirements of the applicable Islamic Financial Accounting Standards as notified by the Commission, if any; and

(e) approvals and rulings given by the Shariah Advisor of the Company in line with the Regulations and in accordance with the rulings of the Shariah Advisory Board.

The Commission through its letter dated July 21, 2023 has provided a clarification on an interim basis to the Company that the reference to the regulations as referred to in the above mentioned sub clause (a) shall include the screening criteria as stipulated in clause 11 (b) (ii) of the Regulations.

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.

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4. **Our Independence and Quality Control**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. **Our responsibility and summary of the work performed**

Our responsibility in connection with this engagement is to express an opinion on compliance of the Company's financial arrangements, contracts and transactions with Shariah principles, in all material respects, for the year ended June 30, 2023 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 conclusion.

6. **Conclusion**

Based on our reasonable assurance engagement, we report that in our opinion, the Company's financial arrangements, contracts and transactions for the year ended June 30, 2023 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.

7. **Restriction on use and distribution**

This report is issued in relation to the requirements as stipulated under clause 21 of the Regulations and is not to be used for any other purpose. This report is restricted to the facts stated herein.

A. F. Ferguson & Co
Chartered Accountants
Karachi

Date: September 4, 2023

Financial Statements

For the year ended June 30, 2023

Unconsolidated

pwc

A·F·FERGUSON&Co.

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, 2023, 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, 2023 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:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	**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 promised goods 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. In addition, revenue was also considered an area of significant audit 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 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.
(ii)	**Stock in trade and stores and spares** (refer notes 3, 10 and 11 to the annexed unconsolidated financial statements) Stock in trade and stores and spare include: • gypsum as raw material; • clinker as part of work-in-progress; and • coal as stores and spares. 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 volume by using angle of repose and bulk density values. The Company also engages an external surveyor in the inventory count process. Due to the fact that significant estimates are involved, this was considered as a key audit matter.	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.

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 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 Osama Moon.

A. F. Ferguson & Co
Chartered Accountants
Karachi

Date: September 4, 2023

UDIN: AR202310056r6WXqMUoy

Unconsolidated Statement of Financial Position

as at June 30, 2023

	Note	2023	2022
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	95,620,306	82,301,050
Intangible assets	6	85,588	51,352
		95,705,894	82,352,402
Long-term investments	7	57,594,485	57,594,485
Long-term loans and advances	8	194,204	191,684
Long-term deposits	9	7,842	8,106
		153,502,425	140,146,677
CURRENT ASSETS			
Stores and spares	10	14,084,018	11,206,843
Stock-in-trade	11	6,048,507	7,171,364
Trade debts	12	5,089,667	3,522,931
Loans and advances	13	749,292	735,337
Trade deposits and short-term prepayments	14	2,153,705	140,532
Accrued return		100,079	39,316
Other receivables	15	4,797,885	4,838,323
Tax refunds due from the Government	16	538,812	538,812
Short-term investments	17	21,898,496	12,751,155
Cash and bank balances	18	4,116,181	3,871,078
		59,576,642	44,815,691
TOTAL ASSETS		213,079,067	184,962,368
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital	19	3,118,386	3,233,750
Reserves	20	134,247,940	125,306,574
		137,366,326	128,540,324
NON-CURRENT LIABILITIES			
Long-term deposits	21	252,837	250,332
Long-term loans	22	14,557,294	14,108,446
Deferred Government grant	23	2,121,307	2,164,455
Deferred liabilities			
- Staff gratuity - unfunded		2,574,925	2,596,281
- Deferred tax liability		10,025,499	6,941,172
	24	12,600,424	9,537,453
		29,531,862	26,060,686
CURRENT LIABILITIES			
Trade and other payables	25	29,918,702	23,191,483
Current maturity of long-term loans	22	599,653	487,202
Short-term borrowings	26	5,885,000	1,000,000
Unclaimed dividend		50,115	51,030
Accrued markup		497,745	135,452
Taxation - net		9,229,664	5,496,191
		46,180,879	30,361,358
		75,712,741	56,422,044
TOTAL EQUITY AND LIABILITIES		213,079,067	184,962,368
CONTINGENCIES AND COMMITMENTS	27		

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

Muhammad Sohail Tabba	Muhammad Ali Tabba	Atif Kaludi
Chairman / Director	**Chief Executive**	**Chief Financial Officer**

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2023

	Note	2023	2022
		(PKR in '000')	
Gross sales	28	125,819,372	108,600,945
Less: Sales tax and federal excise duty		28,481,690	26,133,535
Rebates, incentives and commission		1,505,535	1,373,885
		29,987,225	27,507,420
Net sales		95,832,147	81,093,525
Cost of sales	29	(69,771,469)	(58,541,684)
Gross profit		26,060,678	22,551,841
Distribution cost	30	(5,326,894)	(4,764,574)
Administrative expenses	31	(1,825,578)	(1,512,279)
Finance costs	32	(1,169,770)	(394,517)
Other expenses	33	(2,442,585)	(1,847,039)
Other income	34	6,047,423	7,387,800
Profit before taxation		21,343,274	21,421,232
Taxation	35	(7,617,460)	(6,122,614)
Profit after taxation		13,725,814	15,298,618
		(PKR)	
Earnings per share - basic and diluted	36	43.06	47.31

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

Muhammad Sohail Tabba	**Muhammad Ali Tabba**	**Atif Kaludi**
Chairman / Director	**Chief Executive**	**Chief Financial Officer**

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2023

	Note	2023	2022
		(PKR in '000')	
Profit after taxation		13,725,814	15,298,618
Other comprehensive income:			
Other comprehensive income which will not be reclassified to the profit or loss in subsequent periods			
Gain on remeasurement of post retirement benefit obligation	24.1.3	429,875	84,727
Deferred tax thereon		(167,651)	(24,571)
		262,224	60,156
Unrealized loss on remeasurement of equity instrument at fair value through other comprehensive income		(5,008)	(21,381)
Deferred tax thereon		626	2,673
		(4,382)	(18,708)
		257,842	41,448
Total comprehensive income for the year		13,983,656	15,340,066

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

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023	2022
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	24,515,258	18,126,508
Income tax paid		(966,685)	(2,394,437)
Gratuity paid	24.1.3	(194,812)	(136,242)
Finance costs paid		(807,477)	(329,933)
Increase in long-term deposits (liabilities)		2,505	6,699
Income from deposits with Islamic banks		696,363	290,052
Decrease / (increase) in long-term deposits (assets)		264	(169)
Increase in long-term loans and advances		(2,520)	(93,029)
Net cash generated from operating activities		23,242,896	15,469,449
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure including capital spares		(18,644,906)	(24,537,830)
Addition to intangible assets		(66,116)	(53,229)
Long term investments made		–	(4,400,000)
Sale proceeds on disposal of property, plant and equipment	5.3	258,041	233,881
Dividend received from subsidiary companies		2,134,493	3,365,414
Dividend received from associate		244,546	187,572
Dividend received on short term investments		1,983,916	1,167,048
Release / (placement) of balances held as lien		1,111,111	(789,111)
Net cash used in investing activities		(12,978,915)	(24,826,255)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans obtained	22.5	5,286,636	12,718,119
Long term loans repaid	22.5	(4,768,485)	(506,908)
Short term borrowings obtained / (repaid) - net		4,885,000	(6,050,000)
Own shares purchased for cancellation		(5,157,654)	–
Dividends paid		(915)	(2,428)
Net cash generated from financing activities		244,582	6,158,783
Net increase / (decrease) in cash and cash equivalents		10,508,563	(3,198,023)
Cash and cash equivalents at the beginning of the year		15,493,016	18,691,039
Cash and cash equivalents at the end of the year	37.2	26,001,579	15,493,016

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

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Issued, subscribed and paid-up share capital	Capital reserves					Revenue reserves			
		Share premium	Capital re-purchase reserve account	Capacity expansions capital reserve	Long-term investments capital reserve	Capital redemption reserve	General reserve	Unappropriated Profit	Total reserves	Total equity
	(PKR in '000')									
Balance as at July 1, 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
Transfer to general reserve	–	–	–				15,340,066	(15,340,066)	–	–
Profit after taxation for the year	–	–	–	–	–	–	–	13,725,814	13,725,814	13,725,814
Other comprehensive income for the year	–	–	–	–	–	–	–	257,842	257,842	257,842
Total comprehensive income for the year	–	–	–	–	–	–	–	13,983,656	13,983,656	13,983,656
Reclassification of reserve	–	–	–	40,000,000	40,000,000	36,000,000	(114,504,253)	(1,495,747)	–	–
Cancellation of own shares purchased (Note 36.2)	(100,000)	-	100,000	–	–	–	–	(4,369,198)	(4,269,198)	(4,369,198)
Own shares purchased for cancellation (Note 36.3)	(15,364)	-	15,364	–	–	(184,125)	–	(604,331)	(773,092)	(788,456)
Balance as at June 30, 2023	3,118,386	7,343,422	115,364	40,000,000	40,000,000	35,815,875	–	10,973,279	134,247,940	137,366,326

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

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2023

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 (PSX). The principal activity of the Company is manufacturing and marketing of cement.

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

1.2 These unconsolidated financial statements are separate financial statements of the Company in which investments in subsidiaries and associate 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 the 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 and useful lives of property, plant and equipment as disclosed in notes 4.3 and 5 to these unconsolidated financial statements. Further, the Company reviews the carrying value of assets for impairment, if any, on each reporting date.

Impairment of financial and non-financial assets

Estimates with respect to impairment of financial and non-financial assets as disclosed in note 4.20 to these unconsolidated financial statements.

Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

Stores and spares and stock-in-trade

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realizable value are disclosed in notes 4.7 and 4.8 to these unconsolidated financial statements.

Further, the Company's certain inventory items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the 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.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 4.11 and note 24.1.1 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, 2022.

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, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated 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 (CWIP) which are stated at cost less impairment losses, if any. Cost in relation to certain items in operating fixed assets and capital work-in-progress, signifies historical cost and financial charges on borrowings.

Depreciation is charged to the profit or loss, applying the straight line method at the rates mentioned in note 5.1 to these unconsolidated financial statements. Depreciation on additions is charged from the date of acquisition / transfer of asset 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, if any, are capitalised, when it is probable that future economic benefits will flow to the Company.

Gains and losses on disposal of operating fixed assets, if any, are included in the profit or loss.

4.4 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any.

Amortization is charged to the profit or loss applying the straight line method at the rate mentioned in note 6 to these unconsolidated financial statements.

The assets' residual values, the method of amortization and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

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 capital spares 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 goods	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 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. Deduction, if any, is made for doubtful receivables based on expected credit losses model.

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, having a fixed fair value per unit invested, short term borrowings and sales collection in transit.

4.11 Staff retirement benefits

The Company operates a 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 in Pakistan Rupees 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.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss, except for the investments in equity instruments as explained in the ensuing paragraphs.

(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 amortized cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

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.

4.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.25 Contract liabilities / advance from customers

A contract liability is recognised if a payment is received from a customer before the Company transfers the related goods. Contract liabilities are recognised as revenue when the Company transfers control of the related goods to the customer.

4.26 Own shares purchased for cancellation

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

	Note	2023	2022
		(PKR in '000')	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	5.1	89,745,225	59,972,785
Capital work-in-progress	5.5	5,562,145	21,911,214
Capital spares		312,936	417,051
		95,620,306	82,301,050

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, 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
Year ended June 30, 2022															
Transfers from CWIP		–	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															
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
Year ended June 30, 2023															
Transfers from CWIP	5.5	–	–	38,431	629,601	27,352,528	6,365,870	19,660	227,948	–	15,181	38,137	154,122	254,950	35,096,428
Disposals	5.3														
Cost		–	–	–	–	–	(66,834)	–	(175,297)	–	(22)	(925)	(11,856)	(3,743)	(258,677)
Accumulated depreciation		–	–	–	–	–	45,849	–	153,829	–	22	924	11,638	3,647	215,909
		–	–	–	–	–	(20,985)	–	(21,468)	–	–	(1)	(218)	(96)	(42,768)
Depreciation charge for the year	5.2	(21,339)	–	(324,274)	(412,093)	(2,456,737)	(1,328,585)	(153,886)	(349,608)	(70,962)	(16,159)	(29,416)	(57,194)	(60,967)	(5,281,220)
Net book value as at June 30, 2023		1,150,086	367,299	2,747,034	5,818,584	60,138,175	17,100,241	359,616	1,541,125	–	12,152	32,838	129,877	348,198	89,745,225
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
At June 30, 2023															
Cost		1,394,929	367,299	6,457,552	9,602,477	80,463,202	27,794,468	2,013,453	3,281,958	744,664	148,217	332,721	315,258	769,375	133,685,573
Accumulated depreciation		(244,843)	–	(3,710,518)	(3,783,893)	(20,325,027)	(10,694,227)	(1,653,837)	(1,740,833)	(744,664)	(136,065)	(299,883)	(185,381)	(421,177)	(43,940,348)
Net book value		1,150,086	367,299	2,747,034	5,818,584	60,138,175	17,100,241	359,616	1,541,125	–	12,152	32,838	129,877	348,198	89,745,225
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	2023	2022
		(PKR in '000')	
Cost of sales	29	4,730,828	4,011,656
Distribution cost	30	233,274	210,020
Administrative expenses	31	228,105	190,545
Cost of sale of electricity		89,013	114,655
		5,281,220	4,526,876

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')							
Generator	66,834	45,849	20,985	22,000	1,015	Transfer	Lucky Core Industries Limited (Formerly ICI Pakistan Limited)	Subsidiary company
Vehicle	5,170	3,186	1,984	5,201	3,217	Auction	Mr. Furqan Ali	N/A
----do----	2,410	1,125	1,285	2,481	1,196	----do----	----do----	----do----
----do----	1,919	1,138	781	2,281	1,500	----do----	----do----	----do----
----do----	2,390	1,327	1,063	2,286	1,223	----do----	Mr. Maaz Saleem	----do----
----do----	1,917	1,367	550	2,450	1,900	----do----	Mr. Zafar Hussain	Employee
----do----	2,101	690	1,411	2,077	666	Insurance claim	EFU General Insurance	N/A
----do----	5,993	1,700	4,293	6,109	1,816	----do----	----do----	----do----
----do----	8,172	3,526	4,646	12,000	7,354	----do----	----do----	----do----
----do----	2,066	989	1,077	1,825	748	----do----	IGI General Insurance	----do----
----do----	6,888	4,325	2,563	5,500	2,937	----do----	----do----	----do----
Items having book value less than PKR 500,000 each	152,817	150,687	2,130	193,831	191,701			
Total	258,677	215,909	42,768	258,041	215,273			
2022	285,509	183,996	101,513	233,881	132,368			

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

5.5 The following is the movement of capital work-in-progress during the year:

	Opening balance	Additions	Transferred to operating fixed assets	Closing balance
		(PKR in '000')		
Building on leasehold land				
- Cement plant	–	30,127	30,092	35
- Power plant	–	114,666	825	113,841
- Other	7,540	12,776	7,514	12,802
Building on freehold land				
- Cement plant	671,157	8,656	629,501	50,312
- Power plant	112,041	3,593	100	115,534
Plant and machinery	19,184,008	10,145,066	27,352,528	1,976,546
Generators and other power generation equipment	1,743,825	7,548,238	6,365,870	2,926,193
Quarry equipment	4,089	23,005	19,660	7,434
Vehicles including cement bulkers	1,832	260,088	227,948	33,972
Furniture and fixtures	1,136	31,132	15,181	17,087
Office equipment	14,826	26,298	38,137	2,987
Computer and accessories	155,757	4,364	154,122	5,999
Other assets (Laboratory equipment etc.)	13,341	541,012	254,950	299,403
Intangible assets	1,662	66,116	67,778	–
	21,911,214	18,815,137	35,164,206	5,562,145

5.5.1 An amount of PKR 3,490.64 million has been reclassified among classes of assets for better presentation which has no impact on the aggregate opening balance of capital work-in-progress.

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	**2023**	2022
		(PKR in '000')	
Balance as at July 1, 2022 / 2021		51,352	670
Transfer from capital work-in-progress		67,778	51,567
		119,130	52,237
Less: Amortisation charge for the year	6.2	(33,542)	(885)
As at June 30		85,588	51,352

6.1	As at June 30		
	Cost	338,454	270,677
	Accumulated amortisation	(252,866)	(219,325)
	Net book value	85,588	51,352

		Note	2023	2022
			(PKR in '000')	
6.2	Amortisation charge for the year has been allocated as follows:			
	Cost of sales	29	–	141
	Distribution cost	30	–	51
	Administrative expenses	31	33,542	693
			33,542	885
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	29,900,000
	Lucky Motor Corporation Limited	7.4	12,876,384	12,876,384
	Lucky Core Industries Limited (Formerly ICI Pakistan Limited)	7.5	9,594,091	9,594,091
			56,983,120	56,983,120
	Associate			
	Yunus Energy Limited	7.6	611,365	611,365
			57,594,485	57,594,485

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 (2022: 2,990,000,000 shares) issued, paid-up and subscribed shares of PKR 10 each of LEPCL. 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 megawatt 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% (2022: 71.14%) shares of LMC comprising of 1,287,638,359 issued, subscribed and paid-up shares of PKR 10 each.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

7.5 Lucky Core Industries Limited (formerly ICI Pakistan Limited) (LCI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. The Company holds 55% (2022: 55%) shares comprising of 50,798,000 shares of PKR 10 each. LCI 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% (2022: 20%) shares of YEL comprising of 61,136,500 issued, subscribed and paid up shares of PKR 10 each.

	Note	**2023**	2022
		(PKR in '000')	
8. LONG-TERM LOANS AND ADVANCES			
(secured & considered good)			
Long-term loans			
Due from employees	8.1	185,768	193,205
Less: Recoverable within one year	13	116,202	110,065
		69,566	83,140
Other advances	8.3	124,638	108,544
		194,204	191,684

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 aggregating PKR 16.503 million given to key management personnel namely Mr. Waqas Abrar, Mr. Zaher Shah, Mr. Mian Yasser Sulaiman and Mr. Atif Kaludi (2022: Mr. Waqas Abrar, Mr. Zaher Shah and Mr. Ahmed Waseem Khan) as at June 30, 2023.

8.2 The maximum amount outstanding at the end of any month during the year ended June 30, 2023 from key management personnel aggregated to PKR 33.353 million (2022: PKR 31.870 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 the ordinary course of business with them.

	2023	2022
	(PKR in '000')	
10. STORES AND SPARES		
Stores	7,519,815	5,218,792
Spares	7,042,619	6,466,467
	14,562,434	11,685,259
Less: Provision for slow moving spares	478,416	478,416
	14,084,018	11,206,843
11. STOCK-IN-TRADE		
Raw and packing materials	1,417,412	740,580
Work-in-process	3,676,416	5,801,452
Finished goods	984,679	659,332
	6,078,507	7,201,364
Less: Provision for slow moving packing material	30,000	30,000
	6,048,507	7,171,364

		Note	2023	2022
			(PKR in '000')	
12.	**TRADE DEBTS**			
	(considered good)			
	Bills receivable - secured	12.2	783,740	418,600
	Others - unsecured		4,313,863	3,114,912
			5,097,603	3,533,512
	Less: Provision for doubtful debts	12.3	7,936	10,581
			5,089,667	3,522,931
12.1	The status of trade debts as at June 30 is as follows:			
	Not impaired		5,089,667	3,522,931
12.2	Represents receivables in respect of export sales.			
12.3	Movement of provision for doubtful debts is as follows:			
	Balance as at July 1, 2022 / 2021		10,581	22,629
	Provision during the year		1,080	1,952
	Less: Doubtful debts recovered		1,773	14,000
	Net reversal of provision for doubtful debts during the year	30	(693)	(12,048)
	Less: Doubtful debts written-off		1,952	–
	Balance as at June 30		7,936	10,581
13.	**LOANS AND ADVANCES**			
	(secured & considered good)			
	Current portion of long-term loans and advances to employees	8	116,202	110,065
	Other advances given to employees - return free	13.1	31,688	35,476
			147,890	145,541
	Advances to suppliers and others - return free		601,402	589,796
			749,292	735,337

13.1 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

		2023	2022
		(PKR in '000')	
14.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**		
	Trade deposits - return free		
	Utilities	5,746	489
	Rented premises	8,518	8,288
	Margin held in bank	2,049,343	–
	Others	8,066	3,826
		2,071,673	12,603
	Prepayments		
	Insurance	44,964	79,791
	Rent	17,622	22,255
	Others	19,446	25,883
		82,032	127,929
		2,153,705	140,532

		Note	2023	2022
			(PKR in '000')	
15.	**OTHER RECEIVABLES**			
	(unsecured & considered good)			
	Rebate on export sales		38,571	18,850
	Due from Collector of Customs	15.1	19,444	19,444
	Hyderabad Electricity Supply Company (HESCO)	15.2	3,345,228	3,447,797
	Receivable from LCLIHL, a related party	15.3	1,342,820	1,337,865
	Dividend receivable from mutual fund		23,420	–
	Others	15.4	28,402	14,367
			4,797,885	4,838,323

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 was challenged by the FBR before the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has dismissed the appeal filed by the FBR vide its judgment dated September 13, 2022 and directed the FBR to refund the amount recovered from the Company.

The Company has filed an application to the Collector of Customs on September 24, 2022, requesting to comply with the above-referred judgment and process the refund of the customs duty amounting to PKR 19.444 million to the Company forthwith. The management is confident that the amount will be recovered in due course.

15.2 National Electric Power Regulatory Authority (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 October 2021 amounting to PKR 2,453 million. The Company's subsidy claims pertaining to the period from November 2021 to April 2023 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 2022, the Company entered into Technical Support Agreement with a related party Nyumba Ya Akiba S.A. (NYA), incorporated in Democratic Republic of Congo, 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 during the year 2022 and another during the current year with LCLIHL, NYA, LRHL and Rawsons Investments Limited whereby LCLIHL agreed to pay the amount outstanding by NYA to the Company upon the Company releasing equivalent receivable balance 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 was PKR 1,342.820 million.

15.4 Include amounts of PKR 0.087 million, PKR 0.634 million, PKR 1.114 million, PKR 0.072 million, PKR 3.851 million and PKR 5.562 million receivable from the related parties LEPCL, YB Holdings Limited, Lucky Foods (Private) Limited, Energas Terminal (Private) Limited, LMC and YB Pakistan Limited 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 was PKR 11.320 million (2022: PKR 7.051 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 PKR 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 the FBR to conduct the audit. However, the FBR defaulted on its commitment made before the PHC and hence on July 6, 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 appeals filed by the Chief Commissioner RTO, Peshawar were dismissed vide judgement dated September 7, 2022. The Company is now pursuing the department for conducting an audit, as directed by the FTO, to determine whether incidence of the central excise duty was passed on to end consumers or not.

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	2023	2022
			(PKR in '000')	
17.	**SHORT-TERM INVESTMENTS**			
	Investments - Fair value through profit or loss	17.1 & 17.2	21,885,398	12,733,049
	Investments - Fair value through other comprehensive income	17.3	13,098	18,106
			21,898,496	12,751,155

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

Name of fund	2023 Number of units	2023 Value of investment 'PKR in '000'	2022 Number of units	2022 Value of investment 'PKR in '000'
Faysal Islamic Cash Fund	10,027,140	1,002,714	5,761,403	576,140
ABL Islamic Cash Fund	–	–	95,657,065	956,571
UBL - Al Ameen Islamic Cash Plan	10,023,027	1,002,303	11,583,956	1,158,396
Meezan Paaidaar Munafa Plan	203,024,640	10,151,232	–	–
Meezan Rozana Amdani Fund	–	–	152,229,568	7,611,478
MCB - Alhamra Islamic Money Market Fund	–	–	10,151,082	1,010,134
HBL Islamic Money Market Fund	19,951,831	2,018,615	10,028,963	1,014,674
AL Habib Islamic Cash Fund	–	–	4,056,564	405,656
Alfalah Islamic Rozana Amdani Fund	77,105,338	7,710,534	–	–
		21,885,398		12,733,049

17.2 Investments in mutual funds include an amount of Nil (2022: PKR 1,111 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 (2022: 1,769,940 shares) of Pakistan Stock Exchange.

	Note	2023 (PKR in '000')	2022 (PKR in '000')
18. CASH AND BANK BALANCES			
Sales collection in transit		817,383	1,013,642
Cash at bank			
- in current accounts		274,442	160,241
- in Islamic savings accounts	18.1	173,878	2,677,660
		448,320	2,837,901
		1,265,703	3,851,543
Cash in hand and bank instruments		2,850,478	19,535
		4,116,181	3,871,078

18.1 These are shariah compliant bank balances and carry profit at rates ranging from 10.04% to 18.25% (2022: 5.32% to 13.50%) per annum.

	Note	2023 (PKR in '000')	2022 (PKR in '000')
19. SHARE CAPITAL			
Authorised capital			
500,000,000 (2022: 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 (2022: 305,000,000) Ordinary shares of PKR 10/- each issued for cash		3,050,000	3,050,000
18,375,000 (2022: 18,375,000) Ordinary shares of PKR 10/- each issued as bonus shares		183,750	183,750
		3,233,750	3,233,750
10,000,000 ordinary shares of PKR 10/- each cancelled through purchase of own shares	36.2	(100,000)	–
1,536,361 ordinary shares purchased and held for cancellation	36.3	(15,364)	–
		3,118,386	3,233,750

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2023

19.1 During the year ended June 30, 2008, the Company had issued 15,000,000 Global Depository Receipts (GDRs), each representing four ordinary equity shares at an offer price of US Dollars 7.2838 per GDR (total receipt being US Dollars 109.257 million). The GDRs were eligible for trading on the London Stock Exchange. Accordingly, 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).

		Note	2023	2022
			(PKR in '000')	
20.	**RESERVES**			
	Capital reserves			
	Share premium	20.1	7,343,422	7,343,422
	Capital re-purchase reserve account		115,364	–
	Capacity expansions capital reserve	20.2	40,000,000	–
	Long-term investments capital reserve	20.2	40,000,000	–
	Capital redemption reserve	20.2	35,815,875	–
			123,274,661	7,343,422
	Revenue reserves			
	General reserve		–	99,164,187
	Unappropriated profit		10,973,279	18,798,965
			10,973,279	117,963,152
			134,247,940	125,306,574

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 Board of Directors of the Company in its meeting held on June 21, 2023 decided to earmark a sum of PKR 116,000 million as not available for distribution by way of dividend on account of long-term investments, capacity expansions and capital redemption to more accurately reflect the nature of these reserves. The said decision was disclosed to the PSX by the Company vide notice dated June 22, 2023. Based on this decision, the reserves against long-term investments, capacity expansions and capital redemption amounting to PKR 40,000 million, PKR 40,000 million and PKR 36,000 million (i.e. aggregating PKR 116,000 million) respectively have been separately disclosed as capital reserve not available for distribution in these unconsolidated financial statements.

The Company has also approached the Securities and Exchange Commission of Pakistan (SECP) regarding the above decision of the Board of Directors. The SECP through its letter dated July 27, 2023 has informed that the matter is under review and any view adopted by SECP shall be communicated in due course.

		Note	2023	2022
			(PKR in '000')	
21.	**LONG-TERM DEPOSITS**			
	Cement stockists	21.1	197,457	191,052
	Transporters	21.2	52,200	56,100
	Others		3,180	3,180
			252,837	250,332

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	2023	2022
		(PKR in '000')	
22. LONG-TERM LOANS			
Salary Refinance Loan	22.1	–	380,181
Temporary Economic Refinance	22.2	5,508,080	4,882,521
Financing for Renewable Energy	22.3	1,670,324	1,460,324
Long Term Financing Facility	22.4	7,978,543	7,872,622
		15,156,947	14,595,648
Less: Current maturity of long-term loans		599,653	487,202
		14,557,294	14,108,446

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 was repayable in eight equal quarterly installments, which started from April 2021. This long term financing facility was secured by way of hypothecation charge over specific plant and machinery of the Company. The facility carried mark-up at the rate of 0.50% per annum starting from the date of disbursement and was payable in arrears on quarterly basis. The loan was fully repaid during the year ended June 30, 2023.

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) of the State Bank of Pakistan. The loans are repayable in semi-annual installments over a period of ten years concluding upto September 8, 2032, 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 6,135.502 million obtained under Islamic mode of financing.

22.3 The Company entered into long-term loan agreements with Allied Bank Limited, Dubai Islamic Bank and Soneri Bank Limited 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 concluding upto July 13, 2034, 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 470.324 million obtained under Islamic mode of financing.

22.4 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 concluding upto July 18, 2032, 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 8.00%. The amount of loan outstanding as at the reporting date includes PKR 2,315.451 million obtained under Islamic mode of financing.

22.5 Following is the movement of long term loans:

	Note	2023	2022
		(PKR in '000')	
Balance as at July 1, 2022 / 2021		16,760,103	4,548,892
Loans obtained during the year		5,286,636	12,718,119
Loans repaid during the year		(4,768,485)	(506,908)
Balance as at June 30		17,278,254	16,760,103
Less: Deferred government grant	23	2,121,307	2,164,455
		15,156,947	14,595,648

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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 carrying amount of the deferred government grant in respect of Temporary Economic Refinance is PKR 2,121.307 million (2022: PKR 2,164.455 million).

	Note	2023	2022
		(PKR in '000')	
24. DEFERRED LIABILITIES			
Staff gratuity	24.1.1	2,574,925	2,596,281
Deferred tax liability	24.2	10,025,499	6,941,172
		12,600,424	9,537,453

24.1 On January 26, 2023, the Company established its Lucky Cement Limited Employees' Gratuity Trust Fund (the Fund). As at June 30, 2023, no employees have been admitted as member of the Fund.

24.1.1 The amounts recognized in the statement of financial position and other details, based on the recent actuarial valuation carried on June 30, 2023, are as follows:

	2023	2022
	(PKR in '000')	
24.1.2 Present value of defined benefit obligation	2,574,925	2,596,281
24.1.3 Changes in the present value of defined benefit obligation are as follows:		
Balance as at July 1, 2022 / 2021	2,596,281	2,337,897
Charge for the year	603,331	479,353
Remeasurement gain recognised in other comprehensive income	(429,875)	(84,727)
	2,769,737	2,732,523
Payments made during the year	(194,812)	(136,242)
	2,574,925	2,596,281
24.1.4 Charge for the year recognised in the profit or loss is as follows:		
Current service cost	251,118	234,375
Finance cost	352,213	244,978
	603,331	479,353
24.1.5 The charge for the year has been allocated as follows:		
Cost of sales	424,767	340,049
Distribution cost	51,945	40,151
Administrative expenses	119,512	91,998
Cost of sale of electricity	7,107	7,155
	603,331	479,353
24.1.6 Principal actuarial assumptions used are as follows:		
Expected rate of increase in salary level		
Next year	12.00%	12.00%
Second year onwards	14.25%	13.25%
Valuation discount rate	16.25%	13.25%

24.1.7 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:

	2023 (PKR in '000')
Discount rate +1%	(195,050)
Discount rate -1%	222,207
Long term salary +1%	212,097
Long term salary -1%	(189,424)

24.1.8 The weighted average duration of the defined benefit obligation is 8.07 years.

24.1.9 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.

24.1.10 Expected charge to unfunded gratuity scheme for the year ending June 30, 2024 is PKR 665.264 million.

	2023	2022
	(PKR in '000')	
24.2 Deferred tax liability		
This comprises the following:		
- Taxable temporary differences arising due to accelerated tax depreciation allowance	11,179,358	7,737,372
- Deductible temporary differences arising in respect of provisions	(1,153,859)	(796,200)
	10,025,499	6,941,172

24.2.1 In accordance with the Finance Act, 2023, super tax at the rate of 10% for tax year 2023 and onwards has been levied in addition to the corporate tax rate of 29%. Accordingly, the Company has recorded deferred tax at 39% in accordance with applicable accounting and reporting standards.

		Note	2023	2022
			(PKR in '000')	
25.	**TRADE AND OTHER PAYABLES**			
	Creditors		5,030,546	3,352,998
	Accrued liabilities		6,110,295	5,333,024
	Advances from customers / contract liabilities	25.4	4,335,126	2,114,280
	Retention money		2,132,353	1,141,232
	Sales tax, excise duty and other government levies government levies	25.1	10,606,853	9,672,058
	Workers' Profit Participation Fund (WPPF)	25.2	23,215	54,998
	Workers' Welfare Fund (WWF)	25.3	1,513,854	1,326,416
	Others		166,460	196,477
			29,918,702	23,191,483

25.1 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	2023	2022
			(PKR in '000')	
25.2	The movement of WPPF payable is as follows:			
	Balance as at July 1, 2022 / 2021		54,998	650,560
	Allocation for the year	33	1,133,578	1,139,910
			1,188,576	1,790,470
	Payments during the year		(1,165,361)	(1,735,472)
			23,215	54,998

25.3 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.

25.4 The contract liabilities outstanding as at June 30, 2022 amounting to PKR 2,114.28 million have been fully recognized as revenue during the current year.

26. SHORT-TERM BORROWINGS

The Company has obtained Islamic Export Refinance Facility of PKR 5,885 million (2022: PKR 1,000 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. These facilities carry mark-up at the rates ranging from 13.65% to 18.00% 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 1, 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 year 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. The Peshawar High Court transferred the matter to the District Court Peshawar. Subsequently, the District Court Peshawar dismissed the said appeal on January 7, 2023.

The Company has now filed a Civil Revision before the Peshawar High Court to challenge the said judgment of the District Court. The case is currently pending before the Peshawar High Court. The receivable shall be recognised when it's existence is virtually certain.

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 and hence no accrual has been recorded in the books of account of the Company.

27.3 Details of other matters are stated in notes 15.1, 15.2, 16 and 25.3 to these unconsolidated financial statements.

	2023	2022
	(PKR in '000')	
COMMITMENTS		
27.4 Capital commitments		
Plant, machinery and equipment under letters of credit	4,921,828	8,788,299

		2023	2022
		(PKR in '000')	
27.5	**Other commitments**		
	Stores, spares, packing material and other supplies / services under letters of credit	3,989,776	4,530,101
	Bank guarantees issued by the Company on behalf of subsidiary company	–	4,550,000
	Bank guarantees issued on behalf of the Company	2,800,837	1,404,716
	Post dated cheques	4,075,985	1,642,422
	Commitment on behalf of a subsidiary company in respect of cost over-run, PSRA, CSA and excess debt support	52,839,594	32,763,946
28.	**GROSS SALES**		
	Local	112,146,161	95,897,832
	Export	13,673,211	12,703,113
		125,819,372	108,600,945

28.1 All revenue earned by the Company is shariah compliant.

		Note	2023	2022
			(PKR in '000')	
29.	**COST OF SALES**			
	Salaries, wages and benefits		3,024,796	2,701,913
	Raw material consumed		3,936,525	3,717,639
	Packing material consumed	29.1	5,148,950	4,789,033
	Fuel and power		47,273,474	44,020,800
	Stores and spares consumed		2,087,830	2,166,461
	Repairs and maintenance		710,627	582,813
	Depreciation	5.2	4,730,828	4,011,656
	Amortisation	6.2	–	141
	Insurance		144,328	109,376
	Earth moving machinery		397,781	334,071
	Vehicle running and maintenance		136,038	77,822
	Communication		12,768	12,319
	Mess subsidy		10,584	8,446
	Transportation		60,855	25,764
	Travelling and conveyance		5,637	3,447
	Rent, rates and taxes		48,210	28,204
	Printing and stationery		4,571	2,733
	Other manufacturing expenses		237,978	155,503
			67,971,780	62,748,141
	Work-in-process:			
	Opening		5,801,452	1,887,232
	Closing		(3,676,416)	(5,801,452)
			2,125,036	(3,914,220)
	Cost of goods manufactured		70,096,816	58,833,921
	Finished goods:			
	Opening		659,332	367,095
	Closing		(984,679)	(659,332)
			(325,347)	(292,237)
			69,771,469	58,541,684

29.1 These are net of duty draw back on export sales amounting to PKR 22.398 million (2022: PKR 18.189 million).

		Note	2023	2022
			(PKR in '000')	
30.	**DISTRIBUTION COST**			
	Salaries and benefits		400,552	359,886
	Logistics and other distribution related charges		1,980,251	1,825,094
	Loading and others		2,387,340	2,157,441
	Communication		7,888	6,034
	Travelling and conveyance		13,036	8,042
	Printing and stationery		1,503	1,465
	Insurance		50,940	49,228
	Rent, rates and taxes		45,381	41,433
	Utilities		8,549	7,055
	Vehicle running and maintenance		58,244	35,416
	Repairs and maintenance		36,013	33,000
	Fees, subscription and periodicals		3,674	3,484
	Advertisement and sales promotion		70,567	14,250
	Entertainment		10,631	10,753
	Security services		4,538	4,860
	Depreciation	5.2	233,274	210,020
	Amortisation	6.2	–	51
	Net reversal of provision for doubtful debt	12.3	(693)	(12,048)
	Others		15,206	9,110
			5,326,894	4,764,574
31.	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits		876,003	715,470
	Communication		12,290	10,637
	Travelling and conveyance		48,544	31,083
	Insurance		48,718	33,770
	Rent, rates and taxes		23,946	25,546
	Vehicle running and maintenance		70,781	50,175
	Aircraft running and maintenance		89,704	57,369
	Printing and stationery		18,928	11,789
	Fee and subscription		54,462	51,227
	Security services		9,855	9,086
	Legal and professional fee		94,404	63,082
	Utilities		18,521	13,033
	Repairs and maintenance		119,416	177,909
	Advertisement		5,093	3,269
	Auditor's remuneration	31.1	5,856	4,982
	Depreciation	5.2	228,105	190,545
	Amortisation	6.2	33,542	693
	Training cost		28,232	22,168
	Bank charges		14,565	13,090
	Others		24,613	27,356
			1,825,578	1,512,279

		2023	2022
		(PKR in '000')	
31.1	**Auditor's remuneration**		
	Statutory audit fee - standalone	2,599	2,183
	Statutory audit fee - consolidation	614	516
	Half yearly review fee	614	516
	Fee for the review of compliance with the Code of Corporate Governance and Shariah Governance Regulations, 2018	323	121
	Tax and other services	384	796
		4,534	4,132
	Out of pocket expenses and government levies	1,322	850
		5,856	4,982
32.	**FINANCE COSTS**		
	Mark-up / interest on:		
	Short-term finances	613,581	179,552
	Long-term finances	545,215	214,965
	Others	10,974	–
		1,169,770	394,517

32.1 Finance costs include PKR 841.004 million (2022: PKR 310.505 million) incurred under Islamic mode of financing.

		Note	2023	2022
			(PKR in '000')	
33.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	25.2	1,133,578	1,139,910
	Workers' Welfare Fund		187,438	237,053
	Donations and scholarships	33.1 & 33.2	757,831	421,720
	Business development and technical fee		363,738	–
	Exchange loss - net		–	48,356
			2,442,585	1,847,039

33.1 These include donations amounting to PKR 240 million (2022: PKR 210 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 Sohail Tabba, Chairman of the Board of Directors of the Company, is the Director of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Company, is the Director of ATF. Further, 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:

	2023	2022
	(PKR in '000')	
Balance as of July 1, 2022 / 2021	–	–
Charity due	39,013	20,656
Less: Charity paid	39,013	20,656
Balance as at June 30	–	–

	Note	2023	2022
		(PKR in '000')	
34. OTHER INCOME			
Income from non-financial assets			
Gain on disposal of property, plant and equipment		215,273	132,368
Gain from sale of electricity		329,364	271,430
Sale of scrap and others		142,807	181,203
		687,444	585,001
Income from financial assets			
Dividend from subsidiaries	34.1	2,134,493	3,365,414
Dividend from associate	34.1	244,546	187,572
Dividend from mutual funds and other investments		2,007,336	1,167,048
Fee for Technical Services		–	1,775,706
Exchange gain - net		216,478	–
Income from deposits with Islamic banks	34.2	757,126	307,059
		5,359,979	6,802,799
		6,047,423	7,387,800

34.1 Dividend income earned from the subsidiaries and associate 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:

	2023	2022
	(PKR in '000')	
- current tax	4,700,158	5,360,564
- deferred tax	2,917,302	762,050
	7,617,460	6,122,614

35.2 Relationship between income tax expense and accounting profit:

	2023	2022
	(PKR in '000')	
Profit before taxation	21,343,274	21,421,232
Tax at the applicable tax rate of 29%	6,189,549	6,212,157
Tax effect under lower rate	(1,143,625)	(1,867,956)
Provision for super tax	1,389,990	1,681,510
Impact of change in tax rate	1,262,000	–
Others	(80,454)	96,902
	7,617,460	6,122,614
Effective tax rate	36%	29%

		Note	2023	2022
36.	**BASIC AND DILUTED EARNINGS PER SHARE**			
	Profit after taxation (PKR in thousands)		13,725,814	15,298,618
	Weighted average number of ordinary shares (in thousands)	36.1	318,749	323,375
	Basic and diluted earnings per share (PKR)		43.06	47.31
36.1	Weighted average number of ordinary shares			
	Outstanding number of shares before own shares purchased		323,375	323,375
	Less: Impact of own shares purchased during the year	36.2 & 36.3	(4,626)	–
			318,749	323,375

36.2 During the year, the Company cancelled 10 million of its own ordinary shares of PKR 10 each purchased during the first buy-back of share for the period from September 29, 2022 to March 17, 2023. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on September 20, 2022, where the Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 10 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from September 29, 2022 to March 27, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.

36.3 The Company purchased 1.536 million of its own ordinary shares during the second buy-back of share, for the purpose of cancellation, from June 15, 2023 till the reporting date at market price prevailing at the date of purchase. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on May 24, 2023, where the Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 23.8 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from June 2, 2023 to November 20, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.

		Note	2023	2022
			(PKR in '000')	
37.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		21,343,274	21,421,232
	Adjustments for non cash charges and other items			
	Depreciation	5.2	5,281,220	4,526,876
	Amortisation of intangible assets	6.2	33,542	885
	Net reversal of provision for doubtful debts	12.3	(693)	(12,048)
	Gain on disposal of property, plant and equipment	34	(215,273)	(132,368)
	Income from deposits with Islamic banks	34	(757,126)	(307,059)
	Dividend income from subsidiaries	34	(2,134,493)	(3,365,414)
	Dividend income from associate	34	(244,546)	(187,572)
	Dividend income from mutual funds	34	(2,007,336)	(1,167,048)
	Provision for staff gratuity	24.1.3	603,331	479,353
	Finance cost	32	1,169,770	394,517
	Profit before working capital changes		23,071,670	21,651,354
	(Increase) / decrease in current assets			
	Stores and spares		(2,877,175)	(680,270)
	Stock-in-trade		1,122,857	(4,066,327)
	Trade debts		(1,566,043)	(800,802)
	Loans and advances		(13,955)	209,650
	Trade deposits and short-term prepayments		(2,013,173)	(55,129)
	Other receivables		63,858	(1,147,684)
			(5,283,631)	(6,540,562)
	Increase in current liabilities			
	Trade and other payables		6,727,219	3,015,716
			24,515,258	18,126,508

		Note	2023	2022
			(PKR in '000')	
37.1	**Cash Flows from Operating Activities**			
	(Direct method)			
	Collections from customers		126,474,175	108,292,047
	Receipts of other income		1,448,870	1,370,707
	Payments to suppliers and service providers		(70,726,292)	(59,633,740)
	Payments to employees		(4,122,225)	(3,836,908)
	Payments relating to income taxes		(966,685)	(2,394,437)
	Payments relating to post retirement benefits - net		(194,812)	(136,242)
	Payment of mark-up		(807,477)	(329,933)
	Payments relating to indirect taxes		(27,862,658)	(27,862,045)
	Net cash generated from operating activities		23,242,896	15,469,449
37.2	**Cash and Cash Equivalents**			
	Cash and bank balances	18	4,116,181	3,871,078
	Short term investments	17	21,885,398	12,733,049
	Placements / balances held as lien		–	(1,111,111)
			26,001,579	15,493,016

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Executives		Total	
	2023	2022	2023	2022	2023	2022
	(PKR in '000')					
Managerial remuneration	105,000	60,000	1,678,910	1,351,852	1,783,910	1,411,852
Charge for defined benefit obligation	50,000	5,000	329,541	229,943	379,541	234,943
	155,000	65,000	2,008,451	1,581,795	2,163,451	1,646,795
Number of persons	1	1	533	426	534	427

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 non executive directors during the year except as disclosed in note 38.3 below.

38.3 An amount of PKR 5.719 million was paid to 7 non executive directors and PKR 0.656 million was paid to 1 executive director during the current year as the fee for attending board and its committees' meetings (2022: PKR 4.219 million was paid to 7 non executive directors and PKR 0.438 million was paid to 1 executive director).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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	Lucky Core Industries Limited (Formerly 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 Holding Limited	Subsidiary	Nil
6	Lucky Energy (Private) Limited	Associated Company	3.6643%
7	Yunus Textile Mills Limited	Associated Company	7.2868%
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	YB Holdings (Private) Limited	Associated Company	Nil
19	Lucky Landmark (Private) Limited	Associated Company	Nil
20	Yunus Energy Limited	Associated Company	Nil
21	YB Pakistan Limited	Associated Company	2.3500%
22	Mr. Muhammad Ali Tabba	Director	2.7722%
23	Mrs. Feroza Tabba	Spouse of director	0.2058%
24	Mr. Muhammad Sohail Tabba	Director	4.1973%
25	Mrs. Saima Sohail	Spouse of director	1.9370%
26	Mr. Jawed Yunus Tabba	Director	6.1343%
27	Mrs. Mariam Tabba Khan	Director	1.4890%
28	Mr. Ikram Hussain Khan	Spouse of director	0.0054%
29	Mrs. Zulekha Tabba Maskatiya	Relative of director	1.4890%
30	Mr. Khawaja Iqbal Hassan	Director	0.0024%
31	Mr. Masood Karim Shaikh	Director	0.000002%
32	Mr. Shabbir Hamza Khandwala	Director	0.000002%
33	Mr. Syed Noman Hasan	Key management personnel	0.0003%
34	Mr. Muhammad Atif Kaludi	Key management personnel	0.0112%
35	Mr. Amin Ganny	Key management personnel	0.0015%
36	Mr. Faisal Mahmood	Key management personnel	0.000002%
37	Mr. Raeel Muhammad Rafique	Key management personnel	Nil
38	Mr. Ahmed Waseem Khan	Key management personnel	Nil
39	Mr. Muhammad Shabbir	Key management personnel	Nil
40	Mr. Mashkoor Ahmed	Key management personnel	Nil
41	Mr. Murtaza Abbas	Key management personnel	0.0003%
42	Mr. Zahir Shah	Key management personnel	Nil
43	Mr. Waqas Abrar Khan	Key management personnel	Nil
44	Mr. Muhammad Safdar Ashraf Malik	Key management personnel	Nil
45	Mian Yaseer Sulaiman	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:

	2023	2022
	(PKR in '000')	
Transactions with subsidiary companies		
Reimbursement of expenses to the Company	10,389	2,892
Investments made during the year	–	4,400,000
Purchase of vehicles	220,148	386,113
Other purchases	38,271	11,574
Payment against claim of tax loss on account of group tax adjustment	–	613,992
Sales	47,787	127,885
Sale of operating fixed assets	25,740	–
Services	34	111
Dividend received	2,134,493	3,365,414
Business Development Technical Fee	363,738	–
Transaction with Directors and their close family members		
Sales	544	690
Transactions with associated undertakings		
Sales	677,478	820,774
Purchases	–	191
Reimbursement of expenses to the Company	23,868	21,136
Reimbursement of expenses from the Company	45,132	37,673
Fee for Technical Services	–	1,775,706
Dividend income from associate	244,546	187,572
Transactions with other key management personnel		
Salaries and benefits	379,537	302,957
Post employment benefits	103,453	46,139

40. PRODUCTION CAPACITY

	2023	2022
	Metric Tons	
Production Capacity - (Cement)	15,300,000	12,150,000
Production Capacity - (Clinker)	14,535,000	11,542,500
Actual Production Cement	7,059,899	8,283,904
Actual Production Clinker	6,235,310	8,793,820

40.1 The new capacity of 3.150 million tons per annum (MTPA) at Pezu was added during the year. However, considering the year-end capacity of 15.300 MTPA for cement and 14.535 MTPA for clinker, the utilization rates for cement and clinker production capacities stand at 46.14% and 42.9% respectively of the total installed capacities. These lower utilization rates are attributed to the fact that new capacity was not available for the full year, planned and unplanned maintenance shutdowns and seasonal factors including Eid holidays and Ramadan.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

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, 2023. 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 hold long term loans amounting to PKR 14,557.294 million at fixed rates which are not 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 10.87% (2022: 11.70%) of the Company's sales are denominated in currencies other than Pakistan Rupee.

As at June 30, 2023, 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 1.899 million (2022: PKR 4.579 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	2023	2022
		(PKR in '000')	
At amortised cost			
Long-term deposits	9	7,842	8,106
Trade debts	12	5,089,667	3,522,931
Loans	8 & 13	185,768	193,205
Trade deposits	14	2,071,673	12,603
Accrued return		100,079	39,316
Other receivables	15	4,739,870	4,800,029
Bank balances	18	4,068,703	3,851,543
		16,263,602	12,427,733

Particulars	Note	2023	2022
		(PKR in '000')	
At fair value through profit or loss			
Short term investments - units of mutual funds	17	21,885,398	12,733,049
At fair value through other comprehensive income			
Short term investments - 1,769,940 shares of PSX			
(2022: 1,769,940 shares of PSX)	17	13,098	18,106

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:

	2023	2022
	(PKR in '000')	
Trade debts		
Neither past due nor impaired	4,788,383	3,382,090
Past due but not impaired	301,284	140,841
Total	5,089,667	3,522,931

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.

	2023	2022
	(PKR in '000')	
Margin held in bank		
A1+	2,049,343	–
Bank balances		
A1+	4,068,579	3,844,198
A1	124	7,315
P1	–	30
	4,068,703	3,851,543

Short-term investments amounting to PKR 21,885.398 million (2022: PKR 12,733.049 million) are held in mutual funds rated not below AA.

Other receivables include PKR 3,345.228 million (2022: PKR 3,447.797 million) due from HESCO, a government organisation and PKR 1,342.82 million (2022: PKR 1,337.865 million) due from LCLIHL, a related party. Accordingly, financial assets other than amount due from HESCO, LCLIHL, 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 42,198 million (2022: PKR 36,078 million) out of the total facilities of PKR 78,709 million (2022: PKR 73,859 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.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2023

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Within one year	1 to 10 years	Total
		(PKR in '000')	
June 30, 2023			
Long-term deposits	–	252,837	252,837
Trade and other payables	13,439,654	–	13,439,654
Long-term loans	599,653	21,539,760	22,139,413
Short-term borrowings	5,885,000	–	5,885,000
Accrued markup	497,745	–	497,745
Unclaimed dividend	50,115	–	50,115
	20,472,167	21,792,597	42,264,764
June 30, 2022			
Long-term deposits	–	250,332	250,332
Trade and other payables	10,023,731	–	10,023,731
Long-term loan	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

Fair values of financial instruments

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in subsidiary companies and associates are carried at cost. The carrying values of all other financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

Fair value hierarchy

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

– quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

– inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and

– inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
		(PKR in '000')		
Assets				
Financial assets - fair value through				
Profit or loss -				
Short-term investments - units of mutual funds	–	21,885,398	–	21,885,398
Financial assets - fair value through				
other comprehensive income -				
Short-term investments - shares of PSX	13,098	–	–	13,098

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, 2023

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:

	2023	2022
Number of employees as at June 30	2,626	2,543
Average number of employees during the year	2,584	2,542

44 SUBSEQUENT EVENT

The Board of Directors of the Company in its meeting held on August 7, 2023 has recommended a final dividend of PKR 18 per share for the year ended June 30, 2023. Since the Company is the process of carrying out a second buy-back of its shares (which are to be cancelled), dividend shall not be payable in respect of shares already purchased by it. Accordingly, the entitlement will be paid to the shareholders appearing in the Register of Members on September 15, 2023 (i.e. upon commencement of book closure), the aggregate amount of which is not ascertainable before that date. These unconsolidated financial statements do not reflect the effect of dividend payable.

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 August 7, 2023 by the Board of Directors of the Company.

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Financial Statements

For the year ended June 30, 2023

Consolidated

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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, 2023, 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, 2023, 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.

A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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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 3.4, 12 and 13 to the annexed consolidated financial statements) Stock-in-trade and stores, spares and consumables in the Group's cement segment include: • gypsum as raw material; • clinker as part of work-in-progress; and • coal as stores, spares and consumables. Further, the stock-in-trade of the power generation segment includes coal. The above items are stored in purpose-built sheds, stockpiles and silos. As the weighing of these 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 volume by using angle of repose and bulk density values. The Group also engages external surveyors in the inventory count process. Due to the fact that significant estimates are involved, this was considered as a key audit matter.	The Group performed annual inventory count at year end and issued prior notification of procedures to be performed for such inventory count. 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 volume using angle of repose and bulk density values; and • obtained and reviewed the inventory count reports of the management's external surveyors.
(ii)	**Disposal of NutriCo Morinaga business segment** (refer note 38 to the annexed consolidated financial statements) Lucky Core Industries Limited (formerly ICI Pakistan Limited) (LCI) (a subsidiary company) has disposed of its 26.5% shareholding in NutriCo Morinaga (Private) Limited [NutriCo]. Prior to the completion of the transaction, the Group held 51% shareholding in NutriCo. The transaction was concluded on January 27, 2023, after which NutriCo ceased to be treated as a subsidiary of the Group. The Group continues to hold approximately 24.5% of the share capital of NutriCo and it is treated as an associate. Due to the fact that the transaction represented a significant event of the year, we identified the same as a key audit matter.	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 auditor, evaluated the procedures performed by the component auditor in respect of this transaction. The procedures performed, amongst others, included the following: • read the share purchase agreement between LCI and the purchaser; • read relevant minutes of the meetings of those charged with governance and the shareholders for the discussion in relation to the transaction; • assessed the appropriateness of accounting treatment of the transaction applied in the annexed consolidated financial statements; • checked the realisation of the sale consideration; • involved tax expert to review the tax implication of the transaction on the annexed consolidated financial statements; and • considered the adequacy of the disclosures in the annexed consolidated financial statements in accordance with the applicable financial reporting standards.

S. No.	Key audit matters	How the matter was addressed in our audit
(iii)	**Revenue recognition** (refer notes 3.9, 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 revenue of power generation segment is 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. In addition, revenue was also considered as an area of significant risk as part of the audit process.	We issued instructions to the component auditors in which revenue recognition, being significant risk, was specifically identified as an area for their consideration. Evaluated the work performed by the component auditors and the results thereof. The procedures performed, 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; • for revenue related to power generation segment, assessed the assumptions used to calculate the capacity and energy revenue; and • assessed the adequacy of disclosures made in the annexed consolidated 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 Osama Moon.

A. F. Ferguson & Co
Chartered Accountants
Karachi

Date: September 4, 2023

UDIN: AR202310056soWtzGD5F

Consolidated Statement of Financial Position

As at June 30, 2023

	Note	2023	2022
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	6	294,838,879	276,029,950
Intangible assets	7	6,682,998	14,602,075
Right-of-use assets	8	116,707	163,074
		301,638,584	290,795,099
Long-term investments	9	67,118,403	36,544,627
Long-term loans and advances	10	731,165	551,695
Long-term deposits	11	94,898	70,340
		369,583,050	327,961,761
CURRENT ASSETS			
Stores, spares and consumables	12	22,608,453	13,656,865
Stock-in-trade	13	48,660,510	72,021,896
Trade debts	14	59,903,590	36,355,113
Loans and advances	15	3,220,177	3,486,666
Trade deposits and short-term prepayments	16	6,270,645	1,035,845
Other receivables	17	14,141,981	18,590,025
Tax refund due from the Government	18	538,812	538,812
Taxation receivable		193,198	123,926
Accrued return		100,097	39,791
Short-term investments	19	44,199,457	12,976,155
Cash and bank balances	20	38,939,424	16,900,459
		238,776,344	175,725,553
TOTAL ASSETS		608,359,394	503,687,314
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	21	3,118,386	3,233,750
Reserves	22	224,365,635	167,630,764
Attributable to the owners of the Holding Company		227,484,021	170,864,514
Non-controlling interest		33,515,038	28,893,975
Total equity		260,999,059	199,758,489
NON-CURRENT LIABILITIES			
Long-term loans	23	135,857,715	127,874,326
Long-term deposits and other liabilities	24	9,532,879	7,170,303
Leases liabilities	8	29,064	88,182
Deferred income - Government grant	25	4,305,281	4,361,931
Deferred liabilities			
- Staff gratuity - unfunded		2,696,191	2,804,294
- Deferred tax liability		19,225,117	12,307,123
	26	21,921,308	15,111,417
		171,646,247	154,606,159
CURRENT LIABILITIES			
Current portion of long-term finance	23	9,009,157	5,081,071
Trade and other payables	27	80,574,343	78,407,163
Provision for taxation		13,910,125	6,957,350
Accrued return		5,046,314	576,471
Short-term borrowings and running finance	28	67,043,227	58,153,464
Current portion of lease liabilities	8	80,807	96,117
Unclaimed dividend		50,115	51,030
		175,714,088	149,322,666
		347,360,335	303,928,825
TOTAL EQUITY AND LIABILITIES		608,359,394	503,687,314
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	Muhammad Ali Tabba	Atif Kaludi
Chairman / Director	Chief Executive	Chief Financial Officer

Consolidated Statement of Profit or Loss

For the year ended June 30, 2023

	Note	2023	(Restated) 2022
		(PKR in '000')	
Revenue	31.1	459,459,165	396,704,391
Less: Sales tax and excise duty		63,863,527	59,677,352
Rebates and commission		10,470,447	11,626,763
		74,333,974	71,304,115
		385,125,191	325,400,276
Cost of sales	31.2	(291,491,191)	(265,359,188)
Gross profit		93,634,000	60,041,088
Distribution cost	33	(10,627,616)	(10,900,676)
Administrative expenses	34	(5,711,136)	(5,471,881)
Finance cost	35	(30,640,895)	(6,669,470)
Other expenses	36	(4,126,454)	(4,243,562)
Other income	37	9,278,160	7,305,746
		51,806,059	40,061,245
Share of profit - joint ventures and associates	9.8	10,521,551	5,674,108
Profit before taxation		62,327,610	45,735,353
Taxation	39	(12,882,443)	(10,117,772)
Profit after taxation from continuing operations		49,445,167	35,617,581
Profit after taxation from discontinued operations	38.4	10,092,201	805,089
Profit after taxation		59,537,368	36,422,670
Attributable to:			
Owners of the Holding Company		48,758,341	29,497,340
Non-controlling interest		10,779,027	6,925,330
		59,537,368	36,422,670
		(PKR)	
Earnings per share - basic and diluted	40		
- continuing operations		135.93	90.52
- discontinued operations		17.04	0.70
		152.97	91.22

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2023

	Note	2023	2022
		(PKR in '000')	
Profit after taxation from continuing operations		49,445,167	35,617,581
Other comprehensive income:			
Other comprehensive income which will not be reclassified to profit or loss in subsequent periods:			
Foreign exchange differences on translation of foreign operations		12,751,519	5,740,907
Gain / (loss) on remeasurements of post retirement benefit obligations		378,871	(5,140)
Deferred tax thereon		(109,478)	7,939
		269,393	2,799
Unrealised loss on remeasurement of equity instrument at fair value through other comprehensive income		(5,008)	(21,381)
Deferred tax thereon		626	2,673
		(4,382)	(18,708)
		13,016,530	5,724,998
Total comprehensive income for the period from continuing operations		62,461,697	41,342,579
Discontinued operations			
Profit after taxation from discontinued operations	38.4	10,092,201	805,089
Other comprehensive income for the period		–	–
Total comprehensive income for the period		72,553,898	42,147,668
Attributable to:			
Owners of the Holding Company		61,777,161	35,241,377
Non-controlling interest		10,776,737	6,906,291
		72,553,898	42,147,668

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	**Muhammad Ali Tabba**	**Atif Kaludi**
Chairman / Director	**Chief Executive**	**Chief Financial Officer**

Consolidated Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023	2022
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (utilised in) operations	41	83,799,355	(13,311,835)
Finance cost paid		(26,146,139)	(13,757,471)
Income tax paid		(6,144,766)	(4,187,946)
Income from deposits and others		4,408,828	1,639,977
Staff retirement benefits paid		(217,237)	(282,603)
Long term deposits - net		(24,558)	247,459
(Increase) / decrease in long-term loans and advances		(204,729)	185,722
Decrease / (increase) in long-term deposits and prepayments		2,362,381	(17,043)
Net cash generated from / (utilised in) operating activities		57,833,135	(29,483,740)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(24,305,187)	(55,670,746)
Impact of acquisition of NutriCo Pakistan		–	(481,023)
Dividends and other income from equity accounted investments		5,711,238	3,269,677
Dividends received on short term investments		2,007,336	1,186,496
Sale proceeds from disposal of shares of subsidiary	38.1	11,901,821	–
Net running finance balance settled with the disposal of shares of subsidiary		2,551,519	–
Release / (placement) of balance as lien		1,111,111	(789,111)
Sale proceeds on disposal of property, plant and equipment	6.4	429,170	490,108
Net cash used in investing activities		(592,992)	(51,994,599)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance (repaid) / obtained - net		(3,327,671)	27,154,537
Dividend paid to owners of the Holding Company		(915)	(2,428)
Dividend paid to non-controlling interest		(1,378,687)	(2,184,160)
Short term borrowings obtained / (repaid) - net		8,889,763	46,204,430
Payment against lease liability		(137,297)	(116,880)
Issuance of shares to Non-controlling interest		269,500	–
Own shares purchased for cancellation	40.2 & 40.3	(5,157,654)	–
Net cash (used in) / generated from financing activities		(842,961)	71,055,499
Net increase / (decrease) in cash and cash equivalents		56,397,182	(10,422,840)
Cash and cash equivalents at the beginning of the year		28,747,397	39,302,638
Effect of foreign currency translation		(2,018,796)	(132,401)
Cash and cash equivalents at the end of the year	41.1	83,125,783	28,747,397

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2023

	Attributable to the owners of the Holding Company											
	Issued, subscribed and paid-up share capital	Capital reserves: Share premium	Capital reserves: Capital re-purchase reserve account	Capital reserves: Foreign currency translation reserve	Capital reserves: Capacity expansions capital reserve	Capital reserves: Long-term investments capital reserve	Capital reserves: Capital redemption reserve	Revenue reserves: General reserve	Revenue reserves: Unappropriated Profit	Total reserves	Non-controlling interest	Total equity
	(PKR in '000')											
Balance as at 1st July 2021	3,233,750	7,343,422	–	3,692,151	–	–	–	85,147,790	36,206,024	132,389,387	21,403,165	157,026,292
Transfer to general reserves	–	–	–	–	–	–	–	14,016,397	(14,016,397)	–	–	–
Transactions with owners												
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(2,184,160)	(2,184,160)
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
Transfer to general reserves	–	–	–	–	–	–	–	15,340,066	(15,340,066)	–	–	–
Transactions with owners												
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(1,378,687)	(1,378,687)
Reclassification of reserve	–	–	–	–	40,000,000	40,000,000	36,000,000	(114,504,253)	(1,495,747)	–	–	–
Cancellation of own shares purchased (note 40.2)	(100,000)	–	100,000	–	–	–	–	–	(4,369,198)	(4,269,198)	–	(4,369,198)
Own shares purchased for cancellation (note 40.3)	(15,364)	–	15,364	–	–	–	(184,125)	–	(604,331)	(773,092)	–	(788,456)
Derecognition due to step disposal	–	–	–	–	–	–	–	–	–	–	(5,046,487)	(5,046,487)
Issuance of NCI shares upon incorporation of subsidiaries	–	–	–	–	–	–	–	–	–	–	269,500	269,500
Total comprehensive income												
Profit after taxation	–	–	–	–	–	–	–	–	48,758,341	48,758,341	10,779,027	59,537,368
Other comprehensive income	–	–	–	12,751,519	–	–	–	–	267,301	13,018,820	(2,290)	13,016,530
Total comprehensive income for the year	–	–	–	12,751,519	–	–	–	–	49,025,642	61,777,161	10,776,737	72,553,898
Balance as at June 30, 2023	3,118,386	7,343,422	115,364	22,184,577	40,000,000	40,000,000	35,815,875	–	78,906,397	224,365,635	33,515,038	260,999,059

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Notes to the Consolidated Financial Statements
For the year ended June 30, 2023

1. THE GROUP AND ITS OPERATIONS

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

1.1 Lucky Cement Limited

The Holding Company was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (now the Companies Act, 2017) (the Act) and is listed on the Pakistan 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 and the corporate office is situated at Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street in Karachi. The Holding 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 Holding Company's liaison offices are situated in Islamabad, Quetta, Multan, Faisalabad, Lahore and Peshawar.

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 Jebel 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 incorporate 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.

Implementation of UAE Corporate Tax Law and application of IAS 12 - Income Taxes on LCLIHL

On January 31, 2022, the UAE Ministry of Finance announced the introduction of Federal Corporate Tax and on December 9, 2022, the Ministry released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax Regime in the UAE. The Corporate Tax regime will become effective for accounting periods beginning on or after June 1, 2023. Generally, UAE businesses will be subject to a 9% corporate tax rate, while a rate of 0% will apply to taxable income not exceeding a particular threshold to be prescribed by way of a Cabinet decision.

However, there are a number of significant decisions that are yet to be finalized by way of a Cabinet decision, including the threshold mentioned above, that are critical for entities to determine their tax status and the amount of tax due.

Therefore, pending such important decisions by the Cabinet, LCLIHL has determined that the law was not practically operational as at June 30, 2023, and so not enacted or substantively enacted from the perspective of IAS 12 - Income Taxes.

The Group continues to monitor the timing of the issuance of these critical Cabinet decisions to determine its tax status and the applicability of IAS 12 - Income Taxes. LCLIHL is currently in the process of assessing the possible impact on its consolidated financial statements, both from current and deferred tax perspective, once the law becomes substantively enacted.

The Holding Company held 100% shares of LCLIHL as at June 30, 2023 (2022: 100% holding).

1.3 Lucky Holdings Limited

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted company under the Act. The head office of the 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 the LHL is situated at Lucky Cement Factory, Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa. LHL is a subsidiary of the Holding Company and its 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 fibre and soda ash products and in India for soda ash products only.

LHL's license for the trademark of ICI word mark and roundel device has expired on December 28, 2022.

The Holding Company held 75% shares of LHL as at June 30, 2023 (2022: 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 LEPCL is to own and operate a coal fired 660 megawatt (MW) (gross) power project at Port Qasim, Karachi (the 'Project'). LEPCL has achieved its Commercial Operation Date (COD) on March 21, 2022.

The Holding Company held 100% shares of LEPCL as at June 30, 2023 (2022: 100% holding).

1.5 Lucky Core Industries Limited (Formerly ICI Pakistan Limited)

Lucky Core Industries Limited (Formerly ICI Pakistan Limited) (LCI) was incorporated in Pakistan under the Act and is listed on Pakistan Stock Exchange Limited. LCI is engaged in the manufacture of polyester staple fibre, partially oriented yarn (POY) chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; merchanting of general chemicals and manufacturing of master batch. It also acts as an indenting agent and toll manufacturer. LCI's registered office is situated at 5 West Wharf, Karachi. The Holding Company held 55% shares of LCI as at June 30, 2023 (2022: 55% holding). Details of LCI's equity investments are as follows:

(a) Lucky Core PowerGen Limited (Formerly ICI PowerGen Limited)

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

(b) Lucky TG (Private) Limited

Lucky TG (Private) Limited (Lucky TG) was incorporated in Pakistan on October 25, 2022 as an unlisted public company as part of the Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited to set up a green field state-of-the-art float glass manufacturing facility. LCI holds 51% of the shares of Lucky TG.

(c) Lucky Core Venture (Private) Limited

Lucky Core Venture (Private) Limited was incorporated in Pakistan on March 9, 2023 as a private company and is a wholly owned subsidiary of LCI. The principal line of the business is to function as holding company of its subsidiaries and associated companies and render advisory services for promotion of their business, development and marketing for the group.

Geographical location and addresses of major business units of LCI including mills / plants are as under:

Notes to the Consolidated Financial Statements
For the year ended June 30, 2023

Karachi	Purpose
5 West Wharf Road	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	
63 Mozang road	Regional office
30-Km, Sheikhupura road, Lahore	Regional office and production plant
45-Km, off Multan road, Lahore	Production plant
Khewra	
LCI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional office and production plant
Haripur	
Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production plant
Islamabad	
Islamabad Corporate Center, 2nd Floor, H-13, Islamabad	Regional office

1.6 Lucky Motor Corporation Limited

Lucky Motor Corporation Limited (LMC) was incorporated in Pakistan as a public unlisted company in December 2016 under the Act. 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 producing Samsung branded mobile devices in Pakistan. The mobile production facility for Samsung devices, which is located at Port Qasim Industrial Park, Special Economic Zone, was completed in November 2021, and commercial production began in December 2021.

LMC's manufacturing facility for vehicles was completed in June 2019 following which the commercial operations commenced.

The registered office and manufacturing facility of LMC are 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, 2023 (2022: 71.14% holding).

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 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 and sales taxes

In making the estimates for income and sales taxes payable by the Group, the management considers current income and sales 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 and intangible assets

Estimates with respect to residual value, method of depreciation / amortisation and rates of property, plant and equipment and intangible assets are disclosed in notes 5.4, 6.1 and 7 to these consolidated financial statements. Further, the Group reviews the carrying value of assets for impairment, in case there are any indicators, on each reporting date.

3.4 Stores and spares and stock-in-trade

The Group has made estimation with respect to provision for slow moving, damaged and obsolete items and the net realisable value as disclosed in notes 5.9 and 5.10 to these consolidated financial statements. Further, the Group's certain inventory items 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 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 Group involves external surveyors for determining the inventory existence.

3.5 Future estimation of export sales

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

3.6 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.

3.7 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.

3.8 Impairment of goodwill and intangibles with indefinite lives

Impairment testing involves a number of judgemental areas which are subject to inherent significant uncertainty, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business. The detailed assumptions underlying impairment testing of goodwill and intangibles with indefinite lives are given in note 7 to these consolidated financial statements.

3.9 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.

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, being 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 order in relation to COD adjustment.

3.10 Impairment of financial and non-financial assets

Estimates with respect to impairment of financial and non-financial assets as disclosed in note 5.24 to these consolidated financial statements.

3.11 Warranty obligations

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

4. 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.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

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, 2022, 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 published accounting and reporting standards

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

Amendment to IAS 16 'Property, Plant and Equipment' - Proceeds before the intended use

In 2020, the International Accounting Standard Board (IASB) made an amendment - Proceeds before the intended use in IAS 16 - “”Property, Plant and Equipment”” (IAS 16). As a result of this amendment, the net proceeds received from selling the output produced during the testing phase, i.e. before the asset is ready for its intended use is recognised in the profit or loss. Previously, such proceeds were deducted from the cost of the asset. This amendment is applicable retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after beginning of the earliest period presented in the financial statements, in which the entity first applies the amendment, i.e. July 1, 2021.

The impact of changes introduced by this amendment has been disclosed in note 5.4.”

There were certain other 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, 2023. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated financial statements.

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 through its letter no. CLD/CCD/IFRS-a/01/2019 dated January 10, 2023 notified that on financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 'Financial Instruments', with respect to application of Expected Credit Losses (ECL) method has been extended till June 30, 2023. This exemption previously exempted till June 30, 2022 through SRO 1177(I)/2021 dated September 13, 2021 of the SECP.

Accordingly, LEPCL's financial assets are assessed as per the requirements of IAS – 39 “Financial Instruments: Recognition and Measurement” in these consolidated financial statements with respect to calculation of impairment loss in respect of the aforementioned financial assets.

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, if any, are capitalised, when it is probable that future economic benefits will flow to the Group.

Gains and losses on disposal of operating fixed assets, if any, are included in the profit or loss.

During the year, LEPCL has retrospectively adopted the amendment in IAS 16 - "Proceeds before intended use" as mentioned in note 5.2(a). Through this amendment net proceeds from selling output produced while bringing of property, plant and equipment to the location and condition necessary for it capable of operating in the manner intended by management from July 1, 2021 have been recognised in profit or loss retrospectively, which were previously deducted from the cost of the asset. The impact of such retrospective change is as follows:

	As of June 30, **2022**	As of July 1, 2021
	(PKR in '000')	
Impact on statement of financial position:		
Increase in property, plant and equipment - net	–	–

	Year ended June 30, 2022
Impact on statement of financial position:	
Increase in revenue	7,832,819
Increase in cost of sales	(7,832,819)
Impact on profit after taxation	–

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 ventures

Investments in associates / joint ventures are accounted for using the equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the net assets of the associates / joint ventures. The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of the operations of the associates / joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associates / joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate / joint venture and its carrying value and recognises the same in the profit or loss.

5.9 Stores, spares and consumables

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. Ageing and value of items is reviewed at each reporting date to record provision for any slow moving, 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 capital spares 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 of completion and 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, contract assets 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.

A contract asset is recognised for the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the amount as a contract asset, excluding any amounts presented as a receivable.

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, investment in highly liquid mutual fund units, having a fixed fair value per unit invested, investments having maturity of three months or less 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 operates a gratuity scheme covering all its permanent employees.

ii) LCI operates a funded pension scheme and a funded gratuity scheme for the management staff. Pension and gratuity schemes for LCI's management staff are invested through two approved trust funds. LCI 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 and LEPCL operates funded gratuity schemes for its permanent employees.

Defined contribution plans

The Group operates two registered contributory provident funds for entire staff of LCI and a registered defined contribution superannuation fund for management staff of LCI, who have either opted for this fund by July 31, 2004 or have joined LCI after April 30, 2004.

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.

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 and contingent liabilities

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively.

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability."

5.18 Taxation

Current

The charge for current taxation, apart from those subsidiaries of the Group as mentioned below, 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.

LEPCL's profits and gains from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 (the Ordinance). LEPCL is also exempt from minimum tax on turnover under clause 11A of part IV of the Second Schedule to the Ordinance.

LMC is under tax holiday period for 10 years under clause 126E, part I of second schedule of the Ordinance.

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.

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 Rupee 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.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss, except for the investments in equity instruments as explained in the ensuing paragraphs.

(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.

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

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, 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 Group recognises in profit or loss, as an impairment loss (or reversal), the amount of expected credit losses (or reversal) 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 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.

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 recorded.

5.30 Warranty obligations

The Group recognises the estimated liability, on an accrual basis, to repair or replace products under warranty at the reporting date, and recognises the estimated product warranty costs in profit or loss when the sale is recognised.

5.31 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.32 Contract liabilities / advance from customers

A contract liability is recognised if a payment is received from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group transfers control of the related goods to the customer.

5.33 Own shares purchased for cancellation

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as own shares purchased for cancellation and are presented in the statement of changes in equity as a separate reserve.

	Note	2023	2022
		(PKR in '000')	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	6.1	285,306,839	246,416,524
Capital work-in-progress	6.6	9,219,104	29,196,375
Capital spares		312,936	417,051
		294,838,879	276,029,950

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, 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
Year ended June 30, 2022															
Addition / Transfers from CWIP	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
Year ended June 30, 2023															
Addition / Transfers from CWIP (note 6.1.1)	–	–	1,484,104	675,533	76,916	34,574,275	6,343,870	19,660	368,237	–	136,393	47,980	175,726	343,162	44,245,856
Capitalization of exchange															
differences (note 6.1.2)"	–	–	–	–	–	18,541,512	–	–	–	–	–	–	–	–	18,541,512
Transfer/ adjustments (note 6.1.3)	–	–	–	–	–	(2,117,938)	–	–	–	–	–	–	–	–	(2,117,938)
Disposal of subsidiary (note 38)															
Cost	(664,823)	(392,365)	–	(2,157,152)	–	(4,666,480)	–	–	(140,280)	–	(159,327)	–	–	–	(8,180,427)
Accumulated depreciation	563,242	–	–	409,607	–	1,914,561	–	–	67,564	–	104,089	–	–	–	3,059,063
	(101,581)	(392,365)	–	(1,747,545)	–	(2,751,919)	–	–	(72,716)	–	(55,238)	–	–	–	(5,121,364)
Disposals (note 6.4)															
Cost	–	–	(89,895)	–	–	(64,385)	–	–	(345,394)	–	(138,342)	(1,155)	(21,543)	(64,527)	(725,241)
Accumulated depreciation	–	–	89,895	–	–	18,495	–	–	239,152	–	71,475	1,028	17,556	32,968	470,569
	–	–	–	–	–	(45,890)	–	–	(106,242)	–	(66,867)	(127)	(3,987)	(31,559)	(254,672)
Depreciation charge for the year (note 6.2)	(60,995)	–	(1,179,053)	(540,724)	(65,484)	(11,386,485)	(1,328,585)	(153,886)	(529,843)	(70,962)	(190,652)	(33,793)	(116,727)	(745,890)	(16,403,079)
Net book value as at June 30, 2023	5,809,697	1,661,659	13,924,900	6,794,705	421,045	234,783,260	17,099,205	359,616	1,880,850	–	522,864	293,861	312,949	1,442,230	285,306,839
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
At June 30, 2023															
Cost	5,651,515	1,661,659	20,929,476	11,115,479	658,368	282,446,914	27,821,354	2,013,453	3,861,830	744,664	1,378,984	733,584	626,386	3,015,095	362,658,761
Accumulated depreciation and impairment	158,182	–	(7,004,576)	(4,320,774)	(237,323)	(47,663,654)	(10,722,149)	(1,653,837)	(1,980,980)	(744,664)	(856,120)	(439,723)	(313,437)	(1,572,865)	(77,351,922)
Net book value	5,809,697	1,661,659	13,924,900	6,794,705	421,045	234,783,260	17,099,205	359,616	1,880,850	–	522,864	293,861	312,948	1,442,230	285,306,839
Annual rates of depreciation	1.01% to 4%	–	3% to 33%	5% to 50%	5% to 25%	3.33% to 50%	5% to 33%	10%	10% to 33%	10%	10% to 50%	20% to 33%	20% to 33%	10% to 33%	

Notes to the Consolidated Financial Statements
For the year ended June 30, 2023

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 7.39% (2022: 6.48%) amounting to PKR 429.744 million (2022: PKR 161.150 million).

6.1.2 LEPCL has capitalised exchange loss amounting to PKR 18,541.512 million (2022: PKR 5,106.353 million) to the cost of plant and machinery.

6.1.3 During the year, LEPCL has reclassified spares amounting to PKR 889.386 million supplied as part of the Supply Contract for construction of the 660 MW power project.

Further, during the year, LEPCL carried out a reconciliation excercise for amount payable to the EPC contractor in view of scope of work. Based on the excercise and subsequent discussion with the EPC contractor, LEPCL adjusted an amount of PKR 1,228.552 million against amount payable to the EPC contractor with a corresponding adjustment to operating assets.

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

	Note	2023	2022
		(PKR in '000')	
Cost of sales	32	15,361,092	10,503,380
Distribution cost	33	301,159	288,770
Administrative expenses	34	458,814	401,048
Capital work in progress		–	6,916
Cost of sale of electricity		89,013	114,655
Discontinued operations		193,001	–
		16,403,079	11,314,769

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 PKR 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 the purchaser with the Group or director, if any
	(PKR in '000')							
Vehicle	5,170	3,186	1,984	5,201	3,217	Auction	Furqan Ali	N/A
----do----	2,410	1,125	1,285	2,481	1,196	----do----	----do----	N/A
----do----	1,919	1,138	781	2,281	1,500	----do----	----do----	N/A
----do----	2,390	1,327	1,063	2,286	1,223	----do----	Maaz Saleem	N/A
----do----	1,917	1,367	550	2,450	1,900	----do----	Zafar Hussain	Employee
----do----	2,101	690	1,411	2,077	666	Insurance claim	EFU General Insurance	N/A
----do----	5,993	1,700	4,293	6,109	1,816	----do----	----do----	N/A
----do----	8,172	3,526	4,646	12,000	7,354	----do----	----do----	N/A

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/ (loss)	Mode of Disposal	Particulars of Buyers	Relationship of the purchaser with the Group or director, if any
				(PKR in '000')				
----do----	2,066	989	1,077	1,825	748	----do----	IGI General Insurance	N/A
----do----	6,888	4,325	2,563	5,500	2,937	----do----	----do----	N/A
----do----	3,723	863	2,860	-	(2,860)	----do----	Abdullah	N/A
----do----	10,283	656	9,627	962	(8,665)	----do----	Ittehad Motors	N/A
----do----	18,792	4,753	14,039	415	(13,624)	----do----	Ibrahim	N/A
----do----	7,341	5,498	1,843	70	(1,773)	----do----	Ittehad Motors	N/A
----do----	5,000	1,150	3,850	13,754	9,904	----do----	----do----	N/A
----do----	4,290	1,129	3,161	293	(2,868)	----do----	----do----	N/A
----do----	1,644	480	1,164	1,458	294	----do----	----do----	N/A
----do----	4,487	3,215	1,272	4,350	3,078	----do----	Asif Rizvi	N/A
----do----	6,269	2,198	4,071	5,450	1,379	----do----	M.A Traders	N/A
----do----	5,958	2,151	3,807	5,700	1,893	----do----	----do----	N/A
----do----	2,411	1,566	845	2,025	1,180	----do----	Toyota Clifton	N/A
----do----	2,080	1,176	904	2,150	1,246	----do----	Sage Tech	N/A
----do----	1,957	1,093	864	2,025	1,161	----do----	Farrukh Ahmed	Employee
----do----	5,145	2,114	3,031	3,750	719	----do----	Shahbaz	N/A
----do----	17,844	13,978	3,866	4,164	298	----do----	----do----	N/A
----do----	7,924	3,348	4,576	70	(4,506)	----do----	Toyota clifton	N/A
----do----	6,488	2,263	4,225	70	(4,155)	----do----	Mohsin Yasin	Employee
----do----	8,047	1,517	6,530	5,112	(1,418)	----do----	Qambar Hussain	Employee
----do----	4,270	996	3,274	5,300	2,026	----do----	Manesh Perchani	Employee
----do----	1,980	1,241	739	2,070	1,331	----do----	Energas Terminal (Private) Limited	N/A
----do----	2,021	1,262	759	2,014	1,255	----do----	----do----	N/A
----do----	1,980	1,203	777	2,207	1,430	----do----	Raza Ahmed	N/A
----do----	1,924	909	1,015	2,352	1,337	----do----	Usman Shahid	N/A
----do----	1,848	778	1,070	2,340	1,270	----do----	M. Zaheer	N/A
----do----	1,769	645	1,124	2,370	1,246	----do----	Atiq Sohail	Employee
----do----	1,840	528	1,312	2,110	798	----do----	Energas Terminal (Private) Limited	N/A
----do----	3,774	962	2,812	4,515	1,703	----do----	----do----	N/A
----do----	3,591	852	2,739	3,700	961	----do----	Shafaat	Employee
----do----	3,590	849	2,741	3,815	1,074	----do----	Energas	N/A
----do----	3,590	852	2,738	4,211	1,473	----do----	Shahbaz	N/A
----do----	3,591	864	2,727	4,000	1,273	----do----	Saad Khalid	Employee
----do----	3,593	845	2,748	4,100	1,352	----do----	Zainab Salman	N/A
Plant & Machinery	3,590	852	2,738	3,665	927	N/A	N/A	N/A
----do----	3,845	980	2,865	4,515	1,650	Tender	M.A Traders	N/A
----do----	4,912	3,455	1,457	5,300	3,843	----do----	----do----	N/A
----do----	7,653	5,612	2,041	6,105	4,064	----do----	----do----	N/A
----do----	3,999	2,364	1,635	5,317	3,682	----do----	Meko Denim Mills	N/A
----do----	7,358	2,729	4,629	7,550	2,921	----do----	M.A Traders	N/A
----do----	6,715	1,814	4,901	8,500	3,599	----do----	----do----	N/A
Items having book value less than PKR 500,000 each	489,099	371,456	117,643	249,086	131,443	----do----	Ebad	Employee
	725,241	470,569	254,672	429,170	174,498			
2022	855,911	573,416	282,495	490,108	207,613			

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

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:**		
2.1	Plant	Deh Gangiaro, Taluka Ibrahim Hyderi, District Malir, Karachi	250.00
3	**LCI:**		
3.1	LCI Head Office and Production Plant	LCI House, 5 West Wharf, Karachi - 74000	2.70
3.2	LCI Production Plant	S-33, Hawksbay Road, S.I.T.E, Karachi - 75730	0.26
3.3	LCI Regional Office	LCI House, 63 Mozang Road, Lahore - 54000	0.65
3.4	LCI Production Plant - Polyester	30-Km, Sheikhupura Road, Lahore	44.28
3.5	LCI Production plant - Powergen	30-Km, Sheikhupura Road, Lahore	0.47
3.6	LCI Production Plant	45-Km, Off Multan Road, Lahore	0.34
3.7	LCI Regional Office and Production Plant	LCI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	63.00
3.8	LCI Production Plant	Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	0.92
3.9	LCI 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

6.6 Capital work-in-progress

The following is the movement in capital work-in-progress during the year:

	Opening balance	Additions	Disposal of subsidiary	Transferred to operating fixed assets and intangible assets	Closing balance
			(PKR in '000')		
Leasehold land	183,895	160	–	–	184,055
Building on leasehold land	345,209	172,101	–	387,310	130,000
Building on freehold land	1,496,600	802,676	–	1,498,536	800,740
Plant and machinery (note 6.6.1 & 6.6.2)	25,136,478	13,581,855	21,339	33,961,067	4,735,927
Generators	1,743,825	7,548,238	–	6,365,870	2,926,193
Quarry equipment	4,089	23,005	–	19,660	7,434
Vehicles including cement bulkers and rolling stock	1,832	260,088	–	227,948	33,972
Furniture and fixtures	7,465	31,132	–	21,510	17,087
Office equipment	57,806	100,663	–	80,175	78,294
Computer and accessories	155,757	4,364	–	154,122	5,999
Other assets	61,757	611,296	–	373,650	299,403
Intangible assets	1,662	66,116	–	67,778	–
	29,196,375	23,201,694	21,339	43,157,626	9,219,104

6.6.1 This includes interest charged in respect of long-term loans obtained by LCI, for projects determined using an average capitalisation rate of 16.13% (2022: 6.48%) amounting to PKR 249.963 million (2022: PKR 322.620 million).

6.6.2 LEPCL has capitalised exchange loss amounting to Nil (2022: PKR 4,239.433 million) and borrowing cost amounting to Nil (2022: PKR 6,693.442 million) during the year to the capital work-in-progress.

6.6.3 An amount of PKR 3,490.64 million has been reclassified among classes of assets for better presentation which has no impact on the balance of capital work-in-progress as at July 1, 2022.

7. INTANGIBLE ASSETS

	2023					
	At July 1, 2022	Additions	Amortisation / impairment	Disposal of subsidiary (note 38)	At June 30, 2023	Amortisation rate %
	(PKR in '000')					
Goodwill	3,029,475	–	–	(689,146)	2,340,329	–
Brands						
- Definite useful life - trademark and roundel	114,956	–	(114,956)	–	–	10
- Indefinite useful life	1,437,679	–	–	–	1,437,679	Indefinite
	1,552,635	–	(114,956)	–	1,437,679	
Customer relationships	67,392	–	(49,577)	–	17,815	9 - 25
Distribution relationship	7,137,335	–	–	(7,059,543)	77,792	Indefinite
Principal relationships	1,766,423	–	–	–	1,766,423	Indefinite
Product rights	826,855	–	–	–	826,855	Indefinite
Software and license	221,960	119,378	(100,126)	(25,107)	216,105	20 - 50
	14,602,075	119,378	(264,659)	(7,773,796)	6,682,998	

	2022					
	At July 1, 2021	Additions	Amortisation / impairment	Disposal of subsidiary	At June 30, 2022	Amortisation rate %
	(PKR in '000')					
Goodwill	2,340,329	689,146	–	–	3,029,475	–
Brand						
- 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	

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

	Note	2023	2022
		(PKR in '000')	
Cost of sales	32	95,527	122,996
Distribution cost	33	16,910	26,828
Administrative expenses	34	152,222	190,592
		264,659	340,416

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 LCI, PKR 79.864 million on acquisition of Cirin Pharmaceuticals (Private) Limited (Cirin) and PKR 126.510 million on acquisition of certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited.

Brands

Definite useful life

Under an arrangement with ICI Omicron B.V., the Group had acquired the right to use ICI word mark and roundel for LCI's Polyester and Soda Ash segments only. This agreement was effective for a period of 10 years which expired in December 2022.

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 Speciality Chemicals and Nutrition businesses (part of Life Sciences and Chemical Segment). The Group has derecognised a distribution relationship amounting to PKR 7,059.543 million on disposal of Nutrico Morinaga (Private) Limited during the year ended June 30, 2023.

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 LCI

For impairment testing, goodwill recognised on acquisition of LCI 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 LCI and approved by the senior management 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%	18.70%
Life sciences and chemicals	6% - 7%	19.30%
Pharma	6%	18.81%

(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, 2023.

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 19% 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%. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of PKR 206.374 million and intangibles with indefinite useful lives (Brands) of PKR 1,437.679 million are allocated.

7.4 Impairment testing of other intangibles acquired on acquisition of LCI

The recoverable amounts of these intangibles have been determined based on fair value less cost of disposal calculations, using following methods:

Intangibles	Basis of valuation
Distribution relationship	Income Approach - Multi-Period Excess Earnings Method
Principal relationships	Income Approach - Multi-Period Excess Earnings Method
Product rights	Income Approach - Multi-Period Excess Earnings Method

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
Principal relationships	6%	18.82% - 19.30%
Product rights	6%	18.82% - 19.30%

7.4.2 At June 30, 2023, the Group carried out an impairment testing of its intangible assets (with indefinite life) as recorded at the time of acquisition of LCI. Based on the said testing, the recoverable amount of intangible assets was in excess of their respective carrying amounts as at June 30, 2023. Hence, no impairment has been recorded during the year.

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for various items of land and buildings and vehicles used in its operations. Leases of land and buildings generally have lease terms between 2 and 9 years, while motor vehicles generally have lease terms between 4 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of sales offices, warehouses, summer houses and beach huts with lease terms of 12 months or less. The Group applies the 'short-term lease' exemptions for these leases. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

Set out below is the carrying amount of right-of-use assets recognised and the movement during the year:

	Motor Vehicles	Land and Buildings	As at June 30, 2023	As at June 30, 2022
	'PKR in '000'			
Opening	2,447	160,627	163,074	234,202
Additions	19,021	18,935	37,956	9,527
Depreciation charged	(2,533)	(81,790)	(84,323)	(80,655)
Closing	18,935	97,772	116,707	163,074
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:

	2023	2022
	(PKR in '000')	
As at July 1	184,299	265,635
Additions	37,956	9,527
Accretion of interest	24,913	26,017
Payments	(137,297)	(116,880)
As at June 30	109,871	184,299
Current portion of lease liabilities	80,807	96,117
Non - current portion of lease liabilities	29,064	88,182
	109,871	184,299

		Note	2023	2022
			(PKR in '000')	
8.1	**Allocation of depreciation expense**			
	Cost of sales	32	51,929	56,009
	Distribution cost	33	13,211	10,974
	Administrative expenses	34	19,183	13,672
			84,323	80,655

		Note	2023	2022
9.	**LONG-TERM INVESTMENTS**			
	Equity accounted investments			
	Joint ventures			
	Lucky Al Shumookh Holdings Limited	9.1	9,769,762	9,625,612
	LuckyRawji Holdings Limited	9.2	28,626,729	17,168,498
	Al Shumookh Lucky Investments Limited	9.3	15,844,762	8,079,964
	LR International General Trading FZCO (LRIGT)	9.4	63,522	–
			54,304,775	34,874,074
	Associates			
	NutriCo Morinaga (Private) Limited	9.5	10,992,415	–
	Yunus Energy Limited	9.6	1,818,713	1,668,053
			12,811,128	1,668,053
			67,115,903	36,542,127
	Equity securities			
	Arabian Sea Country Club Limited			
	(250,000 ordinary shares of PKR 10/- each)		2,500	2,500
			67,118,403	36,544,627

		Note	2023	2022
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		3,393,895	4,538,114
	Share of profit during the year	9.1.2	1,779,872	1,666,543
	Dividend received during the year		(5,033,926)	(2,810,762)
			139,841	3,393,895
	Foreign currency translation reserve		7,717,638	4,319,434
			9,769,762	9,625,612

		Note	2023	2022
9.1.1	**The Group's interest in LASHL's assets and liabilities is as follows:**			
	Non-current assets		3,596,101	10,717,326
	Current assets excluding cash and cash equivalents		13,307,637	8,366,480
	Cash and cash equivalents		3,680,363	831,954
	Liabilities		(1,044,577)	(664,536)
	Net assets (100%)		19,539,524	19,251,224
	The Group's share of net assets (50%)		9,769,762	9,625,612

		Note	2023	2022
9.1.2	**The Group's share in LASHL's profit or loss is as follows:**			
	Revenue		19,537,830	14,583,776
	Cost of sales		(16,392,529)	(11,665,323)
	Operating expenses		(185,523)	(137,676)
	Finance income		599,966	552,282
	Gain on disposal of fixed assets		–	27
	Net profit (100%)		3,559,744	3,333,086
	The Group's share of net profit (50%)		1,779,872	1,666,543

		Note	2023	2022
			(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		2,808,132	1,606,586
	Share of profit during the year	9.2.2	4,328,282	1,492,336
	Dividend received during the year		(432,766)	(290,790)
			6,703,648	2,808,132
	Foreign currency translation reserve		15,053,031	7,490,316
			28,626,729	17,168,498
9.2.1	**The Group's interest in LRHL's assets and liabilities is as follows:**			
	Non-current assets		49,859,603	37,972,400
	Current assets excluding cash and cash equivalents		25,263,929	9,330,113
	Cash and cash equivalents		864,556	152,881
	Liabilities		(18,734,631)	(13,118,398)
	Net assets (100%)		57,253,457	34,336,996
	The Group's share of net assets (50%)		28,626,729	17,168,498
9.2.2	**The Group's share in LRHL's profit or loss is as follows:**			
	Revenue		35,853,687	18,990,201
	Cost of sales		(22,171,566)	(12,304,360)
	Operating expenses		(5,899,419)	(2,757,193)
	Finance cost		(444,744)	(989,459)
	Other income		1,180,790	43,899
	Taxation		137,816	1,583
	Net profit (100%)		8,656,564	2,984,671
	The Group's share of net profit (50%)		4,328,282	1,492,336
9.3	**Al Shumookh Lucky Investment Limited (ASIL)**			
	Investment at cost		3,399,022	3,399,022
	Share of cumulative profit at the beginning of the year		3,014,847	958,736
	Share of profit during the year	9.3.2	3,960,686	2,056,111
			6,975,533	3,014,847
	Foreign currency translation reserve		5,470,207	1,666,095
			15,844,762	8,079,964
9.3.1	**The Group's interest in ASIL's assets and liabilities is as follows:**			
	Non-current assets		38,128,353	26,471,994
	Current assets excluding cash and cash equivalents		6,744,244	4,952,580
	Cash and cash equivalents		2,878,214	533,690
	Liabilities		(16,061,285)	(15,798,336)
	Net assets (100%)		31,689,526	16,159,928
	The Group's share of net assets (50%)		15,844,762	8,079,964

	Note	2023	2022
		(PKR in '000')	
9.3.2 The Group's share in ASIL's profit or loss is as follows:			
Revenue		22,590,286	14,480,159
Cost of sales		(13,398,294)	(9,485,765)
Other income		–	5,852
Operating expenses		(450,728)	(199,673)
Finance cost		(551,378)	(688,351)
Other comprehensive loss		(268,514)	–
Net profit (100%)		7,921,372	4,112,222
The Group's share of net profit (50%)		3,960,686	2,056,111
9.4 LR International General Trading FZCO			
Investment at cost		1,115	1,115
Share of cumulative loss at the beginning		(3,446)	–
Share of profit during the year	9.4.2	58,238	(3,446)
		54,792	(3,446)
Foreign currency translation reserve		7,615	2,331
		63,522	–
9.4.1 The Group's interest in LRIGT's assets and liabilities is as follows:			
Current assets excluding cash and cash equivalents		278,105	3,744
Cash and cash equivalents		22,363	2,634
Liabilities		(173,424)	(11,522)
Net liabilities (100%)		127,044	(5,144)
The Group's share of net liabilities (50%)		63,522	(2,572)
9.4.2 The Group's share in LRIGT's profit or loss is as follows:			
Revenue		295,847	–
Cost of sales		(171,674)	–
Operating expenses		(7,697)	(6,892)
Net loss (100%)		116,476	(6,892)
The Group's share of net loss (50%)		58,238	(3,446)
9.5 NutriCo Morinaga (Private) Limited			
Fair value of investment on date of recognition - Equity held 20,121,621 shares (2022: Nil shares) of face value of PKR 100/- each	38.2	11,004,115	–
Share of loss during the year	9.5.2	(11,700)	–
		10,992,415	–
9.5.1 The Group's interest in NutriCo's assets and liabilities is as follows:			
Total assets		16,058,276	–
Total liabilities		(9,115,321)	–
Net assets (100%)		6,942,955	–

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

		Note	2023	2022
			(PKR in '000')	
9.5.2	**The Group's share in NutriCo's profit or loss is as follows:**			
	Revenue		14,607,025	–
	Net profit (100%)		396,665	
	Profit from discontinued operations		(444,421)	–
			(47,756)	–
	The Group's share of net loss (24.50%)		(11,700)	–
9.6	**Yunus Energy Limited (YEL)**			
	Investment at cost		611,365	611,365
	Share of cumulative profit at the beginning of the year		1,056,688	762,249
	Share of profit for the year	9.6.2	406,173	462,564
	Other comprehensive loss		(10,967)	–
	Dividend received during the year		(244,546)	(168,125)
			1,207,348	1,056,688
			1,818,713	1,668,053
9.6.1	**The Group's interest in net assets of Yunus Energy Limited is as follows:**			
	Non-current assets		8,406,177	8,701,679
	Current assets excluding cash and cash equivalents		4,380,897	4,940,331
	Cash and cash equivalents		1,297,573	396,649
	Liabilities		(5,088,086)	(5,795,603)
	Net assets (100%)		8,996,561	8,243,056
	The Group's share of net assets		1,818,713	1,668,053

Represents 20% equity investment of 61,136,500 shares @ PKR 10/- each in Yunus Energy Limited.

		2023	2022
		(PKR in '000')	
9.6.2	**The Group's share in profit or loss of Yunus Energy Limited is as follows:**		
	Revenue	4,084,270	3,976,754
	Cost of sales	(1,026,681)	(846,583)
	Operating expenses	(184,804)	(111,466)
	Finance cost	(1,037,085)	(734,843)
	Other income	221,768	36,603
	Taxation	(26,036)	(7,928)
	Net profit (100%)	2,031,432	2,312,537
	Group's share of net profit	406,173	462,564

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	2023	2022
			(PKR in '000')	
9.8	**Share of profit from joint ventures and associates is as follows:**			
	Joint ventures			
	Lucky Al Shumookh Holdings Limited		1,779,872	1,666,543
	LuckyRawji Holdings Limited		4,328,282	1,492,336
	Al Shumookh Lucky Investments Limited		3,960,686	2,056,111
	LR International Trading FZCO		58,238	(3,446)
			10,127,078	5,211,544
	Associates			
	NutriCo Morinaga (Private) Limited		(11,700)	–
	Yunus Energy Limited		406,173	462,564
			394,473	462,564
			10,521,551	5,674,108
10.	**LONG-TERM LOANS AND ADVANCES**			
	Long-term loans - considered good due from employees	10.1 to 10.3	1,291,073	1,090,454
	Less: Recoverable within one year	15	(684,546)	(647,303)
			606,527	443,151
	Others	10.4	124,638	108,544
			731,165	551,695

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 aggregating PKR 16.503 million given to key management personnel namely Mr. Waqas Abrar, Mr. Zaher Shah, Mr. Mian Yasser Sulaiman and Mr. Atif Kaludi (2022: Mr. Waqas Abrar, Mr. Zaher Shah and Mr. Ahmed Waseem Khan) as at June 30, 2023.

10.2 Loans for purchase of motor cars and house building are repayable between 2 and 10 years. These loans are interest free and granted to the employees, including executives of LCI, 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, 2023 from key management personnel aggregated to PKR 227.803 million (2022: PKR 86.047 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	2023	2022
			(PKR in '000')	
11.	**LONG-TERM DEPOSITS**			
	Deposits	11.1	94,898	70,340

11.1 This includes return free long-term deposits paid to various parties in ordinary course of business with them.

		Note	2023	2022
			(PKR in '000')	
12.	**STORES, SPARES AND CONSUMABLES**			
	Stores	12.1	10,269,425	5,463,654
	Spares	12.1	9,167,063	8,652,686
	Consumables		3,791,757	177,637
			23,228,245	14,293,977
	Less: Provision for slow moving spares		619,792	637,112
			22,608,453	13,656,865

12.1 These include stores and spares in transit of PKR 2,812.1 million as at June 30, 2023 (2022: PKR 4,105.105 million).

		Note	2023	2022
			(PKR in '000')	
13.	**STOCK-IN-TRADE**			
	Raw and packing material	13.1 & 13.2	18,679,432	41,016,273
	Work-in-process		4,494,746	7,029,431
	Finished goods - net		15,084,928	14,863,010
			38,259,106	62,908,714
	Less: Provision for slow moving and obsolete stock-in-trade			
	- Raw and packing material		203,441	102,859
	- Finished goods		119,382	53,317
		13.3	322,823	156,176
	In transit	13.4	10,724,227	9,269,358
			48,660,510	72,021,896

13.1 Raw and packing materials held with various toll manufacturers as at June 30, 2023 amounted to PKR 33.206 million (2022: PKR 266.211 million).

13.2 This includes coal in hand amounting to PKR 2,838.644 million (2022: PKR 10,166.929 million).

13.3 Movement of provision for slow moving and obsolete stock-in-trade is as follows:

	Note	2023	2022
		(PKR in '000')	
Balance at the beginning of the year		156,176	194,630
Charge for the year	34	190,871	17,018
Write-off for the year against provision		(24,224)	(55,472)
		322,823	156,176

13.4 This includes coal in transit amounting to PKR 6,046.489 million (2022: PKR 4,023.594 million).

13.5 Stock-in-trade amounting to PKR 350.435 million (2022: PKR 12.653 million) is measured at net realisable value and expense amounting to PKR 195.195 million (2022: PKR 4.685 million) has been recognised in cost of sales.

	Note	2023	2022
		(PKR in '000')	
14. TRADE DEBTS			
Considered good			
Bills receivable - secured		2,860,132	2,767,763
Contract assets	14.1	18,277,181	10,273,937
Receivable for CPP & EPP	14.2	30,859,302	16,372,392
Others - unsecured	14.3	8,427,222	7,265,171
		60,423,837	36,679,263
Considered doubtful	14.5	129,576	171,438
		60,553,413	36,850,701
Less : Provision for doubtful trade debts		129,576	171,438
Less : Provision for price adjustments and discounts		520,247	324,150
		649,823	495,588
		59,903,590	36,355,113

14.1 This includes unbilled revenue pertaining to LEPCL, in respect of energy and capacity payment as per the PPA for the period starting from March 21, 2022 to June 30, 2023, which includes PKR 6,313.901 million in capacity purchase price which will be invoiced upon the NEPRA decision on the tariff true-up petition filed by LEPCL.

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:

	2023	2022
	(PKR in '000')	
Not yet due	6,913,268	8,925,732
Upto 30 days	11,019,281	1,007,542
Overdue		
Upto 30-60 days	6,054,074	897,309
60 - 90 days	–	–
More than 90 days	6,872,679	5,541,809
	12,926,753	6,439,118
	30,859,302	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 recognised revenue aggregating to PKR 5,859.818 million (representing fuel cost component only). 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 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 continue to pursue the matter with CPPA-G and expects positive outcome as it would be discriminatory to not compensate LEPCL for pre-COD sales while other IPPs have been duly paid.

In view of above and based on the opinion of LEPCL's legal counsel, LEPCL has recognised an aggregate amount of PKR 5,859.818 million as trade debts which would eventually be realised from CPPA-G after completion of due process under the PPA.

		2023	2022
		(PKR in '000')	
14.3	**These include amounts due from the following associates:**		
	Yunus Textile Mills Limited	13,865	10,082
	Lucky Textile Mills Limited	16,225	3,428
	Lucky Foods (Private) Limited	2,913	5,625
	Tabba Kidney Institute	1,323	1,608
	Lucky Al Shumookh Holdings Limited	224	–
	Al Mabrooka Cement Manufacturing Company Limited	438	–
	Tabba Heart Institute, Karachi	107	557
	Child Life foundation	–	343
		35,095	21,643

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	2023	2022
			(PKR in '000')	
	Unsecured			
	Yunus Textile Mills Limited		13,865	36,946
	Lucky Textile Mills Limited		44,859	16,654
	Lucky Foods (Private) Limited		6,406	8,027
	Tabba Kidney Institute		2,313	1,608
	Tabba Heart Institute		7,681	954
	Lucky Al Shumookh Holdings Limited		224	–
	Al Mabrooka Cement Manufacturing Company Limited		438	–
	Child Life foundation		–	1,354
			75,786	65,543
14.5	**Movement in provision for doubtful trade debts is as follows:**			
	Balance at the beginning of the year		171,438	206,735
	Provisions reversed during the year		(2,227)	(4,767)
	Write-off against provision during the year		(39,635)	(30,530)
			129,576	171,438
15.	**LOANS AND ADVANCES**			
	Considered good			
	Current portion of loans and advances given to employees	10	684,546	647,303
	Advance to suppliers	15.1	1,779,517	2,579,037
	Other advances given to employees - return free - unsecured	15.2	756,114	82,597
	Margin held with banks against imports		–	177,729
			3,220,177	3,486,666
	Considered doubtful		26,508	26,265
			3,246,685	3,512,931
	Less: Provision for doubtful loans and advances		26,508	26,265
			3,220,177	3,486,666

15.1 During January 2023, LCI entered into a Share Purchase Agreement with Lotte Chemical Corporation (LCC) for the acquisition of 1,135,860,105 ordinary shares of Lotte Chemical Pakistan Limited (LCPL) constituting approximately 75.01% of the issued, subscribed and paid-up capital of LCPL. As per the agreement, LCI paid an amount in an interest bearing ESCROW account in respect of potential acquisition of LCPL. Subsequently, LCI signed an Assignment and Assumption Agreement with Lucky Core Ventures (Private) Limited (LCV) - wholly owned subsidiary of LCI, indicating that the proceedings of the purchase transaction will now be completed by LCV and accordingly, the deposit will be released to LCI on completion of the transaction.

15.2 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

	Note	2023	2022
		(PKR in '000')	
16. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits - return free			
Utilities		5,746	489
Margin held in banks		3,520,784	–
Others		2,412,763	665,969
		5,939,293	666,458
Prepayments			
Insurance		49,233	80,684
Rent		17,622	24,977
Others		264,497	263,726
		331,352	369,387
		6,270,645	1,035,845
17. OTHER RECEIVABLES			
Unsecured			
Considered good			
Duties, sales tax and octroi refunds due	17.1	8,426,284	10,390,427
Commission and discounts receivable		44,349	134,760
Receivable from principal		522,886	507,473
Rebate on export sales		38,571	18,850
Due from Collector of Customs	17.2	19,444	19,444
Due from associated companies	17.3	49,508	–
Due from Hyderabad Electricity Supply Company (HESCO)	17.4	3,345,228	3,447,797
Receivable on account of fee for technical services	17.5	–	529,915
Suppliers		–	998,240
Others		1,695,711	2,543,119
		14,141,981	18,590,025
Considered doubtful		65,505	57,261
		14,207,486	18,647,286
Less: Provision for doubtful receivables	17.6	65,505	57,261
		14,141,981	18,590,025

17.1 This includes sales tax amounting to PKR 6,884.085 million (2022: PKR 6,727.993 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 unavailability of sufficient output tax, a significant amount of this sales tax has remained unadjusted. Accordingly, LEPCL has filed refund application amounting to PKR 2,279.698 million 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 Holding Company and finally issued SRO 41(1) of 2007 dated January 7, 2007 which clarified that the imported cement bulkers were also entitled for concessional rate of duty of 5%. The Collector of Customs instead of releasing the post dated cheques, encashed the same on the plea that the effect of SRO will not be applied retrospectively despite the fact that the said clarification was issued on the representation of the Holding Company.

The Holding Company filed a constitutional petition before the Honorable High Court of Sindh 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 was challenged by the FBR before the Honorable Supreme Court of Pakistan. The Honorable Supreme Court of Pakistan has dismissed the appeal filed by the FBR vide its judgment dated September 13, 2022 and directed the FBR to refund the amount recovered from the Holding Company.

The Holding Company has filed an application to the Collector of Customs on September 24, 2022, requesting the said department to comply with the above-referred judgment and process the refund of the customs duty amounting to PKR 19.444 million to the Holding Company forthwith. The management is confident that the amount will be recovered in due course.

17.3 Due from associated companies which are neither past due nor impaired comprises the following:

	2023	2022
	(PKR in '000')	
Un-secured		
Lucky Foods (Private) Limited	2,733	–
NutriCo Morinaga (Private) Limited	33,333	–
Lucky Commodities (Private) Limited	13,442	–
	49,508	–

17.4 National Electric Power Regulatory Authority (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 October 2021 amounting to PKR 2,453 million. The Holding Company's subsidy claims pertaining to the period from November 2021 to April 2023 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.

17.5 During the year, the Holding Company entered into Technical Support Agreement with a related party Nyumba Ya Akiba S.A. (NYA), incorporated in the Democratic Republic of Congo, 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.

Subsequently, the Holding Company also entered into a Release Agreement during the year 2022 and another during the current year with LCLIHL, NYA, LRHL and Rawsons Investments Limited whereby LCLIHL agreed to pay the amount outstanding by NYA to the Holding Company upon the Holding Company releasing equivalent receivable balance 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 was PKR 1,342.820 million."

17.6 Movement in provision for doubtful receivables is as follows:

	2023	2022
	(PKR in '000')	
Balance at beginning of the year	57,261	9,007
Charge for the year	8,244	48,254
	65,505	57,261

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 PKR 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 the FBR to conduct the audit. However, the FBR defaulted on its commitment made before the PHC and hence on July 6, 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 appeals filed by the Chief Commissioner RTO, Peshawar were dismissed vide judgement dated September 7, 2022. The Holding Company is now pursuing the department for conducting an audit, as directed by the FTO, to determine whether incidence of the central excise duty was passed on to end consumers or not.

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	2023	2022
		(PKR in '000')	
19. SHORT TERM INVESTMENTS			
At fair value through profit or loss	19.1 & 19.2	43,486,359	12,733,049
At fair value through other comprehensive income	19.3	13,098	18,106
At amortised cost	19.4	700,000	225,000
		44,199,457	12,976,155

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

Name of fund	2023 Number of units	2023 Value of investment 'PKR in '000'	2022 Number of units	2022 Value of investment 'PKR in '000'
Faysal Islamic Cash Fund	10,061,135	4,402,256	5,761,403	576,140
ABL Islamic Cash Fund	395,897	3,958,133	95,657,065	956,571
UBL - Al Ameen Islamic Cash Fund	25,103,217	2,510,322	11,583,956	1,158,396
Meezan Paaidaar Munafa Plan	203,024,640	10,151,232	–	–
Meezan Rozana Amdani Fund	75,440,684	4,271,534	152,229,568	7,611,478
MCB - Alhamra Islamic Money Market Fund	21,375,992	2,127,125	10,151,082	1,010,134
HBL Income Fund	–	–	10,028,963	1,014,674
HBL - Islamic Money Market Fund	56,767,982	6,242,805	–	–
NBP - Islamic Daily Dividend Fund	159,492,000	1,594,920	–	–
Alfalah Islamic Rozana Amdani Fund	77,110,513	8,228,032	–	–
AL Habib Islamic Cash Fund	–	–	4,056,564	405,656
		43,486,359		12,733,049

19.2 Investments with mutual funds include an amount of Nil (2022: 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 (2022: 1,769,940 shares) of Pakistan Stock Exchange.

19.4 This represents term deposit receipts. The profit on these term deposits ranges between 17% and 17.50% per annum (2022: 14% per annum) and mature within one year. These are held with Shariah compliant banks.

	Note	2023	2022
		(PKR in '000')	
20. CASH AND BANK BALANCES			
Sales collection in transit		817,383	1,013,642
Cash at bank			
- in current accounts		2,500,967	2,136,622
- in Islamic savings and deposit accounts	20.1	32,760,438	13,710,927
		35,261,405	15,847,549
Cash in hand and bank instruments		2,860,636	39,268
		38,939,424	16,900,459

20.1 This includes security deposits held by LCI from certain distributors amounting to PKR 377 million (2022: PKR 127 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 11.1% to 18.5% (2022: 10% to 11.1%) and these term deposits are readily encashable without any penalty. Other balances carry profit at the rate ranging from 5.00 % to 19.00% (2022: from 2.80% to 15.50%) per annum.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2023

		Note	2023	2022
			(PKR in '000')	
21.	**SHARE CAPITAL**			
	Authorised capital			
	500,000,000 (2022: 500,000,000)			
	Ordinary shares of PKR 10/- each		5,000,000	5,000,000
	Issued, subscribed and paid-up capital			
	305,000,000 (2022: 305,000,000) Ordinary shares			
	of PKR 10/- each issued for cash	21.1	3,050,000	3,050,000
	18,375,000 (2022: 18,375,000) Ordinary shares			
	of PKR 10/- each issued as bonus shares		183,750	183,750
			3,233,750	3,233,750
	10,000,000 ordinary shares of PKR 10/- each			
	cancelled through purchase of own shares	40.2	(100,000)	–
			3,133,750	3,233,750
	1,536,361 ordinary shares purchased			
	and held for cancellation	40.3	(15,364)	–
			3,118,386	3,233,750

21.1 During the year ended June 30, 2008, the Holding Company had issued 15,000,000 Global Depository Receipts (GDRs), each representing four ordinary equity shares at an offer price of US Dollars 7.2838 per GDR (total receipt being US Dollars 109.257 million). The GDRs were eligible for trading on the London Stock Exchange. Accordingly, 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).

		Note	2023	2022
			(PKR in '000')	
22.	**RESERVES**			
	Capital reserve			
	Share premium	22.1	7,343,422	7,343,422
	Capital Re-purchase reserve account		115,364	–
	Foreign currency translation reserve		22,184,577	9,433,058
	Capacity expansions reserve	22.2	40,000,000	–
	Long-term investments reserve	22.2	40,000,000	–
	Capital redemption reserve	22.2	35,815,875	–
			145,459,238	16,776,480
	Revenue reserves			
	General reserve		–	99,164,187
	Unappropriated profit		78,906,397	51,690,097
			78,906,397	150,854,284
			224,365,635	167,630,764

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

22.2 The Board of Directors of the Holding Company in its meeting held on June 21, 2023 decided to earmark a sum of PKR 116,000 million as not available for distribution by way of dividend on account of long-term investments, capacity expansions and capital redemption to more accurately reflect the nature of these reserves. The said decision was disclosed to the PSX by the Holding Company vide notice dated June 22, 2023. Based on this decision, the reserves against long-term investments, capacity expansions and capital redemption amounting to PKR 40,000 million, PKR 40,000 million and PKR 36,000 million (i.e. aggregating PKR 116,000 million) respectively have been separately disclosed as capital reserve not available for distribution in these consolidated financial statements.

The Holding Company has also approached the Securities and Exchange Commission of Pakistan (SECP) regarding the above decision of the Board of Directors. The SECP through its letter dated July 27, 2023 has informed that the matter is under review and any view adopted by SECP shall be communicated in due course.

		Note	2023	2022
			(PKR in '000')	
23.	**LONG-TERM FINANCE**			
	Secured			
	LCL			
	Salary Refinance Loan	23.1	–	380,181
	Temporary Economic Refinance	23.2	5,508,080	4,882,521
	Financing for Renewable Energy	23.3	1,670,324	1,460,324
	Long Term Financing Facility	23.4	7,978,543	7,872,622
			15,156,947	14,595,648
	LEPCL			
	Foreign currency borrowings	23.5 to 23.7	59,507,504	43,189,507
	Local currency borrowings	23.8 to 23.11	63,480,304	65,513,215
			122,987,808	108,702,722
	Less: unamortised transaction cost		(1,016,966)	(1,237,818)
			121,970,842	107,464,904
	LCI			
	Banking companies / Financial Institutions	23.12	4,057,647	4,489,299
	Islamic Term Finance	23.13	725,184	3,335,023
			4,782,831	7,824,322
	LMC			
	Diminishing Musharaka Facility	23.14	–	134,737
	Financing for Renewable Energy Project	23.15	–	100,223
	Islamic Temporary Economic Refinance Facility	23.16 & 23.17	2,956,252	2,835,563
			2,956,252	3,070,523
	Total long term loans		144,866,872	132,955,397
	Less: Current portion of long term finance		(9,009,157)	(5,081,071)
			135,857,715	127,874,326

23.1 The Holding Company entered into a long-term loan agreement with Habib Metropolitan Bank Limited - Islamic under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan was repayable in eight equal quarterly instalments, which started from April 2021. This long term financing facility was secured by way of hypothecation charge over specific plant and machinery of the Holding Company. The facility carried mark-up at the rate of 0.50% per annum starting from the date of disbursement and was payable in arrears on quarterly basis. The loan was fully repaid during the year ended June 30, 2023.

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) of the State Bank of Pakistan. The loans are repayable in semi-annual installments over a period of ten years concluding upto September 8, 2032, 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 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 6,135.502 million obtained under Islamic mode of financing.

23.3 The Holding Company entered into long-term loan agreements with Allied Bank Limited, Dubai Islamic Bank and Soneri Bank Limited 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 concluding upto July 13, 2034, 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 470.324 million obtained under Islamic mode of financing.

23.4 The Holding 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 concluding upto July 18, 2032, 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 8.00%. The amount of loan outstanding as at the reporting date includes PKR 2,315.451 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. LEPCL has fully availed the facility aggregating to USD 190 million.

23.6 LEPCL entered into a USD facility agreement on May 31, 2018 with United National Bank Limited, United Kingdom (UNBL) 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) 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 + 4.50%. LEPCL had fully availed the facility aggregating to USD 20 million.

During the year, LEPCL had entered into a novation agreement with UNBL through which 65.9582% of the remaining liability i.e USD 18.951 million of the aforementioned USD facility was transferred to United Bank limited, UAE on March 2, 2023. This facility is secured based on the securities mentioned in note 23.11.

23.7 LEPCL foreign currency loans as explained in notes 23.5 & 23.6 carried markup based on USD LIBOR which will no longer be available after June 30, 2023. Accordingly, the Federal Reserve's Alternative Reference Committee (ARRC) has selected Secured overnight Financing Rate (SOFR), a rate administered by Federal Reserve Bank of New York, as the basis for rates to replace USD LIBOR as a benchmark reference rate for USD loans. SOFR is considered a risk free rate compared to USD LIBOR; therefore, for smooth transition, Credit Adjustment Spread (CAS) of 0.42826% will be added to Daily Simply SOFR to replace USD LIBOR. This new rate will be applicable on all USD loans of LEPCL from July 1, 2023. LEPCL has sought No Objection Certificate (NOC) from Private Power Infrastructure Board (PPIB) to enter into amendment to the financing documents to affect the change of rate.

23.8 LEPCL also entered into following loan agreements on May 31, 2018:

- 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 at PKR 38,717.56 million. LEPCL has fully availed the facility aggregating to PKR 38,717.56 million.

- Musharaka facility agreement with five banks namely Meezan Bank Limited, Faysal Bank Limited, Dubai Islamic Bank Limited, United Bank Limited and Soneri Bank Limited for an aggregate amount of PKR 17,259.918 million. LEPCL has fully availed the facility aggregating to PKR 17,259.918 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 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 3.50%.

23.9 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. LEPCL has fully utilised the facility aggregating to PKR 3,000 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. LEPCL has fully availed the facility aggregating to PKR 4,876 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 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%.

23.10 LEPCL on February 2, 2022 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. LEPCL has fully availed the facility aggregating to PKR 2,100 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 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%.

23.11 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 Holding Company has pledged shares in favor of the security trustee to the facilities.

23.12 This includes following facilities availed by LCI:

- Temporary Economic Refinance Facility - TERF, extended by SBP, for the purpose of plant expansion in Soda Ash and Polyester divisions on different dates from various banks amounting to PKR 3,992 million. The repayment is to be made in 16 equal consecutive semi-annual instalments in 10 years with grace period of 2 years. The loan is secured against charge over fixed assets of LCI. The markup rate is charged at SBP rate plus 0.3% to SBP rate plus 1.5% (2022 : SBP rate plus 0.3% to SBP rate plus 1.5%)

  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 capital expenditure requirements of its Soda Ash Division on different dates from various banks. Repayment of loans is to be made in quarterly / semi annual instalments in 10 years including 2 years grace period and is secured against charge over fixed assets of LCI. Markup is charged at concessionary SBP LTFF rate plus 0.3% to 1.5% per annum (2022: SBP LTFF rate plus 0.3% to 1.5% per annum). There is no unutilised amount as of the reporting date.

– Shariah compliant SBP Islamic Financing Facility for Renewable Energy (IFRE) against the total limit of PKR 232 million from a commercial bank. Repayment of loan is to be made in semi annual instalments in 10 years and is secured against charge over fixed assets of LCI. Markup is charged at concessionary SBP rate plus 0.5% per annum.

23.13 LCI has obtained Shariah compliant loans from a commercial bank. These loans are secured against charge on fixed assets of LCI. Grace period for principal repayment has been availed which entails that the first principal repayment falls in August 2021 and the last repayment will be in August 2024. The principal repayments and mark up to be made on a semi annual basis. Markup is charged at 6 months KIBOR plus 0.05%. There is no unutilised amount as of the reporting date.

23.14 LMC had 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 was 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 carried a markup of 0.7% per annum and was secured against first pari passu hypothecation charge over plant and machinery amounting to PKR 467 million (2022: PKR 467 million). The loan was settled during the year.

23.15 LMC had 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 was 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 carried a markup of SBP Rate plus 1% and was secured against first pari passu hypothecation charge over all present and future plant and machinery amounting to PKR 400 million, which is settled wholly as at June 30, 2023 as scheduled.

23.16 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.

23.17 These represent Shariah compliant loans obtained by LMC. The availed limit of these Islamic financing stands at PKR 4,378 million (PKR 4,357 million outstanding) while the profit rate on these long term loans ranges from 0.7% to 1.50% per annum. The maturity of these 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 quarterly / half yearly installments.

		Note	2023	2022
			(PKR in '000')	
24.	**LONG-TERM DEPOSITS AND OTHER LIABILITIES**			
	Long term deposits			
	Cement stockists	24.1	197,457	191,052
	Transporters	24.2	52,200	56,100
	Others		209,545	225,680
			459,202	472,832
	Other liabilities			
	Other non-current payables	24.3	9,073,677	6,697,471
			9,532,879	7,170,303

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 9,073.677 million relating to LCLIHL payable after one year from the reporting date.

	Note	**2023**	2022
		(PKR in '000')	
25. DEFERRED GOVERNMENT GRANT			
Represents deferred government grant recognized on account of:			
Temporary Economic Refinance		4,305,281	4,361,931
26. DEFERRED LIABILITIES			
Staff gratuity - unfunded	26.1	2,696,191	2,804,294
Deferred tax liability	26.2	19,206,482	12,307,123
		21,902,673	15,111,417

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, 2023, are as follows:

26.1.1 The amounts recognised in the profit or loss are as follows:

Staff Gratuity and Pension	**2023**				2022			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Current service cost	3,007	187,946	190,953	255,187	5,917	110,299	116,216	265,996
Interest cost	75,335	127,620	202,955	366,208	64,042	74,437	138,479	255,784
Expected return on plan assets	(81,115)	(104,512)	(185,627)	–	(71,128)	(69,892)	(141,020)	–
Net (reversal) / charge for the year	(2,773)	211,054	208,281	621,395	(1,169)	114,844	113,675	521,780
Other comprehensive income:								
(Gain) / loss on obligation	(38,800)	(11,036)	(49,836)	(423,117)	15,396	35,949	51,345	(87,702)
Loss on assets	60,811	22,304	83,115	–	15,894	25,603	41,497	–
Net (gain) / loss	22,011	11,268	33,279	(423,117)	31,290	61,552	92,842	(87,702)

26.1.2 Movement in the net assets / (liability) recognised in the consolidated statement of financial position are as follows:

Staff Gratuity and Pension	**2023**				2022			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	44,468	(119,878)	(75,410)	(2,804,294)	74,589	(75,745)	(1,156)	(2,520,556)
Transfer from unfunded to funded	–	(89,144)	(89,144)	89,144	–	–	–	–
Net charge - note 26.1.1	2,773	(211,054)	(208,281)	(621,395)	1,169	(114,844)	(113,675)	(521,780)
Other comprehensive (gain) / income	(22,011)	(11,268)	(33,279)	423,117	(31,290)	(61,552)	(92,842)	87,702
Contributions / payments during the year	–	166,327	166,327	217,237	–	132,263	132,263	150,340
Closing balance	25,230	(265,017)	(239,787)	(2,696,191)	44,468	(119,878)	(75,410)	(2,804,294)

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

26.1.3 The amounts recognised in the consolidated statement of financial position are as follows:

Staff Gratuity and Pension	2023				2022			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Fair value of plan assets - note 26.1.5	576,829	887,157	1,463,986	–	691,405	757,656	1,449,061	–
Present value of defined benefit obligation - note 26.1.4	(551,599)	(1,152,174)	(1,703,773)	(2,696,191)	(646,937)	(877,534)	(1,524,471)	(2,804,294)
Net asset / (liability)	25,230	(265,017)	(239,787)	(2,696,191)	44,468	(119,878)	(75,410)	(2,804,294)

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	2023				2022			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	646,937	877,534	1,524,471	2,804,294	786,670	787,025	1,573,695	2,520,556
Transfer from unfunded to funded	–	89,144	89,144	(89,144)	–	–	–	–
Current service cost	3,007	187,946	190,953	255,187	5,917	110,299	116,216	265,996
Interest cost	75,335	127,620	202,955	366,208	64,042	74,437	138,479	255,784
Benefits paid	(134,880)	(119,034)	(253,914)	(217,237)	(225,088)	(128,128)	(353,216)	(150,340)
Benefits payable	–	–	–	–	–	(2,048)	(2,048)	–
Actuarial (gain) / loss	(38,800)	(11,036)	(49,836)	(423,117)	15,396	35,949	51,345	(87,702)
Closing balance	551,599	1,152,174	1,703,773	2,696,191	646,937	877,534	1,524,471	2,804,294

26.1.5 Movement in the fair value of plan assets:

Staff Gratuity and Pension	2023				2022			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	691,405	757,656	1,449,061	–	861,259	711,280	1,572,539	–
Expected return	81,115	104,512	185,627	–	71,128	69,892	141,020	–
Contributions	–	166,327	166,327	–	–	132,263	132,263	–
Benefits paid	(134,880)	(119,034)	(253,914)	–	(225,088)	(128,128)	(353,216)	–
Benefits payable	–	–	–	–	–	(2,048)	(2,048)	–
Actuarial loss	(60,811)	(22,304)	(83,115)	–	(15,894)	(25,603)	(41,497)	–
Closing balance - note 26.1.7	576,829	887,157	1,463,986	–	691,405	757,656	1,449,061	–

26.1.6 Historical information - funded plans

	June 30			
	2023	2022	2021	2020
	(PKR in '000')			
Present value of defined benefit obligation	1,703,773	1,524,471	1,573,695	1,440,906
Fair value of plan assets	(1,463,986)	(1,449,061)	(1,572,539)	(1,473,686)
Net liability / (asset)	239,787	75,410	1,156	(32,780)

26.1.7 Major categories / composition of plan assets are as follows:

	2023	2022
Debt instruments	68.70%	69.49%
Equity at market value	27.74%	28.53%
Cash / Others	3.56%	1.99%

Fair value of plan asset

Investment

	Pension	Gratuity	Pension	Gratuity
	2023		2022	
	(PKR in '000')			
National savings deposits	–	–	394,800	–
Government bonds	351,821	476,919	60,080	421,246
Corporate bonds	–	56,918	–	54,771
Shares	209,976	147,588	221,105	161,066
Cash and term deposits	15,032	30,894	14,450	120,709
Income receivable / (Benefit due)	–	–	970	(136)
Total	576,829	712,319	691,405	757,656

	2023	2022
	(PKR in '000')	
Actual return on plan assets during the year:	102,512	99,523

26.1.8 The principal actuarial assumptions at the reporting date were as follows:

	2023	2022
	(PKR in '000')	
Discount rate	15.75% to 16.25%	9.5% to 13.25%
Future salary increases - Management	10% to 16.25%	7.5% to 13.25%
Future salary increases - Non - Management	11.25%	8.50%
Future pension increases	8.00%	7.50%

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	(641,788)	701,628
Salary increase	708,298	(657,269)
Pension increase	(24,703)	22,767

The weighted average duration of the defined benefit obligation is 8.07 years (2022: 9.27 years) for the Holding Company, 7.34 years (2022: 7.39 years) for LMC and 5.8 years (2022: 6 years) for LCI.

26.1.10 During the year, the Group contributed in the fund as follows:

	2023	2022
	(PKR in '000')	
Provident fund	180,038	167,149
Defined contribution superannuation fund	160,940	144,511

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 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.

Invesment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

Risk of sufficiency of assets - The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

26.1.13 Expected charge to unfunded gratuity scheme for the year ending June 30, 2024 is approximately PKR 847.391 million.

		Note	2023	2022
			(PKR in '000')	
26.2	**Deferred tax liability**			
	This comprises of the following:			
	- Taxable temporary differences	26.2.1	21,077,239	14,637,775
	- Deductible temporary differences		(1,852,122)	(2,330,652)
			19,225,117	12,307,123

26.2.1 This mainly includes temporary differences on account of accelerated depreciation.

26.2.2 In accordance with the Finance Act, 2023, super tax at the rate of 10% for tax year 2023 and onwards has been levied in addition to the corporate tax rate of 29%. Accordingly, the Group has recorded deferred tax at 39% in accordance with applicable accounting and reporting standards.

		Note	2023	2022
			(PKR in '000')	
27.	**TRADE AND OTHER PAYABLES**			
	Creditors		22,558,197	16,857,618
	Accrued liabilities		22,967,001	18,527,372
	Advance from customers / contract liabilities	27.1	5,561,692	18,031,670
	Retention money		6,580,860	1,263,735
	Sales tax payable, excise and other government levies	27.2	15,938,171	15,385,536
	Workers' Profit Participation Fund (WPPF) payable	27.3	517,075	113,367
	Workers' Welfare Fund (WWF) payable	27.4	1,947,553	1,563,330
	Distributors' security deposits - payable on termination			
	of distributorship	27.5	674,312	707,828
	Others		3,829,482	5,956,707
			80,574,343	78,407,163

27.1 The contract liabilities outstanding as at June 30, 2022 amounting to PKR 18,031.67 million have been fully recognized as revenue during the current year.

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 Group has filed suits before the Honorable High Court of Sindh (SHC) on 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.

		Note	2023	2022
			(PKR in '000')	
27.3	**The movement of WPPF is as follows:**			
	Opening balance		113,367	1,397,225
	Allocation for the year	36	1,489,569	1,972,075
			1,602,936	3,369,300
	Payments during the year		(1,085,861)	(3,255,933)
			517,075	113,367

27.4 This includes PKR 1,513.854 million (2022: PKR 1,326.416 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.

27.5 This includes security deposits amounting to PKR 134.404 million (2022: PKR 125.311 million) relating to LCI distributors. Interest on these security deposits from certain distributors that are placed with various separate bank accounts is payable at 17% (2022: 10% to 11%) per annum as specified in the respective agreements. These security deposits are non-utilisable. Further, LCI has not utilised any such deposit for the purpose of its business during the year.

	Note	2023	2022
		(PKR in '000')	
28. SHORT-TERM BORROWINGS AND RUNNING FINANCE			
LEPCL			
Working Capital Facilities	28.1	12,687,935	10,998,615
Islamic Commercial Paper - II		–	4,697,849
Sukuks - I & II	28.2	27,000,000	14,000,000
Commercial Paper - III		–	5,555,866
		39,687,935	35,252,330
LCI			
Short-term running finance - secured	28.3 & 28.4	13,121,068	12,964,104
Export Refinance Facility	28.5	1,879,578	741,000
		15,000,646	13,705,104
LMC			
Import Murabaha Facilities	28.6	861,196	7,166,259
LCLIHL			
Loan from joint venture	28.7	5,608,450	1,024,234
Running Finance	28.8	–	5,537
		5,608,450	1,029,771
LCL			
Islamic Export Refinance Facility	28.9	5,885,000	1,000,000
		67,043,227	58,153,464

28.1 LEPCL has entered into working capital facility agreements with commercial banks for an aggregate amount of PKR 18,248.751 million (2022: 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, 2023, the outstanding funded exposure against the said facilities was PKR 12,687.935 million (2022: PKR 10,998.615 million) while the outstanding unfunded exposure was PKR 5,560.816 million (2022: 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 four Sukuk instruments having face values ranging from PKR 5,000 million to PKR 7,000 million. These are repayable in six months time from the respective dates of issue and carries a mark-up at the rate 6 months KIBOR rate plus a spread ranging from 0.3% to 0.65%.

28.3 These represents short-term financing facilities wherein, Islamic Facilities have a limit of PKR 11,761 million (2022: PKR 13,221 million). These facilities carry mark-up ranging from KIBOR plus 0.02% to KIBOR plus 0.50% per annum (2022: Plain KIBOR to KIBOR plus 1.25% per annum). The conventional short-term facilities, have a limit amounting to PKR 10,450 million (2022: PKR 7,250 million). These facilities carry mark-up ranging from KIBOR plus 0.05% to KIBOR plus 0.30% per annum (2022: 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 LCI.

28.4 It includes a short term facility from Bank Al Habib Limited (related party) with a total limit of PKR 150 million, carrying mark-up at the rate of 3 month KIBOR plus 0.10% and is secured against current assets. There is no outstanding balance as of June 30, 2023.

28.5 LCI has availed Export Refinance Facility (ERF) of SBP Part 2, amounting to PKR 1,880 million (2022: PKR 741 million) as at June 30, 2023 from various banks. It is secured against charge on current assets of LCI and carries mark-up at State Bank of Pakistan (SBP) rate plus 0.50% to 1.00% per annum (2022: SBP rate plus 0.15% to 1.00% per annum). This facility is interchangeable with Short Term Running Finance provided by the banks.

28.6 LMC has obtained Import Murabaha borrowing PKR 861.196 million (2022: PKR 7,116 million) from commercial banks. The facilities are secured by way of first pari passu charge over stocks and receivables aggregating to PKR 17,000 million. The facilities carry mark-up of 10.5% p.a. These facilities are maturing by November 30, 2023.

28.7 This represents loan obtained by LCLIHL from its joint venture LuckyRawji Holdings Limited (a related party) aggregating to USD 19.611 million (2022: USD 5 million). The loan is repayable within one year and is non-interest bearing.

28.8 This represent overdraft facility obtained by LCLIHL from Habib Bank Limited which carries interest at 3 months LIBOR plus 2.9% per annum.

28.9 The Holding Company has obtained Islamic Export Refinance Facility of PKR 5,885 million (2022: PKR 1,000 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 rates ranging from 13.65% to 18.00% 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 1, 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 year 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. The Peshawar High Court transferred the matter to the District Court Peshawar. Subsequently, the District Court Peshawar dismissed the said appeal on January 7, 2023.

The Holding Company has now filed a Civil Revision before the Peshawar High Court to challenge the said judgment of the District Court. The case is currently pending before the Peshawar High Court. The receiveble shall be recognised when its existence is virtually certain.

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 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 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 Honorable 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 and hence no accrual has been recorded in the books of account of the Group.

29.1.3 Details of other matters are stated in notes 17, 18 and 27.4 to these consolidated financial statements.

LUCKY CORE INDUSTRIES LIMITED (FORMERLY ICI PAKISTAN LIMITED)

29.1.4 Claims against LCI not acknowledged as debts are as follows:

	2023	2022
	(PKR in '000')	
Local bodies	84,500	84,500
Others	1,317,621	6,192
	1,402,121	90,692

29.1.5 LCI received a notice dated March 11, 2016 issued by the Tehsil Municipal Administration Pin Dadan Khan, Tehsil Officer, whereby a sum of PKR 67.05 million was demanded as conversion fee with respect to land purchased in the years 2010 and 2015. LCI filed a response to the said notice and an appeal before the Secretary Local Government and Community Development Department (SLG). SLG disposed off the appeal and issued an order dated March 2, 2018 stating that the land purchased was Banjar Qadeem (barren land) and directed the Municipal Committee (MC) to charge the conversion fee as per rule 60 of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009. LCI based on the advice of its external counsel decided not to challenge the order until further notice is received from MC. MC issued an impugned notice dated November 25, 2018 for payment of the conversion fee.

LCI filed a Writ Petition No.225 of 2019 on January 17, 2019 before the Lahore High Court, Rawalpindi Bench against the notices and the order.

The Learned Judge granted a stay with respect to the operation of the impugned notices and order, till the next date of hearing subject to the deposit of PKR 2.4 million with the Deputy Registrar Judicial, within a fortnight. The amount was deposited through Pay Order No. 05138957 on February 14, 2019.

MC Khewra filed an application on March 7, 2019 under Rule 10 of the Civil Procedure Code of Pakistan (CPC) impleaded that the said matter falls within their jurisdiction. LCI submitted its response against the application of MC Khewra. The Judge impleaded the application of MC Khewra while noting down LCI's objections. The case has been fixed for hearing on January 26, 2022.

29.1.6 Suit for damages amounting to PKR 850 million was filed by a private company against LCI alleging breach of the terms of letter of intent and that LCI destroyed the warehouse premises leased from the private company for storage of its pharmaceutical products. As a response, LCI has filed a cross suit against the private company for return of security deposit and abrupt termination of the arrangement. The cases are pending for hearing before High Court of Sindh.

29.1.7 LCI, amongst others, has recently received a summon for a suit filed by Pakistan International Bulk Terminal for recovery of an aggregate amount of USD 1,613,440 for damages claiming an alleged damage caused to its coal berth. LCI has filed a vakalatnama, however, date for hearing has not been fixed as yet.

29.1.8 The assessment finalized of LCI for assessment year 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 LCI's favor except the matter of restriction of cost of capitalization.

Currently appeals of LCI and the FBR are pending before the Tribunal.

29.1.9 LCI'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 AY 2002-2003. Consequently, in this Order, the Officer proceeded to tax the event of transfer of PTA plant and 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 amounting to PKR 1,915 million 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 2002-2003 in LCI's favor. However, the appeal effect order for AY 2002-2003 is pending.

During the year, the appeals for Tax Years 2003 to 2010 have been heard and reserved for order by the Tribunal. Since these involve a consequential matter, LCI is confident that these will also be favorably decided.

With respect to the demand involved, LCI has sought stay from the Honourable Sindh High Court which is valid till the decision of the Tribunal.

29.1.10 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 LCI's favor except for one issue in TY 2010 which has been challenged before the 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 LCI on certain matters including addition on account of disposal of fixed assets and apportionment of expenses against capital gain and others. References in this regard have been filed in the High Court and the hearings of appeals are pending.

29.1.11 For TY 2016, monitoring proceedings were finalized vide Order dated September 2, 2016 wherein demand 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 LCI which has been challenged before the Tribunal, hearing of which is pending before the Tribunal. Exposure to LCI of the related proceeding has an estimated financial impact of PKR 138 million.

29.1.12 For Tax Year 2017, the 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. LCI has filed an appeal before CIR(A) against the order. Hearing of appeal before the CIR (A) is pending.

29.1.13 For the period July 2012 to June 2013, sales tax audit was finalized by the 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 LCI which has been challenged before the Tribunal. Hearing of the appeal before the Tribunal is pending.

29.1.14 Sales tax audit for July 2016 to June 2017 was finalized by the FBR vide order dated June 29, 2021 creating demand of PKR 17 million on various issues including inadmissible sales tax claimed on blacklisted / inactive suppliers and goods used for non-business activity. After majority of the issues were remanded back by the CIR(A), the proceedings have also been finalized against LCI on certain issues vide order dated June 22, 2023. LCI has filed an appeal before CIR(A) against the order which is pending for hearing.

29.1.15 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. LCI is in process of filing an appeal before CIR(A).

29.1.16 The management is confident based on the opinion of advisors that all the cases will be decided in favour of LCI. Accordingly, no provision in this respect has been made in these consolidated financial statements.

LUCKY ELECTRIC POWER COMPANY LIMITED

29.1.17 In 2020, LEPCL had received a claim from its Supply and Construction Contractor (EPC Contractor) in which he sought additional compensation from LEPCL in relation to its EPC Contract due to the extra cost incurred on account of the COVID-19 pandemic, changes in law, and the change in location of the Sea Water Intake system (SWI) amounting to USD 30.06 million which was later revised to USD 36.95 million in February 2022 through the EPC Contractor’s Final Claim Report.

Considering the aforementioned factors, LEPCL, on September 24, 2021, initially entered into a first settlement agreement with its EPC Contractor in which LEPCL agreed to pay USD 12.5 million to the EPC Contractor on account of changes in location of SWI.

LEPCL, on March 19, 2022, executed another settlement agreement with the EPC contractor through which an amount of USD 5 million was agreed as an additional compensation to the EPC Contractor in addition to the initially agreed amount of USD 12.5 million. The management of LEPCL is confident that owing to the aforementioned settlement agreements, they have reached a closure on the said claim and do not have any further exposure to any additional liability.

29.1.18 LEPCL has received Liquidated Damages (LD) claims aggregating USD 31.811 million from CPPA-G under section 9.4 (d) of the PPA citing failure to achieve COD by Required COD (RCOD) i.e. March 21, 2021. LEPCL had disputed these claims on the contention that CPPA-G had 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 COD is attributable to the delay in the availability of interconnection facility. LEPCL had also raised a counter claim with CPPA-G amounting PKR 5,015 million under section 6.5(b) of the PPA on account of delayed provision of interconnection facilities by the CPPA-G.

During the year, in order to resolve the dispute on amicable terms, management had invoked dispute resolution process through expert mediation as provided under Article 28 of the PPA. The final decision of the expert was announced on June 27, 2023, in which LEPCL was awarded a compensation of PKR 1,996.27 million against its claim of PKR 5,015 million on account of delayed provision of interconnection facilities by the CPPA-G by the expert, while CPPA-G was also granted an award of USD 587,025 on account of delayed RCOD.

As the results of such decision are non-binding and subject to arbitration under Article 18.3 of the PPA, LEPCL, on prudence basis, has not recognised any net income on account of final award in these consolidated financial statements as both parties have further recourse available against such rewards under the PPA.

	2023	2022
	(PKR in '000')	
COMMITMENTS		
29.2 Capital commitments		
Plant and machinery under letters of credit and others	6,431,283	13,638,851
Other commitments		
Stores, spares and packing material under letters of credit	3,989,776	4,530,101
Bank guarantees issued	23,146,069	20,036,982
Standby letter of credit	40,252,012	24,776,933
Post dated cheques	4,676,641	2,194,504
Commitment in connection with LEPCL's project's cost over-run and payment service reserve account (PSRA) support, CSA and excess debt support	52,839,594	32,763,946

29.2.1 As of June 30, 2023, LEPCL has issued the following through commercial banks:

– Letters of credit amounting to USD 1.488 million (i.e. PKR 427.217 million) [2022: USD 9.645 million (i.e. PKR 1,986.802 million)] in favour of Tie Jun International (HK) Limited in accordance with the terms of Procurement and Supply of Equipment contract, USD 6.732 million (i.e. PKR 1,932.619 million) [2022: USD 6.732 million (PKR 1,368.962 million)] in favour of CPPA-G in accordance with the terms of PPA, USD 39.804 million (PKR 11,410.561 million) against imported coal shipments in favour of SAII Resources Pte, Yongtai Energy and Auto Chartering DMCC.

– Bank guarantees amounting to PKR 382.472 million (2022: PKR 567.55 million) represents guarantees issued in favor of Sindh Forest Department, Collector of customs and United Bank Limited in relation advance income tax, mangrove plantation and release of import documents against outstanding LC payments respectively.

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

	2023	2022
	(PKR in '000')	
Year		
2021-22	–	2,123
2022-23	5,004	8,491
2023-24	6,693	9,043
2024-25	7,128	9,630
2025-26	7,591	10,256
2026-27	8,084	–
	34,500	39,543
Payable not later than one year	5,004	2,123
Payable later than one year but not later than five years	29,496	37,420
	34,500	39,543

30. OPERATING SEGMENT RESULTS

	Note	Cement 2023	Cement 2022	Polyester 2023	Polyester 2022	Soda Ash 2023	Soda Ash 2022	Pharma 2023	Pharma 2022	Life Sciences & Chemicals 2023	Life Sciences & Chemicals 2022	Automobiles & mobile phones assembling 2023	Automobiles & mobile phones assembling 2022	Power Generation 2023	Power Generation 2022	Others 2023	Others 2022	Group 2023	Group 2022
										(PKR in '000)									
Gross revenue																			
Exports		13,673,211	12,703,113	418,993	734,575	6,323,857	3,380,000	185,750	23,462	-	-	-	-	-	-	-	-	20,601,811	16,841,150
Inter-segment		47,787	127,885	-	-	-	-	-	-	129,161	77,847	703,882	956,495	-	-	1,743,943	2,121,676	2,624,773	3,283,903
Local		112,098,374	95,769,947	47,071,878	42,331,779	42,158,187	26,588,761	12,327,407	13,032,544	22,935,228	18,327,828	95,159,935	143,871,080	106,702,641	37,790,761	308,307	1,973,025	438,761,957	379,685,725
		125,819,372	108,600,945	47,490,871	43,066,354	48,482,044	29,968,761	12,513,157	13,056,006	23,064,389	18,405,675	95,863,817	144,827,575	106,702,641	37,790,761	2,052,250	4,094,701	461,988,541	399,810,778
Commission / toll income		-	-	-	-	-	-	-	-	95,397	177,516	-	-	-	-	-	-	95,397	177,516
Revenue	31.1	125,819,372	108,600,945	47,490,871	43,066,354	48,482,044	29,968,761	12,513,157	13,056,006	23,159,786	18,583,191	95,863,817	144,827,575	106,702,641	37,790,761	2,052,250	4,094,701	462,083,938	399,988,294
Sales tax and excise duty		28,470,455	26,100,667	6,847,981	6,113,640	6,165,045	3,756,158	136,735	43,290	1,479,889	1,420,004	12,089,855	17,952,387	8,422,852	4,004,527	250,715	286,679	63,863,527	59,677,352
Rebates and commission		1,505,535	1,373,885	191,008	275,091	900,223	1,148,133	3,217,348	4,127,136	3,120,685	2,437,080	1,535,648	2,265,438	-	-	-	-	10,470,447	11,626,763
		29,975,990	27,474,552	7,038,989	6,388,731	7,065,268	4,904,291	3,354,083	4,170,426	4,600,574	3,857,084	13,625,503	20,217,825	8,422,852	4,004,527	250,715	286,679	74,333,974	71,304,115
		95,843,382	81,126,393	40,451,882	36,677,623	41,416,776	25,064,470	9,159,074	8,885,580	18,559,212	14,726,107	82,238,314	124,609,750	98,279,789	33,786,234	1,801,535	3,808,022	387,749,964	328,684,179
Cost of sales	32	69,771,469	58,532,861	36,665,694	32,138,958	31,216,195	18,958,963	6,245,043	5,891,067	13,130,918	11,927,762	73,021,137	111,516,504	62,125,964	27,479,880	1,317,519	1,483,456	293,493,939	267,929,452
Gross profit		26,071,913	22,593,532	3,786,188	4,538,665	10,200,581	6,105,507	2,914,031	2,994,513	5,428,294	2,798,345	9,217,177	13,093,246	36,153,825	6,306,354	484,016	2,324,566	94,256,025	60,754,727
Distribution cost	33	5,326,894	4,764,203	301,704	397,776	1,117,192	900,003	1,475,151	1,445,404	2,136,430	1,891,205	270,245	1,502,085	-	-	-	-	10,627,616	10,900,677
Administrative expenses	34	1,825,578	1,512,080	170,972	206,990	1,333,568	1,115,946	434,650	301,673	488,240	416,577	859,163	1,640,650	405,454	155,916	193,511	122,049	5,711,136	5,471,880
Operating results		18,919,441	16,317,249	3,313,512	3,933,899	7,749,821	4,089,558	1,004,230	1,247,436	2,803,624	490,563	8,087,769	9,950,511	35,748,371	6,150,438	290,505	2,202,517	77,917,273	44,382,170
30.1 **Segment assets**	31.3	149,931,036	123,496,805	18,331,780	15,971,757	50,438,332	36,580,893	9,717,738	7,480,296	21,511,837	30,249,797	52,584,967	63,882,863	215,840,970	184,128,911	2,121,371	1,299,668	520,478,031	463,090,990
30.2 **Unallocated assets**																		110,029,033	57,461,977
																		630,507,064	520,552,967
30.3 **Segment liabilities**	31.4	32,670,153	38,475,459	16,622,712	17,907,421	11,605,768	7,675,381	5,525,944	5,343,936	4,273,741	6,094,105	17,232,147	29,388,055	23,185,377	14,449,212	11,024,272	7,824,072	122,140,114	127,157,641
30.4 **Unallocated liabilities**																		254,428,416	215,473,595
																		376,568,530	342,631,236
30.5 **Depreciation and amortisation**		5,374,753	4,518,368	694,875	720,534	2,122,703	2,090,352	169,714	151,880	215,395	577,059	3,142,679	2,399,381	4,810,943	1,262,398	27,998	15,868	16,559,060	11,735,840
30.6 **Capital expenditure**		18,711,022	24,506,067	479,207	1,319,521	2,926,010	7,735,983	197,903	338,277	115,303	273,319	910,776	7,248,633	1,032,311	14,206,496	52,617	42,450	24,425,149	55,670,746

30.7 There were no major customers of the Group in excess of 10% or more of the Group's revenue.

31 RECONCILIATIONS OF REPORTABLE SEGMENTS REVENUE, COST OF SALES, ASSETS AND LIABILITIES

	Note	2023	2022
		(PKR in '000')	
31.1 Gross revenue			
Gross revenue for reportable segments	30	462,083,938	399,988,294
Elimination of inter-segment revenue		(2,624,773)	(3,283,903)
		459,459,165	396,704,391
31.2 Cost of sales			
Total cost of sales for reportable segments	30	293,493,939	267,929,452
Elimination of inter-segment purchases		(2,002,748)	(2,570,264)
		291,491,191	265,359,188
31.3 Assets			
Total assets reported by the segments	30.1	520,478,031	463,090,990
Less: Adjustments and elimination of			
inter-segment balances		22,147,670	16,865,653
Total assets for reportable segments of the Group		498,330,361	446,225,337
Unallocated assets included in:			
- taxation receivable		193,198	123,926
- cash and bank balances	20	38,939,424	16,900,459
- intangibles - goodwill and brands		3,778,008	3,892,965
- long term investments	9	67,118,403	36,544,627
		110,029,033	57,461,977
		608,359,394	503,687,314
31.4 Liabilities			
Total liabilities reported by the segments	30.3	122,140,114	127,157,641
Less: Adjustments and elimination of			
inter-segment balances		29,208,195	38,702,411
Total liabilities for reportable segments of the Group		92,913,919	88,455,230
Unallocated liabilities included in:			
- short-term borrowings and running finance	28	67,043,227	58,153,464
- long-term finance	23	144,866,872	132,955,397
- deferred tax liability	26	19,206,482	12,307,123
- provision for taxation		13,910,125	6,957,350
- unclaimed and unpaid dividend		50,115	51,030
- accrued return		5,046,314	576,471
- deferred government grant	25	4,305,281	4,361,931
- others		–	110,829
		254,428,416	215,473,595
		347,360,335	303,928,825

32 COST OF SALES

	Note	Cement 2023	Cement 2022	Polyester 2023	Polyester 2022	Soda Ash 2023	Soda Ash 2022	Pharma 2023	Pharma 2022	Life Sciences & Chemicals 2023	Life Sciences & Chemicals 2022	Automobiles & mobile phones assembling 2023	Automobiles & mobile phones assembling 2022	Power Generation 2023	Power Generation 2022	Others 2023	Others 2022	Group 2023	Group 2022
		(PKR in '000)																	
Salaries, wages and benefits		3,024,796	2,701,913	754,178	696,715	1,606,460	1,276,141	504,296	425,111	275,640	242,975	-	-	403,636	-	18,124	14,722	6,587,130	5,357,577
Raw material consumed		3,876,534	3,717,639	31,931,014	27,195,051	10,948,021	5,837,353	4,543,060	4,279,581	8,089,027	6,950,531	66,899,115	101,465,444	51,212,982	24,731,184	1,064,003	1,398,148	178,563,756	175,574,931
Packing material	32.1	5,148,950	4,789,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,148,950	4,789,033
Fuel and power		47,273,474	44,020,800	3,664,854	3,008,440	17,320,196	8,560,050	222,541	177,815	85,422	57,008	-	-	600,335	-	512	744	69,167,334	55,824,857
Stores and spares consumed		2,087,830	2,166,461	300,610	230,511	467,910	343,422	135,141	129,726	54,253	50,370	-	-	-	-	37,082	33,171	3,082,826	2,953,661
Conversion fee paid to contract manufacturers		-	-	-	-	-	-	131,005	335,770	80,477	59,667	-	-	2,857,964	-	-	-	3,069,446	395,437
Repairs and maintenance		710,627	582,813	15,136	25,288	32,998	16,809	4,998	4,854	32,680	23,934	-	-	446,036	988,764	120	120	1,242,595	1,642,582
Depreciation and amortisation	6.2, 7.1 & 8.1	4,790,819	4,002,974	653,391	642,081	2,036,981	1,956,663	139,883	123,259	151,143	150,050	2,938,769	2,198,034	4,769,564	1,240,048	27,998	15,868	15,508,548	10,328,977
Insurance		144,328	109,376	27,569	19,678	43,005	31,578	3,800	4,644	2,509	2,357	-	-	1,424,970	283,109	624	1,485	1,646,805	452,227
Earth moving machinery charge		397,781	334,071	-	-	-	-	-	-	-	-	-	-	-	-	-	-	397,781	334,071
Vehicle running and maintenance		136,038	77,822	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,038	77,822
Communication		12,768	12,319	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,768	12,319
Mess subsidy		10,584	8,446	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,584	8,446
Transportation		60,855	25,764	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60,855	25,764
Travelling and conveyance		5,637	3,447	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,637	3,447
Rent, rates and taxes		48,210	28,204	2,284	1,965	9,903	7,720	1,455	1,393	943	713	-	-	-	-	420	420	63,215	40,415
Printing and stationery		4,571	2,733	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,571	2,733
Excise duty		-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,282	16,696	14,282	16,696
Technical fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aggregate overheads - others		-	-	-	-	-	-	-	-	-	-	565,580	11,095,594	-	-	-	-	565,580	11,095,594
Other manufacturing expenses		237,978	155,503	461,944	377,523	576,074	409,955	53,926	32,283	81,018	49,227	-	-	410,477	236,775	1,893	2,083	1,823,310	1,263,349
		67,971,780	62,739,318	37,810,980	32,197,252	33,041,548	18,439,691	5,740,105	5,514,436	8,853,112	7,586,832	70,403,464	114,759,072	62,125,964	27,479,880	1,165,058	1,483,457	287,112,011	270,199,938
Work-in-process:																			
Opening		5,801,452	1,887,232	179,217	130,765	-	-	61,197	39,187	89,198	31,792	898,367	-	-	-	-	-	7,029,431	2,088,976
Closing		(3,676,416)	(5,801,452)	(368,427)	(179,217)	-	-	(50,237)	(61,197)	(31,607)	(89,198)	(368,059)	(898,367)	-	-	-	-	(4,494,746)	(7,029,431)
		2,125,036	(3,914,220)	(189,210)	(48,452)	-	-	10,960	(22,010)	57,591	(57,406)	530,308	(898,367)	-	-	-	-	2,534,685	(4,940,455)
Cost of goods manufactured		70,096,816	58,825,098	37,621,770	32,148,800	33,041,548	18,439,691	5,751,065	5,492,426	8,910,703	7,529,426	70,933,772	113,860,705	62,125,964	27,479,880	1,165,058	1,483,457	289,646,696	265,259,483
Finished goods:																			
Opening		659,332	367,095	1,170,947	1,313,045	41,118	560,390	476,282	478,103	2,588,120	2,165,038	7,952,646	1,110,891	-	-	-	-	12,888,445	5,994,562
Purchases		-	-	-	(151,940)	-	-	691,279	411,397	5,543,318	4,823,859	-	4,497,554	-	-	-	-	6,234,597	9,580,870
Closing		(984,679)	(659,332)	(2,127,023)	(1,170,947)	(1,866,471)	(41,118)	(625,301)	(476,282)	(3,768,634)	(2,588,120)	(5,865,281)	(7,952,646)	-	-	152,461	-	(15,084,928)	(12,888,445)
Provision		-	-	-	-	-	-	(48,282)	(14,577)	(142,589)	(2,441)	-	-	-	-	-	-	(190,871)	(17,018)
		(325,347)	(292,237)	(956,076)	(9,842)	(1,825,353)	519,272	493,978	398,641	4,220,215	4,398,336	2,087,365	(2,344,201)	-	-	152,461	-	3,847,243	2,669,969
		69,771,469	58,532,861	36,665,694	32,138,958	31,216,195	18,958,963	6,245,043	5,891,067	13,130,918	11,927,762	73,021,137	111,516,504	62,125,964	27,479,880	1,317,519	1,483,457	293,493,939	267,929,452

32.1 These are net of duty draw back on export sales amounting to PKR 22.398 million (2022: PKR 18.189 million).

33. DISTRIBUTION COST

	Note	Cement		Polyester		Soda Ash		Pharma		Life Sciences & Chemicals		Automobiles & mobile phones assembling		Power Generation		Others		Group	
		2023	2022	2023	2022	2023	2022	2023	2022	2023 (PKR in '000')	2022	2023	2022	2023	2022	2023	2022	2023	2022
Salaries and benefits		400,552	359,886	79,914	79,596	66,875	58,985	681,458	693,719	967,603	827,888	113,308	137,666	-	-	-	-	2,309,710	2,157,740
Logistics and related charges		1,980,251	1,825,094	156,055	237,017	1,007,320	806,733	221,390	152,044	503,879	474,608	-	12,898	-	-	-	-	3,868,895	3,508,394
Loading and others		2,387,340	2,157,441	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,387,340	2,157,441
Communication		7,888	6,034	-	2,212	-	2,523	-	17,274	-	29,437	-	643	-	-	-	-	7,888	58,123
Travelling and conveyance		13,036	8,042	14,581	16,215	8,813	4,144	270,639	226,379	284,297	190,393	5,087	10,943	-	-	-	-	596,453	456,116
Printing and stationery		1,503	1,465	-	-	-	-	-	-	-	-	5,720	9,681	-	-	-	-	7,223	11,146
Insurance		50,940	49,228	-	-	-	407	9,350	12,036	21,264	20,560	6,083	5,160	-	-	-	-	87,637	87,391
Rent, rates and taxes		45,381	41,433	-	4	1,250	472	6,703	3,789	16,600	21,897	9,607	9,772	-	-	-	-	79,541	77,367
Utilities		8,549	7,055	-	-	3,148	-	5,046	-	27,239	-	-	1,643	-	-	-	-	43,982	8,698
Vehicle running and maintenance		58,244	35,416	-	-	-	-	-	-	-	-	-	8,195	-	-	-	-	58,244	43,611
Repairs and maintenance		36,013	33,000	136	-	1,404	702	8,407	5,553	19,638	16,483	5,166	4,617	-	-	-	-	70,764	60,355
Fees, subscription and periodicals		3,674	3,484	-	-	-	-	-	-	-	-	3,438	14,108	-	-	-	-	7,112	17,592
Advertisement and sales promotion		70,567	14,250	23,745	19,555	12,293	12,078	190,981	255,429	124,860	152,029	69,623	353,735	-	-	-	-	492,069	807,076
Entertainment		10,631	10,753	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,631	10,753
Security services		4,538	4,860	-	-	-	-	-	-	-	-	-	5,625	-	-	-	-	4,538	10,485
Depreciation and amortisation	6.2, 7.1 & 8.1	233,274	209,700	4,416	8,831	5,487	10,319	12,120	14,573	35,201	33,452	40,782	40,667	-	-	-	-	331,280	317,542
Provision for doubtful debt	14.5	(693)	(12,048)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(693)	(12,048)
Warranty provision		-	-	-	-	-	-	-	-	-	-	-	584,054	-	-	-	-	-	584,054
Other general expenses		15,206	9,110	22,857	34,346	10,602	3,640	69,057	64,608	135,849	124,458	11,431	302,678	-	-	-	-	265,002	538,840
		5,326,894	4,764,203	301,704	397,776	1,117,192	900,003	1,475,151	1,445,404	2,136,430	1,891,205	270,245	1,502,085	-	-	-	-	10,627,616	10,900,676

34. ADMINISTRATIVE EXPENSES

	Note	Cement 2023	Cement 2022	Polyester 2023	Polyester 2022	Soda Ash 2023	Soda Ash 2022	Pharma 2023	Pharma 2022	Life Sciences & Chemicals 2023	Life Sciences & Chemicals 2022	Automobiles & mobile phones assembling 2023	Automobiles & mobile phones assembling 2022	Power Generation 2023	Power Generation 2022	Others 2023	Others 2022	Group 2023	Group 2022
Salaries and benefits		876,003	715,470	82,577	93,103	934,295	770,085	173,147	152,445	301,835	289,053	453,234	550,662	178,341	38,946	16,217	-	3,015,649	2,609,764
Communication		12,290	10,637	1,405	-	7,823	-	10,756	-	5,300	-	22,879	2,571	4,193	827	39	74	64,685	14,109
Travelling and conveyance		48,544	31,083	3,846	3,120	14,964	21,496	6,297	12,899	6,979	7,530	20,346	10,943	19,652	1,471	29,030	44,013	149,658	132,555
Insurance		48,718	33,770	65	52	12,214	9,750	2,966	2,246	2,685	2,345	24,333	20,640	2,519	3,187	-	-	93,500	71,990
Rent, rates and taxes		23,946	25,546	1,155	16	126	721	5	(148)	13	77	38,429	39,087	21,973	15,697	112,536	-	198,183	80,996
Vehicle running and maintenance		70,781	50,175	-	-	-	-	-	-	-	-	-	32,778	8,582	3,145	-	-	79,363	86,098
Aircraft running and maintenance		89,704	57,369	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,704	57,369
Printing and stationery		18,928	11,789	-	-	-	-	-	-	-	-	-	38,722	1,203	911	-	-	20,131	51,422
Fees and subscription		54,462	51,227	-	-	-	-	-	-	-	-	-	10,867	26,783	33,357	-	-	81,245	95,451
Security services		9,855	9,086	-	-	-	-	-	-	-	-	-	22,501	38,787	26,849	-	-	48,642	58,436
Legal fee		94,404	63,878	-	-	-	-	-	-	-	-	54,277	51,590	53,505	2,777	-	60	202,186	118,305
Professional and advisory services		-	-	-	-	-	-	-	-	-	-	13,751	45,564	-	(1)	260	-	14,011	45,563
Utilities		18,521	13,033	-	-	-	-	-	-	-	-	-	6,570	3,342	1,790	-	-	21,863	21,393
Repairs and maintenance		119,416	177,909	100	69	15,637	12,889	6,726	4,847	3,009	2,951	20,662	18,469	-	-	-	-	165,550	217,134
Advertisement		5,093	3,269	316	78	59,719	14,008	2,242	758	7,942	1,722	-	-	-	-	-	-	75,312	19,835
Auditors' remuneration	34.1	5,856	4,186	-	-	-	-	-	-	-	-	2,398	2,574	5,058	3,091	15,120	14,316	28,432	24,167
Depreciation and amortisation	6.2, 7.1 & 8.1	261,647	191,039	37,068	69,622	80,235	123,370	17,711	14,048	29,051	29,066	163,128	160,680	41,379	15,434	-	-	630,219	603,259
Provision for doubtful debts		-	-	-	-	-	-	10,116	4,061	2,497	17,719	-	-	-	-	-	47,233	12,613	69,013
Provision for slow moving																			
and obsolete stocks		-	-	-	-	-	-	48,282	14,577	142,589	2,441	-	-	-	-	-	-	190,871	17,018
Provision for slow moving spares		-	-	-	6,477	3,245	5,110	-	-	46	-	-	-	-	-	-	2,007	3,291	13,594
Training cost		28,232	22,168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,232	22,168
Bank charges		14,565	13,090	-	-	-	-	-	-	-	-	-	-	-	-	232	1,389	14,797	14,479
Other general expenses		24,613	27,356	44,440	34,453	205,310	158,517	156,402	95,940	(13,706)	63,673	45,726	626,431	137	8,435	20,077	12,957	482,999	1,027,762
		1,825,578	1,512,080	170,972	206,990	1,333,568	1,115,946	434,650	301,673	488,240	416,577	859,163	1,640,650	405,454	155,916	193,511	122,049	5,711,136	5,471,880

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

		Note	2023	2022
			(PKR in '000')	
34.1	**Auditors' remuneration**			
	The Holding Company			
	Statutory audit fee			
	- standalone		2,599	2,183
	- consolidated financial statements		614	516
	- half yearly review fee		614	516
	Fee for review of the Code of Corporate Governance			
	and Shariah Governance Regulation		323	121
	Tax and other services		384	–
			4,534	3,336
	Out of pocket expenses and government levies		1,322	850
			5,856	4,186
	Subsidiaries (multiple audit firms)			
	Statutory audit fee		13,613	12,844
	Half yearly review and other certifications		2,899	1,825
	Out of pocket expenses and government levies		1,152	892
	Other certifications		1,614	2,154
	Others		3,298	2,266
			22,576	19,981
			28,432	24,167
35.	**FINANCE COST**			
	Mark-up on long term and short term borrowings		29,746,992	6,037,527
	Interest on workers' profit participation fund		–	340
	Accretion of interest on lease liabilities		24,913	26,017
	Discounting charges on receivables		85,056	154,659
	Bank charges and commission		21,778	27,088
	Guarantee fee and others		762,156	423,839
			30,640,895	6,669,470
36.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	27.3	1,489,569	1,972,075
	Workers' Welfare Fund		359,360	613,133
	Donations and scholarships	36.1 & 36.2	1,221,630	825,202
	Exchange loss - net		1,055,628	833,151
	Others		267	1
			4,126,454	4,243,562

36.1 These include donations amounting to PKR 609.643 million (2022: PKR 430.875 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 Sohail Tabba, Chairman of the Board of Directors of the Holding Company, is the Director of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Holding Company, is the Director of ATF. Further, 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 74.738 million to Lucky Core Foundation (LCF) (Head office, Karachi). Mr. Asif Jooma, Chief executive of LCI, Mr. Muhammad Abid Ganatra, Director of LCI, Mr. Arshaduddin Ahmed, Mr. Aamer Mahmud Malik, Ms. Laila Bhatia Bawany, Mr. Muhammad Farrukh Rasheed and Mr. Atif Aboobukar, executives of LCI are amongst the trustees of LCF.

		2023	2022
		(PKR in '000')	
37	**OTHER INCOME**		
	Income from non-financial assets		
	Gain on disposal of property, plant and equipment	174,498	207,613
	Gain from sale of electricity	329,364	271,430
	Sale of scrap	319,219	317,614
	Others	187,584	74,123
		1,010,665	870,780
	Income from financial assets		
	Dividends	2,007,336	1,186,495
	Fee for Technical Services	1,791,025	1,775,706
	Gain on remeasurement of existing interest in NutriCo	–	1,847,321
	Return from deposits with Islamic bank and other financial institutions	4,469,134	1,625,444
		8,267,495	6,434,966
		9,278,160	7,305,746

38 DISCONTINUED OPERATIONS

38.1 On September 16, 2022, LCI entered into a Share Purchase Agreement (SPA) with Morinaga Milk Industry Co. Ltd Japan (Morinaga Milk) for partial divestment of its 26.5% shareholding in NutriCo Morinaga at an aggregate sale price of USD 45,082,657 (approximately USD 2.07 per share) equal to PKR 11,902 million. Prior to this transaction, LCI held 51% shareholding in NutriCo Morinaga. The transaction was approved by shareholders in the Annual General Meeting dated September 27, 2022 and by the Competition Commission of Pakistan on December 8, 2022. The transaction was concluded on January 27, 2023, after which NutriCo Morinaga ceased to be treated as a subsidiary of LCI. LCI continues to hold approximately 24.5% of the share capital of NutriCo Morinaga and NutriCo Morinaga is treated as an associate. This has resulted in a gain of PKR 17,150.672 million.

38.2 The portion of gain attributable to measuring the investment retained in the former subsidiary at its fair value, at the date when control is lost, is PKR 8,239.260 million.

		2023 (PKR in '000')
38.3	An analysis of assets and liabilities attributable to discontinued operations as at the transaction date is as below:	
	Assets attributable to discontinued operations	
	Property, plant and equipment	5,142,703
	Intangible assets and goodwill	7,773,796
	Long-term loans	25,259
	Long-term deposits and prepayments	195
	Stores, spares and consumables	57,779
	Stock-in-trade	4,315,912
	Trade debts	1,073,584
	Loans and advances	245,186
	Trade deposits and short-term prepayments	300,461
	Other receivables	1,862,121
	Taxation - net	452,720
	Cash and bank balances	32,728
	Total assets	21,282,444
	Liabilities associated with discontinued operations	
	Long-term loan	1,316,330
	Trade & other payables	5,109,313
	Short-term running finance	2,584,247
	Current portion of long term loans	448,103
	Deferred tax liability	1,022,700
	Total liabilities	10,480,693
	Net assets attributable to discontinued operations	10,801,751

38.4 Financial performance of discontinued operations is as follows:

	From July 1, 2022 to January 27, 2023 (PKR in '000')	Year ended June 30, 2022
Turnover - net	8,536,961	13,894,657
Cost of sales	(6,531,073)	(10,764,249)
Gross Profit	2,005,888	3,130,408
Selling and distribution expenses	(522,791)	(924,024)
Administrative and general expenses	(159,828)	(288,857)
Operating profit	1,323,269	1,917,527
Other charges	(882)	(6,284)
Financial charges	(373,892)	(425,738)
Exchange loss - net	(294,777)	(215,658)
Other income	9,602	30,884
Profit before taxation	663,320	1,300,731
Taxation	(218,899)	(495,642)
Profit after taxation	444,421	805,089
Gain on partial disposal of Nutrico Morinaga (Private) Limited	17,150,672	–
Workers' Welfare Fund	(196,843)	–
Taxation	(7,306,049)	–
	9,647,780	–
	10,092,201	805,089

		2023	2022
		(PKR in '000')	
38.5	Cash flows attributable to discontinued operations:		
	Net cash generated from operating activities	341,898	433,027
	Net cash generated from / (used in) investing activities	4,745	(74,898)
	Net cash used in financing activities	(616,552)	(7,362)
	Net cash (used in) / generated from discontinued operations	(269,909)	350,767
39.	**TAXATION**		
	Current	8,553,932	9,104,270
	Deferred	4,328,511	1,013,502
		12,882,443	10,117,772
39.1	Relationship between income tax expense and accounting profit:		
	Profit before tax	62,327,610	45,735,353
	Tax at the applicable tax rate of 29%	18,075,007	13,263,252
	Tax effect of exempt income	(4,240,025)	(2,988,048)
	Provision of super tax	2,645,693	2,642,021
	Tax effect under lower rate of tax	(1,714,419)	(2,009,075)
	Effect of super tax on opening deferred tax	1,262,000	–
	Others	(3,145,813)	(790,378)
		12,882,443	10,117,772

40. 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:

	Note	2023	2022
Profit attributable to owners of the Holding Company (PKR in thousands)		48,758,341	29,497,340
Weighted average number of ordinary shares (in thousands)	40.1	318,749	323,375
Basic and diluted earnings per share - PKR		152.97	91.22

		Note	2023	2022
			(PKR in '000')	
40.1	Weighted average number of ordinary shares			
	Outstanding number of shares before own shares purchased		323,375	323,375
	Less: Impact of own shares purchased during the year	40.2 & 40.3	(4,626)	–
			318,749	323,375

40.2 During the year, the Holding Company cancelled 10 million of its own ordinary shares of PKR 10 each purchased during the first buy-back of share for the period from September 29, 2022 to March 17, 2023. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on September 20, 2022, where the Holding Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 10 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from September 29, 2022 to March 27, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.

40.3 The Holding Company purchased 1.536 million of its own ordinary shares during the second buy-back of share, for the purpose of cancellation, from June 15, 2023 till the reporting date at market price prevailing at the date of purchase. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on May 24, 2023, where the Holding Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 23.8 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from June 2, 2023 to November 20, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.

	Note	2023	2022
		(PKR in '000')	
41. CASH GENERATED FROM / (UTILISED IN) OPERATIONS			
Profit before taxation		62,327,610	47,036,084
Profit before taxation - discontinued operations		17,617,149	–
Adjustments for non cash charges and other items			
Depreciation and amortisation	6.2, 7.1 & 8.1	16,752,061	11,735,840
Provision for slow moving spares		–	13,594
Provision for slow moving and obsolete stocks	13.3	190,871	17,018
Reversal of doubtful trade debts, advances and other receivables	14.5, 15 & 17.5	6,439	52,280
Provision for price adjustments and discounts		–	29,581
Provisions and accruals no longer required written back		–	(17,695)
Gain on partial disposal of NutriCo Morinaga (Private) Limited	38.4	(17,150,672)	–
Gain on disposal of operating fixed assets	6.4	(174,498)	(207,613)
Provision for staff gratuity - unfunded	26.1.1	621,395	635,455
Share of profit - joint venture and associates	9.8	(10,521,551)	(5,674,108)
Dividend income	37	(2,007,336)	(1,186,495)
Return from deposits with Islamic banks and other financial institutions	37	(4,469,134)	(1,656,328)
Gain on acquisition of shares of NutriCo	37	–	(1,847,321)
Finance cost	35	30,640,895	7,095,208
Profit before working capital changes		93,833,229	56,025,500
Increase in current assets			
Stores, spares and consumables		(8,119,981)	(1,264,354)
Stock-in-trade		18,854,603	(34,507,763)
Trade debts		(24,620,013)	(30,197,257)
Loans and advances		21,060	(1,295,894)
Trade deposits and short-term prepayments		(5,535,261)	(114,649)
Other receivables		2,577,679	(6,009,607)
		(16,821,913)	(73,389,524)
Increase in current liabilities			
Trade and other payables		6,788,039	4,052,189
		83,799,355	(13,311,835)
41.1 Cash and cash equivalents			
Cash and bank balances	20	38,939,424	16,900,459
Release of bank balance held as lien		–	(1,111,111)
Short-term investments		44,186,359	12,958,049
		83,125,783	28,747,397

42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

42.1 Aggregate amounts charged in these consolidated financial statements are as follows:

	Chief Executive of the Holding Company		Executives (note 42.6)		Total	
	2023	2022	**2023**	2022	**2023**	2022
			(PKR in '000')			
Managerial remuneration	105,000	60,000	5,455,352	6,405,636	5,560,352	6,465,636
Charge for defined benefit obligation & contribution plans	50,000	5,000	700,009	582,958	750,009	587,958
	155,000	65,000	6,155,361	6,988,594	6,310,361	7,053,594
Number of persons	1	1	1185	988	1186	989

42.2 Managerial remuneration includes bonus amounting to PKR 741.114 million (2022: PKR 732.109 million) paid in accordance with the Group's policy.

42.3 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.

42.4 No remuneration has been paid to directors during the year except as disclosed in note 42.5 below.

42.5 An amount of PKR 5.719 million was paid to 7 non executive directors and PKR 0.656 million was paid to 1 executive director during the current year as the fee for attending board and its committees' meetings (2022: PKR 4.219 million was paid to 7 non executive directors and PKR 0.438 million was paid to 1 executive director).

42.6 Executives as mentioned above include Chief Executive Officers of subsidiaries.

43. RELATED PARTIES

43.1 Following are the related parties with whom the Group had entered into transactions during the year:

43.1.1

S No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
1	Lucky Energy (Private) Limited	Associated Company	3.6643%
2	Yunus Textile Mills Limited	Associated Company	7.2868%
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 Rawji Holdings Limited	Associated Company	Nil
10	Lucky Al Shumookh Holdings Limited	Associated Company	Nil
11	Lucky Commodities (Private) Limited	Associated Company	Nil
12	Aziz Tabba Foundation	Associated Company	Nil
13	Lucky Air (Private) Limited	Associated Company	Nil
14	Grandcres Investment Limited	Associated Company	3.1100%
15	Kenzo Holdings Limited	Associated Company	7.2800%
16	Lucky Exim (Private) Limited	Associated Company	0.0048%
17	LMC Staff gratuity fund	Associated Company	Nil
18	Arabian Sea Country Club Limited	Associated Company	Nil
19	LEPCL Staff Gratuity Fund	Associated Company	Nil

Notes to the Consolidated Financial Statements

For the year ended June 30, 2023

43.1.1 Continued

S No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
20	NutriCo Morinaga (Private) Limited	Associated Company	Nil
21	Lucky Core Foundation	Associated Company	Nil
22	Lucky Core Management Staff Provident Fund	Associated Company	Nil
23	Lucky Core Management Staff Gratuity Fund	Associated Company	Nil
24	Lucky Core Management Staff Defined Contribution Superannuation Fund	Associated Company	Nil
25	Lucky Core Non-Management Staff Provident Fund	Associated Company	Nil
26	Lucky Core Management Staff Pension Fund	Associated Company	Nil
27	Lahore University of Management Sciences	Associated Company	Nil
28	Child Life Foundation	Associated Company	Nil
29	Pakistan Business Council	Associated Company	Nil
30	Tabba Heart Institute	Associated Company	Nil
31	National Bank of Pakistan	Associated Company	Nil
32	Systems Limited	Associated Company	Nil
33	Bank Al Habib Limited	Associated Company	Nil
34	Siemens (Pakistan) Engineering Company Limited	Associated Company	Nil
35	The Kidney Centre Institute	Associated Company	Nil
36	International Industries Limited	Associated Company	Nil
37	NutriCo Pakistan (Private) Limited Provident Fund	Associated Company	Nil
38	Al Mabrooka Cement Manufacturing Company Limited (Republic of Iraq)	Associated Company	Nil
39	Global Commodities Limited	Associated Company	Nil
40	Tabba Kidney Institute	Associated Company	Nil
41	YB Pakistan Limited	Associated Company	2.3500%
42	Energas Terminal (Private) Limited	Associated Company	Nil
43	Nyumba Ya Akiba S.A	Associated Company	Nil
44	YB Holdings (Private) Limited	Associated Company	Nil
45	Lucky Landmark (Private) Limited	Associated Company	Nil
46	Yunus Energy Limited	Associated Company	Nil
47	Bank Al-Habib Limited	Common Directorship of LCI	Nil
48	Mr. Muhammad Ali Tabba	Director	2.7722%
49	Mr. Muhammad Sohail Tabba	Director	4.1973%
50	Mr. Jawed Yunus Tabba	Director	6.1343%
51	Mrs. Mariam Tabba Khan	Director	1.4890%
52	Mr. Khawaja Iqbal Hassan	Director	0.0024%
53	Mr. Shabbir Hamza Khandwala	Director	0.000002%
54	Mr. Masood Karim Shaikh	Director	0.000002%
55	Mrs. Zulekha Tabba Maskatiya	Relative of director	1.4890%
56	Mrs. Feroza Tabba	Spouse of director	0.2058%
57	Mrs. Saima Sohail	Spouse of director	1.9370%
58	Mr. Ikram Hussain Khan	Spouse of director	0.0054%
59	Mr. Asif Jooma	Key management personnel	Nil
60	Mr. M. Abid Ganatra	Key management personnel	Nil

43.1.1 Continued

S No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
61	Mr. Atif Aboobukar	Key management personnel	Nil
62	Mr. Nauman Afzal	Key management personnel	Nil
63	Mr. Arshaduddin Ahmed	Key management personnel	Nil
64	Mr. Aamer Mahmud Malik	Key management personnel	Nil
65	Mr. Mian Yaseer Sulaiman	Key management personnel	Nil
66	Mr. Muhammad Hassan Tabba	Key management personnel	Nil
67	Mr. Intisar ul Haq Haqqi	Key management personnel	Nil
68	Mr. Ruhail Muhammad	Key management personnel	Nil
69	Ms. Beena Tauseef Shah	Key management personnel	Nil
70	Mr. Muhammad Asad	Key management personnel	Nil
71	Mr. Naeem Kasbati	Key management personnel	Nil
72	Mr. Moiz Saifuddin	Key management personnel	Nil
73	Mr. Abdul Fazal Rizvi	Key management personnel	Nil
74	Mr. Imran Latif Rawn	Key management personnel	Nil
75	Mr. Faisal Rahman Atique	Key management personnel	Nil
76	Ms. Nida Khan	Key management personnel	Nil
77	Mr. Bilal Ahmed Javeri	Key management personnel	Nil
78	Mr. Muhammad Farrukh Rasheed	Key management personnel	Nil
79	Ms. Laila Bhattia Bawany	Key management personnel	Nil
80	Mr. Eqan Ali Khan	Key management personnel	Nil
81	Mr. Imran Tabba	Key management personnel	Nil
82	Mr. Yasser Sattar	Key management personnel	Nil
83	Mr. Mustufa Rawji	Key management personnel	Nil
84	Mr. Tariq Iqbal khan	Key management personnel	Nil
85	Mr. Muhammad Faisal	Key management personnel	Nil
86	Mr. Adamjee Yakoob	Key management personnel	Nil
87	Mr. Azam Mirza	Key management personnel	Nil
88	Mr. Ghulam Farooq	Key management personnel	Nil
89	Mr. Hakhee Kim	Key management personnel	Nil
90	Mr. Babar Salim	Key management personnel	Nil
91	Mr. Syed Noman Hasan	Key management personnel	0.0003%
92	Mr. Muhammad Atif Kaludi	Key management personnel	0.0112%
93	Mr. Amin Ganny	Key management personnel	0.0015%
94	Mr. Faisal Mahmood	Key management personnel	0.000002%
95	Mr. Ahmed Waseem Khan	Key management personnel	Nil
96	Mr. Muhammad Shabbir	Key management personnel	Nil
97	Mr. Mashkoor Ahmed	Key management personnel	Nil
98	Mr. Murtaza Abbas	Key management personnel	0.0003%
99	Mr. Zahir Shah	Key management personnel	Nil
100	Mr. Waqas Abrar Khan	Key management personnel	Nil
101	Mr. Muhammad Safdar Ashraf Malik	Key management personnel	Nil

43.2 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:

	2023	2022
	(PKR in '000')	
Transactions with directors and their close family members		
Sales	544	690
Transactions with associates		
Sales	5,664,610	3,641,803
Purchase of goods, materials and services	3,511,689	9,551
Reimbursement of expenses to the Group	59,067	21,752
Reimbursement of expenses from the Group	45,132	37,673
Donation and Charity	669,514	461,550
Services received	–	10,975
Services rendered	15,865	1,803,329
Dividends paid	663,858	980,491
Dividend received	5,494,722	2,924,433
Loan obtained from Joint Venture	5,608,451	2,744,946
Transactions with key management personnel		
Salaries and benefits	1,404,204	1,585,274
Dividends	59,187	102,868
Post employment benefits	166,121	131,465
Staff retirement benefits		
Contribution paid	507,700	442,578

43.3 Except as disclosed elsewhere in these consolidated financial statements, there are no transactions with key management personnel outside the terms of their employment.

44. PRODUCTION CAPACITY

In metric tonnes except Power Generation which is in megawatt hours and Vehicles and Electronics which are in units:

	Note	2023		2022	
		Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Cement	44.1	15,300,000	7,059,899	12,150,000	8,283,904
Clinker	44.1	14,535,000	6,235,310	11,542,500	8,793,820
Polyester		122,250	124,866	122,250	139,099
Soda Ash	44.2 & 44.3	560,000	512,002	442,000	443,974
Morinaga		–	–	12,000	1,542
Sodium Bicarbonate	44.2 & 44.3	54,000	42,150	54,000	46,217
Power Generation	44.4	5,438,208	3,362,969	5,438,208	1,821,177
Vehicles	44.5	50,000 to		50,000 to	
		60,000	10,264	60,000	21,984
Electronics	44.5	3,000,000	489,957	3,000,000	1,174,865

44.1 The new capacity of 3.150 million tons per annum (MTPA) at Pezu plant of the Holding Company was added during the year. However, considering the year-end capacity of 15.300 MTPA for cement and 14.535 MTPA for clinker, the utilization rates for cement and clinker production capacities stand at 46.14% and 42.9% respectively of the total installed capacities. These lower utilization rates are attributed to the fact that new capacity was not available for the full year, planned and unplanned maintenance shutdowns and seasonal factors including Eid holidays and Ramadan.

44.2 Out of total production of 512,002 metric tonnes (2022: 443,974 metric tonnes) soda ash, 37,935 metric tonnes (2022: 41,595 metric tonnes) was transferred for production of 42,150 metric tonnes (2022: 46,217 metric tonnes) of Sodium Bicarbonate.

44.3 The capacity of Chemicals, Pharma, Animal Health and Nutraceuticals segment is indeterminable because these are multi-product with multiple dosage and multiple pack size plants. The reason for shortfall in the annual production of Sodium bicarbonate against name plate capacity is the prevailing market conditions during the year.

44.4 This comprises power generation capacity and production of LCI PowerGen and LEPCL. Electricity is produced by LCI PowerGen as per demand of LCI. The maximum annual generation possible of LEPCL was 5,315,568 megawatt hours, however, the net electrical output was 3,316,169 megawatt hours during the year.

44.5 The automotive and electronic (mobile) sector right from the start of July 2022 have witnessed a significant downturn in volumes on the back of the substantial devaluation of PKR to USD and substantial increase in regulatory taxes as compared to last year. Apart from this, other factors on the supply side affecting automotive and mobile volumes included reduced LC openings due to the State Bank of Pakistan's (SBP) requirement of prior approval for the import of completely knocked down (CKD) / semi-knocked down (SKD) kits and parts, complete regulatory restrictions, effective end of December 2022, on the import of CKD / SKD kits for automobile / mobile manufacturers and unusual delays in remittances to foreign suppliers by Commercial Banks forcing suppliers to hold shipments.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Group is exposed to market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Group's principal financial liabilities comprise long-term loans, 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, 2023. The policies for managing each of these risk are summarised below:

45.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: return and interest rate risk; currency risk and other price risk.

45.1.1 Return and interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

Majority of the interest rate risk of the Group arises from long term loans and mark-up bearing deposits held with banks. 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, 2023, 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 278.212 million (2022: PKR 418.7 million).

45.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to the currency risk 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 698.734 million (2022: PKR 444.142 million) as a result of exchange gain / (loss) on translation of foreign currency denominated financial instruments.

45.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. The Group does not carry material financial assets exposed to other price risk.

45.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Group manages credit risk by limiting significant exposure to any individual customers, by obtaining advance against sales and developing a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation of customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees. The Group does not have significant exposure to any individual customer, except to CPPA-G in case of LEPCL.

As of the reporting date, the Group is exposed to credit risk on the following assets:

	Note	2023	2022
		(PKR in '000')	
Financial assets carried at:			
Amortised cost			
Long-term loans	10	606,527	443,151
Long-term deposits	11	94,898	70,340
Trade debts	14	59,903,590	36,355,113
Loans	15	684,546	825,032
Trade deposits	16	5,939,293	666,458
Other receivables	17	5,657,682	6,633,149
Accrued return		100,097	39,791
Short-term investments	19	700,000	225,000
Bank balances	20	36,078,788	16,861,191
		109,765,421	62,119,225
At fair value through other comprehensive income			
Short-term investment - 1,769,940 shares of PSX			
(2022: 1,769,940 shares of PSX)	19	13,098	18,106
At fair value through profit or loss			
Short-term investments - units of mutual funds	19	43,486,359	12,733,049
		43,499,457	12,751,155
		153,264,878	74,870,380

Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit rating 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.

Short-term investments amounting to PKR 44,199.46 million (2022: PKR 12,976.16 million) are held in mutual funds rated not below AA.

Margin held in bank amounting to PKR 3,520.784 million (2022: PKR 177,729 million) are held in banks rated not below A1+.

Other receivables mainly include amount receivable in connection with electricity supply for which the Group considers risk to be minimal.

45.3 Liquidity risk

Liquidity risk reflects the Group's inability in raising funds to meet commitments. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

As of the reporting date, the Holding Company has unavailed credit facilities aggregating PKR 42,198 million (2022: PKR 36,078 million) out of the total facilities of PKR 78,709 million (2022: PKR 73,859 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. 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 Group (note 29.2) are not expected to be called.

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 (PKR in '000')	Total
June 30, 2023			
Long-term loans	9,009,157	140,162,996	149,172,153
Long-term deposits and other liabilities	–	9,532,879	9,532,879
Lease liabilities	80,807	29,064	109,871
Short-term borrowings and running finance	67,043,227	–	67,043,227
Trade and other payables	56,609,851	–	56,609,851
Accrued return	5,046,314	–	5,046,314
Unclaimed dividend	50,115	–	50,115
	137,839,471	149,724,939	287,564,410
June 30, 2022			
Long-term loans	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

46. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholders' 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, 2023.

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, 2023 and 2022 were as follows:

	Note	2023	2022
		(PKR in '000')	
Long-term finance	23 & 25	140,162,996	132,236,257
Accrued return		5,046,314	576,471
Short-term borrowings and running finance	28	67,043,227	58,153,464
Current portion of long-term finance	23	9,009,157	5,081,071
Total debt		221,261,694	196,047,263
Share capital	21	3,118,386	3,233,750
Reserves	22	224,365,635	167,630,764
Equity		227,484,021	170,864,514
Capital		448,745,715	366,911,777
Gearing ratio		49.31%	53.43%

47. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried using equity method. The carrying values of all other financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

Fair value hierarchy

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

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

	Level 1	Level 2	Level 3	Total
		(PKR in '000')		
Assets				
Financial assets				
- Short-term investments				
As at June 30, 2023	13,098	43,486,359	-	43,499,457
As at June 30, 2022	18,106	12,733,049	-	12,751,155

There were no transfers amongst levels during the year.

48. NUMBER OF EMPLOYEES

The total number of persons employed as at the year end date and the average number of employees during the year are as follows:

	2023	2022
Number of employees as at June 30	7,236	8,018
Average number of employees during the year	7,073	7,460

49. SUBSEQUENT EVENT

The Board of Directors of the Company in its meeting held on August 7, 2023 has recommended a final dividend of PKR 18 per share for the year ended June 30, 2023. Since the Company is in the process of carrying out a second buy-back of its shares (which are to be cancelled), dividend shall not be payable in respect of shares already purchased by it. Accordingly, the entitlement will be paid to the shareholders appearing in the Register of Members on September 15, 2023 (i.e. upon commencement of book closure), the aggregate amount of which is not ascertainable before that date. These consolidated financial statements do not reflect the effect of dividend payable.

50. GENERAL

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

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

51. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on August 7, 2023 by the Board of Directors of the Holding Company.

Muhammad Sohail Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Pattern of Shareholding

AS AT JUNE 30, 2023

No of Shareholders	Shareholding From	To	Total Shares Held
3,939	1	100	159,141
2,304	101	500	669,189
2,893	501	1,000	1,800,062
1,346	1,001	5,000	3,220,680
314	5,001	10,000	2,358,114
148	10,001	15,000	1,869,741
90	15,001	20,000	1,618,091
60	20,001	25,000	1,356,317
43	25,001	30,000	1,200,417
26	30,001	35,000	848,144
21	35,001	40,000	795,060
14	40,001	45,000	582,438
14	45,001	50,000	682,977
13	50,001	55,000	689,433
12	55,001	60,000	699,085
12	60,001	65,000	754,640
12	65,001	70,000	821,123
6	70,001	75,000	443,721
8	75,001	80,000	622,867
4	80,001	85,000	326,296
5	85,001	90,000	443,131
2	90,001	95,000	186,683
6	95,001	100,000	593,964
6	100,001	105,000	619,253
2	110,001	115,000	225,271
2	115,001	120,000	238,500
1	120,001	125,000	124,826
5	125,001	130,000	645,008
3	130,001	135,000	399,470
3	135,001	140,000	410,813
3	140,001	145,000	431,444
2	145,001	150,000	293,634
2	150,001	155,000	305,927
4	155,001	160,000	635,400
2	160,001	165,000	327,528
1	165,001	170,000	168,485
4	175,001	180,000	715,867
3	185,001	190,000	557,828
1	190,001	195,000	194,000
6	195,001	200,000	1,191,195
3	205,001	210,000	620,240
1	210,001	215,000	212,358
2	220,001	225,000	447,100
1	225,001	230,000	228,119
1	230,001	235,000	234,200
1	235,001	240,000	237,322
4	245,001	250,000	994,177
2	250,001	255,000	503,347
2	255,001	260,000	516,634
3	265,001	270,000	802,986
1	275,001	280,000	276,572

No of Shareholders	Shareholding From	To	Total Shares Held
2	285,001	290,000	578,568
1	290,001	295,000	290,564
2	300,001	305,000	606,362
1	310,001	315,000	313,500
3	315,001	320,000	959,674
1	325,001	330,000	327,000
1	355,001	360,000	356,748
1	370,001	375,000	373,025
1	375,001	380,000	375,275
1	390,001	395,000	390,659
2	395,001	400,000	796,853
2	415,001	420,000	834,518
2	420,001	425,000	845,528
3	435,001	440,000	1,312,277
2	445,001	450,000	892,904
2	450,001	455,000	908,900
1	470,001	475,000	471,170
2	475,001	480,000	953,884
1	495,001	500,000	496,992
1	500,001	505,000	502,703
1	510,001	515,000	513,008
1	515,001	520,000	519,688
1	520,001	525,000	521,773
1	525,001	530,000	528,026
1	545,001	550,000	550,000
1	555,001	560,000	557,137
1	585,001	590,000	588,000
1	625,001	630,000	628,084
1	640,001	645,000	645,000
1	645,001	650,000	649,000
1	680,001	685,000	685,000
1	695,001	700,000	700,000
1	710,001	715,000	711,365
1	730,001	735,000	732,045
2	745,001	750,000	1,498,792
1	750,001	755,000	751,959
1	780,001	785,000	782,531
1	785,001	790,000	790,000
1	815,001	820,000	819,896
1	820,001	825,000	823,901
1	890,001	895,000	892,636
1	905,001	910,000	910,000
1	990,001	995,000	994,191
1	1,045,001	1,050,000	1,050,000
1	1,115,001	1,120,000	1,117,916
1	1,120,001	1,125,000	1,123,226
1	1,160,001	1,165,000	1,161,677
1	1,220,001	1,225,000	1,223,503
2	1,235,001	1,240,000	2,472,348
1	1,245,001	1,250,000	1,246,686

Pattern of Shareholding

AS AT JUNE 30, 2023

No of Shareholders	Shareholding From	To	Total Shares Held
1	1,250,001	1,255,000	1,251,135
1	1,330,001	1,335,000	1,335,000
1	1,520,001	1,525,000	1,524,512
1	1,535,001	1,540,000	1,536,361
1	1,570,001	1,575,000	1,570,606
1	1,585,001	1,590,000	1,589,124
1	1,725,001	1,730,000	1,726,500
1	1,920,001	1,925,000	1,920,060
1	1,990,001	1,995,000	1,994,055
1	2,480,001	2,485,000	2,482,436
1	2,725,001	2,730,000	2,725,035
1	2,820,001	2,825,000	2,824,687
1	3,290,001	3,295,000	3,291,109
3	4,665,001	4,670,000	13,998,501
2	6,065,001	6,070,000	12,140,000
1	7,355,001	7,360,000	7,355,498
1	7,955,001	7,960,000	7,956,138
1	8,060,001	8,065,000	8,062,500
1	8,685,001	8,690,000	8,687,332
1	8,955,001	8,960,000	8,958,351
1	9,755,001	9,760,000	9,758,400
1	11,160,001	11,165,000	11,160,757
1	11,480,001	11,485,000	11,482,875
2	13,150,001	13,155,000	26,306,514
1	19,220,001	19,225,000	19,223,256
2	22,800,001	22,805,000	45,606,058
1	22,830,001	22,835,000	22,834,890
11,459			**313,375,000**

Shareholders' Category

AS AT JUNE 30, 2023

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage %
Director, Cheif Executive Officer and their			
Spouse and minor childern:			
- Directors & spouses	9	43,782,194	13.97
- Chief Excetive Officer	1	8,687,332	2.77
- Sponsors	8	78,538,015	25.06
- Executives	5	41,605	0.01
Associated Companies, Unadertakings and related parties	6	74,249,842	23.69
NIT and ICP	8	2,710,735	0.87
Banks, Development Financial Institutions,			
Non Banking Financial Institutions	28	11,427,877	3.65
Insurance Companies	21	3,866,952	1.23
Modarbas	6	49,883	0.02
Mutual Funds	75	9,552,952	3.05
Share holders holding 10% or more:			
General Public:			
a.Local	11049	51,807,337	16.53
b.Foreign	63	23,271,415	7.43
Other (to be specified)	180	5,388,861	1.72
Total :	**11,459**	**313,375,000**	**100**

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		1,235,696	0.39
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND		356,748	0.11
CDC-TRUSTEE NITIPF EQUITY SUB-FUND		16,500	0.01
CDC-TRUSTEE NITPF EQUITY SUB-FUND		10,500	0.00
CDC - TRUSTEE NIT ASSET ALLOCATION FUND		24,948	0.01
CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND		5,222	0.00
Total		2,710,735	0.87

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. FAYSAL BANK LIMITED		544	0.00
M/S. FAYSAL BANK LIMITED.		1,505	0.00
M/S. NATIONAL BANK OF PAKISTAN INVESTOR A/C. (FORMER NDFC)		1,000	0.00
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LTD.		910,000	0.29
HABIB BANK LIMITED-TREASURY DIVISION		751,959	0.24
FAYSAL BANK LIMITED		994,191	0.32
FAYSAL BANK LIMITED		373,025	0.12
HABIB METROPOLITAN BANK LIMITED		438,000	0.14
BANK AL HABIB LIMITED		160,000	0.05
MEEZAN BANK LIMITED		711,365	0.23

Shareholders’ Category

AS AT JUNE 30, 2023

Shareholders’ Category	Number of Shares Held	Percentage %
PAK-QATAR INVESTMENT (PVT.) LIMITED	2,000	0.00
SECURITY INVESTMENT BANK LIMITED	212,358	0.07
SECURITY STOCK FUND LTD	3,762	0.00
BANK ALFALAH LIMITED	1,524,512	0.49
BANK ALFALAH LIMITED - LAHORE STOCK EXCHANGE BRANCH	15,850	0.01
NATIONAL BANK OF PAKISTAN	1,781	0.00
NATIONAL BANK OF PAKISTAN	1,994,055	0.64
MCB BANK LIMITED - TREASURY	1,117,916	0.36
ASKARI BANK LIMITED	732,045	0.23
THE BANK OF PUNJAB, TREASURY DIVISION.	424,978	0.14
SAMBA BANK LIMITED	52,000	0.02
PAK BRUNEI INVESTMENT COMPANY LIMITED	88,867	0.03
UNITED BANK LIMITED - TRADING PORTFOLIO	790,000	0.25
Total	11,427,877	3.65
Insurance Companies		
PREMIER INSURANCE LIMITED	5,500	0.00
STATE LIFE INSURANCE CORP. OF PAKISTAN	782,531	0.25
RELIANCE INSURANCE COMPANY LTD.	50,000	0.02
GHAF LIMITED	6,500	0.00
HABIB INSURANCE CO.LIMITED	25,000	0.01
DAWOOD FAMILY TAKAFUL LIMITED	78,946	0.03
DAWOOD FAMILY TAKAFUL LIMITED	81,929	0.03
DAWOOD FAMILY TAKAFUL LIMITED	35,576	0.01
JUBILEE GENERAL WINDOW TAKAFUL FUND-PTF	2,500	0.00
JUBILEE GENERAL WINDOW TAKAFUL OPERATIONS	1,500	0.00
DAWOOD FAMILY TAKAFUL LIMITED	12,919	0.00
ASKARI GENERAL INSURANCE COMPANY	17,000	0.01
IGI GENERAL INSURANCE LIMITED	9,170	0.00
ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	521,773	0.17
ADAMJEE LIFE ASSURANCE COMPANY LTD-AMAANAT FUND	14,000	0.00
ALFALAH INSURANCE COMPANY LIMITED	46,000	0.01
PAK QATAR FAMILY TAKAFUL LIMITED	160,000	0.05
PAK QATAR FAMILY TAKAFUL LIMITED	200,000	0.06
PAK QATAR FAMILY TAKAFUL LIMITED	400,000	0.13
ADAMJEE LIFE ASSURANCE COMPANY LIMITED	164,973	0.05
EFU LIFE ASSURANCE LIMITED	1,251,135	0.40
Total	3,866,952	1.23
Modarabas		
M/S. FIRST UDL MODARABA	24,480	0.01
M/S. FIRST CONFIDENCE MODARABA	537	0.00
M/S. INDUSTRIAL CAPITAL MODARABA	4,407	0.00
TRUST MODARABA	4,800	0.00
B.F.MODARABA	6,000	0.00
B.R.R. GUARDIAN MODARABA	9,659	0.00
Total	49,883	0.02

Shareholders' Category	Number of Shares Held	Percentage %
Mutual Funds		
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	455,000	0.15
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	35,500	0.01
CDC - TRUSTEE HBL INVESTMENT FUND	80,800	0.03
CDC - TRUSTEE JS LARGE CAP. FUND	12,000	0.00
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	320,000	0.10
CDC - TRUSTEE ATLAS STOCK MARKET FUND	823,901	0.26
CDC - TRUSTEE MEEZAN BALANCED FUND	112,271	0.04
CDC - TRUSTEE JS ISLAMIC FUND	8,331	0.00
CDC - TRUSTEE ALFALAH GHP VALUE FUND	17,954	0.01
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	31,150	0.01
CDC - TRUSTEE AKD INDEX TRACKER FUND	31,464	0.01
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	147,500	0.05
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	319,674	0.10
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1,920,060	0.61
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	4,800	0.00
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	265,986	0.08
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	436,527	0.14
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	628,084	0.20
CDC - TRUSTEE NBP STOCK FUND	447,076	0.14
CDC - TRUSTEE NBP BALANCED FUND	22,507	0.01
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	390,659	0.12
CDC - TRUSTEE APF-EQUITY SUB FUND	47,050	0.02
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	4,593	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	196,995	0.06
CDC - TRUSTEE HBL - STOCK FUND	26,070	0.01
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	100,420	0.03
CDC - TRUSTEE APIF - EQUITY SUB FUND	75,400	0.02
MC FSL - TRUSTEE JS GROWTH FUND	68,119	0.02
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	80,000	0.03
CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	3,170	0.00
CDC - TRUSTEE ALFALAH GHP STOCK FUND	93,183	0.03
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	46,959	0.01
CDC - TRUSTEE ABL STOCK FUND	178,959	0.06
CDC - TRUSTEE AL HABIB STOCK FUND	6,500	0.00
CDC - TRUSTEE LAKSON EQUITY FUND	69,418	0.02
CDC - TRUSTEE NBP SARMAYA IZAFA FUND	23,513	0.01
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	29,347	0.01
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	13,750	0.00
CDC - TRUSTEE KSE MEEZAN INDEX FUND	419,397	0.13
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	5,000	0.00
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	2,500	0.00
CDC - TRUSTEE AL HABIB ISLAMIC STOCK FUND	17,500	0.01
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	143,825	0.05
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	10,852	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1,500	0.00
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	40,696	0.01

Shareholders' Category
AS AT JUNE 30, 2023

Shareholders' Category	Number of Shares Held	Percentage %
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	13,850	0.00
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	67,204	0.02
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	43,762	0.01
CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	2,288	0.00
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	9,306	0.00
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	5,483	0.00
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	135,313	0.04
CDC - TRUSTEE AWT STOCK FUND	11,140	0.00
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	4,800	0.00
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	11,847	0.00
CDC - TRUSTEE FAYSAL MTS FUND - MT	207,000	0.07
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	41,031	0.01
CDC - TRUSTEE LAKSON TACTICAL FUND	14,192	0.00
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	12,391	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	12,209	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	9,298	0.00
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	53,900	0.02
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	4,400	0.00
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	65,850	0.02
CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	146,134	0.05
CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	40,770	0.01
CDC - TRUSTEE MEEZAN PAKISTAN EXCHANGE TRADED FUND	16,891	0.01
CDC - TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND	10,920	0.00
CDC - TRUSTEE HBL INCOME FUND - MT	60,200	0.02
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	8,988	0.00
CDC - TRUSTEE JS MOMENTUM FACTOR EXCHANGE TRADED FUND	14,911	0.00
CDC - TRUSTEE ALFALAH GHP DEDICATED EQUITY FUND	3,500	0.00
CDC - TRUSTEE HBL FINANCIAL SECTOR INCOME FUND PLAN I - MT	237,322	0.08
CDC - TRUSTEE PAK-QATAR ISLAMIC STOCK FUND	72,092	0.02
Total	9,552,952	3.05

Lucky Cement Limited Notice of 30th Annual General Meeting

Notice is hereby given that the 30th Annual General Meeting (AGM) of the members of Lucky Cement Limited (the "Company") will be held and conducted on **Tuesday, September 26, 2023 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 business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company, together with the Board of Directors' and Independent Auditors' reports thereon, for the year ended June 30, 2023.

   In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following weblink and QR enabled code:

https://www.lucky-cement.com/investor-relations/downloads/financial-reports/ QR Code	

2. To declare and approve final cash dividend @ 180%, i.e. PKR 18/- per ordinary share of PKR 10/- each, for the year ended June 30, 2023, as recommended by the Board of Directors.

3. To appoint Auditors of the Company and fix their remuneration for the year ending June 30, 2024. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, have offered themselves and consented for re-appointment, and the Board of Directors has recommended their appointment.

SPECIAL BUSINESS:

4. To consider, and if thought fit, alter the Articles of Association of the Company in accordance with Section 38 and other applicable provisions of the Companies Act, 2017, and in that connection to pass the following resolutions as special resolutions, with or without modification:

   "RESOLVED THAT Articles 110 and 111 of the existing Articles of Association of the Company be substituted to read as follows:

   "110. The Board of Directors shall be empowered and may resolve that any part of the amounts for the time being standing to the credit of any reserves, or other special accounts, or the profit and loss account, or representing premiums received on the issue of shares and standing to the credit of the share premium account, or capital reserves, including arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition / sale of interest in other undertakings, or amounts otherwise available for distribution, be capitalized and distributed amongst the Members as would be entitled thereto if the same were if distributed by way of dividend and in the same proportions on the condition that the same be not paid in cash (subject to Article 111) but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other.

   111. Whenever such a resolution as aforesaid has been passed by the Board of Directors, the Directors shall make all appropriations and applications of the undistributed profits, reserves etc. (as the case may be) resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board of Directors to make such provisions (including by payment in cash) as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person(s) to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective

proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to prepare, finalize, execute and file all necessary documents, and take all necessary steps, fulfil necessary formalities and legal procedures, and to do all such acts, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as he may think fit for, or in connection with, or incidental for, the purposes of the abovementioned resolution, as well as carry out any other act or step which may be ancillary and / or incidental to, and necessary to fully achieve the objects of the aforesaid resolution, including without limitation, filing of requisite documents with the Securities and Exchange Commission of Pakistan."

5. To consider and if deemed fit, ratify and approve (as the case may be), the following resolutions, as special resolutions, with respect to related party transactions / arrangements conducted / to be conducted, in terms of Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

   "RESOLVED THAT the transactions carried out by the Company with different Related Parties, during the year ended June 30, 2023, as disclosed in note 39 of the unconsolidated financial statements of the Company for the said period, and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified and confirmed.

   FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into arrangements or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods, commodities and materials including cement, chemicals, vehicles, or availing or rendering of services or share subscription, with different related parties to the extent deemed fit and / or approved by the Board of Directors, during the financial year ending June 30, 2024. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board Audit Committee and the Board of Directors of the Company, including under Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions as per the quantums approved by the Board of Directors from time to time.

   FURTHER RESOLVED THAT the related party transactions, for the period ending June 30, 2024, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation."

ANY OTHER BUSINESS:

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

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

By Order of the Board

FAISAL MAHMOOD
Company Secretary

Karachi: September 05, 2023

Notes:

1. Closure of Shares Transfer Books

The Share Transfer Books of the Company shall remain closed from Saturday, September 16, 2023 to Tuesday, September 26, 2023 (both days inclusive). Share transfers received in order at the office of our Share Registrar / Transfer Agent, CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400, by the close of business on Friday, September 15, 2023 shall be treated as being in time for the purpose of attending, and voting at, the AGM and entitlement of receiving cash dividend, if approved by the members.

It is clarified to the members that dividend shall not be payable in respect of shares of the Company which have already been purchased by the Company prior to the close of business on September 15, 2023, as part of the Company's on-going buy-back of its shares (which are to be cancelled).

2. Participation in the AGM, via physical presence including through proxy

Members whose names appear in the Register of Members as of September 15, 2023, are entitled to attend and vote at the AGM. A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend, speak and vote for him / her.

An instrument of proxy applicable for the AGM is being provided with the Notice sent to the members. Proxy form may also be downloaded from the Company's website: http://www.lucky-cement.com. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority duly notarized must, to be valid, be deposited through email on Company.secretary@lucky-cement.com or by post at the registered address of the Company's Share Registrar, CDC Share Registrar Services Limited (CDCSRSL) not less than forty-eight (48) hours before the time of AGM, excluding public holidays.

Members are requested to submit a copy of their Computerized National Identity Card (CNIC) at the registered address to our Share Registrar, CDC Share Registrar Services Limited (CDCSRSL),

If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.

3. Participation in the AGM through video conferencing:

a. To attend the AGM through video-conferencing facility, members are requested to register themselves by providing the following information through email at Company.secretary@lucky-cement.com at least forty-eight (48) hours before the AGM: (i) the Name of Member; (ii) CNIC / NTN No.; (iii) Folio No. / CDC IAS No.; (iv) Cell No.; and (v) Email Address.

b. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.

c. Only those members will be accepted at the AGM via video-conferencing whose names match the details shared with the Company for registration (as mentioned in point 'a' above).

d. The login facility will remain open from 11:30 a.m., till the end of AGM.

4. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Investor Account Holders:

CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

a. For attending the AGM:

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account where registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or valid passport at the time of attending the AGM.

(ii) In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the AGM.

b. For appointing Proxies:

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(iii) Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.

(iv) The proxy shall produce his original CNIC or original valid passport at the time of the AGM.

(v) In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

5. Unclaimed shares and dividend

The members who have not yet claimed their shares and cash dividends, which are either kept with the members 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 and/or shares with the Company.

Claims can be lodged by members on claim forms as are available on the Company's website. Claim forms must be submitted to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited (CDCSRSL), for receipt of dividend / shares.

6. E-voting and Postal Ballot

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(1)/2022 dated December 5, 2022, members will be allowed to exercise their right to vote for the special business(es) in the AGM, in accordance with the conditions mentioned in the aforesaid Regulations. The Company shall provide its members with the following options for voting:

i) E-Voting Procedure

(a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company within due course. Members who intend to exercise their right of vote through E-Voting shall provide their valid cell numbers and e-mail addresses on or before September 15, 2023.

(b) The web address, login details, will be communicated to members via email.

(c) Identity of the members intending to cast vote through E-Voting shall be authenticated through authentication for login.

(d) E-Voting lines will start from September 20, 2023, 9 a.m. and shall close on September 25, 2023 at 5 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is cast by a member, he / she shall not be allowed to change it subsequently.

ii) Postal Ballot

(a) Members may alternatively opt for voting through postal ballot. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.lucky-cement.com to download.

(b) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at 6-A Muhammad Ali Housing Society, Karachi (Attention of the Company Secretary) by Monday, September 25, 2023 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC. A postal ballot received after this time / date shall not be considered for voting.

7. Withholding tax on Dividend

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all members are advised to ensure that their names appear in the latest available ATL on FBR's website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar, / Transfer Agent CDC Share Registrar Services Limited (CDCSRSL), of the Company by the first day of book closure.

According to the clarification from the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal member as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal member and the joint holder(s) in respect of shares held by them to our Share Registrar / Transfer Agent, CDC Share Registrar Services Limited (CDCSRSL), in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal member and the joint holder(s).

8. Conversion of Physical Shares into the Book Entry Form

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

Members having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with the CDC to convert 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.

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

In accordance with the notifications / directives of the 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, members who have not yet submitted copy of their valid CNIC or NTN (in case of corporate entities) are requested to submit the same to the Company's Shares Registrar. In case of non-compliance, the Company may withhold dispatch of dividend warrants under intimation to the regulator till such time they provide the valid copy of their CNIC / NTN (as the case may be) as per law.

10. Provision of International Banking Account Number (IBAN Detail)

In accordance with 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 members only through electronic mode directly into bank account designated by the entitled member. In this context, in order to receive dividends directly into their bank account, members 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, Members having shareholding in book entry form in CDS are advised to submit their IBAN details directly to relevant broker/ participant/CDC Investor Account Services. In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to members.

11. Availability of Financial Statements and Reports on the Website

In accordance with the Provision of Sections 223(6) and (7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023 are available on the Company's website.

Notwithstanding the above, the Company will provide hard copies of the audited financial statements, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request.

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

This Statement sets out the material facts pertaining to the Special Business items to be transacted at the Annual General Meeting of Lucky Cement Limited (the “Company”).

1. Item Number 4 of the notice – To alter the Articles of Association of the Company in accordance with Section 38 and other applicable provisions of the Companies Act, 2017.

The Board of Directors of the Company has resolved and recommended to the members to alter (by way of substitution) the existing provisions of Article 110 of the Articles of Association of the Company to enable the Board of Directors to approve the capitalization of reserves, undistributed profits etc. of the Company. This will empower the Board of Directors from time to time to capitalize (fully or in part) such amounts standing to the credit of any of the Company’s reserve funds or which may be available with the Company for distribution, including by way of issuance of bonus shares in favour of the members. In light of the same, corresponding amendments are also required to Article 111 of the Articles of Association of the Company.

The existing and proposed Articles 110 and 111 of the Articles of Association of the Company are as follows:

Article 110 of the Articles of Association

Existing	Proposed
The Company in General Meeting may, upon recommendation of the Board, resolve that any undistributed profits of the Company, (including profits carried and standing to the credit of any reserves or other special accounts or representing premiums received on the issue of shares and standing to the credit of the share premium account and capital reserves arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition/sale of interest in other undertakings) be capitalized and accordingly such sum be set free for distribution amongst the Members who would be entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution.	The Board of Directors shall be empowered and may resolve that any part of the amounts for the time being standing to the credit of any reserves, or other special accounts, or the profit and loss account, or representing premiums received on the issue of shares and standing to the credit of the share premium account, or capital reserves, including arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition / sale of interest in other undertakings, or amounts otherwise available for distribution, be capitalized and distributed amongst the Members as would be entitled thereto if the same were if distributed by way of dividend and in the same proportions on the condition that the same be not paid in cash (subject to Article 111) but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other.

Article 111 of the Articles of Association

Existing	Proposed
Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures if any and generally shall do all acts and things required to give effect thereto, with full power to the Board to make such provision as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members. The Directors may, if they think fit, make provision for the registration of any or all of such shares as aforesaid in the names of such persons as the Members entitled thereto may in writing request.	Whenever such a resolution as aforesaid has been passed by the Board of Directors, the Directors shall make all appropriations and applications of the undistributed profits, reserves etc. (as the case may be) resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board of Directors to make such provisions (including by payment in cash) as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person(s) to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

The Board of Directors of the Company has confirmed that the proposed alterations to the Articles of Association of the Company are in line with the applicable provisions of the law and regulatory framework.

None of the Directors of the Company have any interest in the aforesaid special businesses, except in their capacity as Directors and members (where applicable) of the Company.

2. Item Number 5 of the notice – Ratification and approval (to the extent applicable) of the related party transactions / arrangements conducted / to be conducted by the Company

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some/majority of the Directors of the Company may be deemed to be interested in certain arrangements / transactions with related parties, including due to their shareholding or common directorships in related entities/parties, and to promote transparency, an approval from the members was sought during the 29th AGM of the Company, where the members authorized the Board of Directors to approve such related party transactions conducted by the Company from time to time (and on a case to case basis) during the financial year ended June 30, 2023, and such transactions were deemed to be approved by the members. All the related party transactions have been disclosed in Note 39 to the unconsolidated financial statements for the year ended June 30, 2023. Such transactions were to be placed before the members in next AGM for their ratification / confirmation. Accordingly, these transactions are being placed before the AGM for ratification / confirmation by the members.

Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in '000'
Lucky Core Industries Limited	Sales	46,562
	Dividend Received	1,269,950
	Purchases	33,377
	Sale of Fixed Assets	25,740
Lucky Electric Power Company Limited	Reimbursement of expenses to the Company	6,978
Lucky Motor Corporation Limited	Sales	1,225
	Purchase of Vehicles	220,148
	Purchases	4,894
	Dividend Received	711,390
	Reimbursement of expenses to the Company	3,411
	Services received	34
Lucky Holdings Limited	Dividend Received	153,153
LCL Investment Holdings Limited	Business Development Technical Fee	363,738
Yunus Energy Limited	Dividend and other income received	244,546
Lucky Textile Mills Limited	Sales	108,280
Yunus Textile Mills Limited	Sales	181,218
Gadoon Textile Mills Limited	Sales	171,389
	Reimbursement of expenses from the Company	1,549
Lucky Foods (Private) Limited	Reimbursement of expenses to the Company	12,487
	Reimbursement of expenses from the Company	357
Lucky Commodities (Private) Limited	Reimbursement of expenses to the Company	7
Aziz Tabba Foundation	Donation	240,000
Energas Terminal (Private) Limited	Reimbursement of expenses to the Company	1,590
Lucky Air (Private) Limited	Reimbursement of expenses from the Company	43,226
YB Holdings (Private) Limited	Reimbursement of expenses to the Company	6,475
YB Pakistan Limited	Reimbursement of expenses to the Company	3,308
Lucky Paragon Ready mix (Pvt.) Ltd.	Sales	29,257
Lucky Energy (Private) Limited	Sales	438
Lucky Landmark (Private) Limited	Sales	186,896
Directors and close family members	Meeting fee	6,375
	Sales	544
Key Management Personnel (KMP)	Salaries and benefits	379,537
	Retirement Benefits	103,453

The Company carries out transactions and enters into arrangements with its related parties primarily 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 / arrangements entered into with related parties require the approval of the Board Audit Committee, which is chaired by an independent director of the Company. Upon the recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

The nature of relationship with these related parties has also been indicated in the Note 39 to the unconsolidated financial statements of the Company for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings (to the extent applicable) in such related parties.

Accordingly, the members are requested to ratify and confirm the transactions with related parties as disclosed in the unconsolidated financial statements of the Company for the year ended June 30, 2023.

Furthermore, the Company will be entering into arrangements and conducting transactions with its related parties including, but not limited to, those stipulated in the resolution, during the year ending June 30, 2024. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities, and in order to promote transparent business practices, an approval from the members is being sought to authorize the Company to conduct such related party transactions and enter into arrangements with related parties, and further to authorize and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending June 30, 2024 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending June 30, 2024 shall be deemed to have been approved by the members.

The members should note that it is not possible for the Company or the Directors to accurately predict the nature of related party arrangements / transactions, or the specific related parties with whom the transactions will be carried out. The transactions that may be carried out by the Company include, but are not limited to, the purchase and sale of goods, commodities and materials including cement, chemicals, vehicles, or availing or rendering of services or share subscription.

The members should also note that, for the Special Resolutions described in the Notice of AGM, it is not possible for the Company to predict the quantum of related party transactions / arrangements to be undertaken in the period ending June 30, 2024; accordingly, the members are also requested to authorize the Board of Directors to determine the quantum of the related party transactions / arrangements that may be undertaken from time to time. The Company will present the actual figures for subsequent ratification and confirmation by the members, at the next AGM.

Based on the aforesaid the members are requested to pass the Special Resolutions (with or without modification) as stated in the Notice.

The Directors are interested in the resolutions only to the extent of their shareholdings and / or common directorships (to the extent applicable) in such related parties.

BALLOT PAPER

Ballot Paper for voting through post for the Special Businesses at the Annual General Meeting to be held on Tuesday, September 26, 2023, at 12:00 noon at factory premises in Pezu, District Lakki Marwat, Khyber Pakhtunkhwa and through video conferencing.

Contact Details of the Chairman at which the duly filled in ballot paper may be sent:

Address: The Chairman, Lucky Cement Limited, 6-A Muhammad Ali Housing Society, Karachi. Attention of the Company Secretary E-mail address: company.secretary@lucky-cement.com Phone: +92-21- 111-786-555
Website: www.lucky-cement.com.

Folio / CDS Account Number	
Name of Shareholder / Proxy Holder	
Registered Address	
Number of shares Held	
CNIC/Passport No. (in case of foreigner) (copy to be attached)	
Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government)	
Name and CNIC of Authorized Signatory	

I/we hereby exercise my/our vote in respect of the following special resolutions through postal ballot by conveying my/our assent or dissent to the resolutions by placing tick (√) mark in the appropriate box below:
(In case if both the boxes are marked as (√), your poll shall be treated as "Rejected")

S.#	Agenda / Description of Special Resolutions	I/We assent to the Resolution(s) (FOR)	I/We dissent to the Resolution(s) (AGAINST)
1	**Resolutions For Agenda Item No. 4:** 1. To consider, and if thought fit, alter the Articles of Association of the Company in accordance with Section 38 and other applicable provisions of the Companies Act, 2017, and in that connection to pass the following resolutions as special resolutions, with or without modification: **"RESOLVED THAT** Articles 110 and 111 of the existing Articles of Association of the Company be substituted to read as follows: **"RESOLVED THAT** Articles 110 and 111 of the existing Articles of Association of the Company be substituted to read as follows: "110. The Board of Directors shall be empowered and may resolve that any part of the amounts for the time being standing to the credit of any reserves, or other special accounts, or the profit and loss account, or representing premiums received on the issue of shares and standing to the credit of the share premium account, or capital reserves, including arising from realized or unrealized appreciation of the assets or goodwill of the Company or from any acquisition / sale of interest in other undertakings, or amounts otherwise available for distribution, be capitalized and distributed amongst the Members as would be entitled thereto if the same were if distributed by way of dividend and in the same proportions on the condition that the same be not paid in cash (subject to Article 111) but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively, or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members in the proportion aforesaid, or partly in the one way and partly in the other.		

S.#	Agenda / Description of Special Resolutions	I/We assent to the Resolution(s) (FOR)	I/We dissent to the Resolution(s) (AGAINST)
	111. Whenever such a resolution as aforesaid has been passed by the Board of Directors, the Directors shall make all appropriations and applications of the undistributed profits, reserves etc. (as the case may be) resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Board of Directors to make such provisions (including by payment in cash) as they think fit for the case of shares or debentures becoming distributable in fractions and also to authorize any person(s) to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members." **FURTHER RESOLVED THAT** the Company Secretary be and is hereby authorized to prepare, finalize, execute and file all necessary documents, and take all necessary steps, fulfil necessary formalities and legal procedures, and to do all such acts, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as he may think fit for, or in connection with, or incidental for, the purposes of the abovementioned resolution, as well as carry out any other act or step which may be ancillary and / or incidental to, and necessary to fully achieve the objects of the aforesaid resolution, including without limitation, filing of requisite documents with the Securities and Exchange Commission of Pakistan."		
2.	**Resolution For Agenda Item No. 5** To consider and if deemed fit, ratify and approve (as the case may be), the following resolutions, as special resolutions, with respect to related party transactions / arrangements conducted / to be conducted, in terms of Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification: "RESOLVED THAT the transactions carried out by the Company with different Related Parties, during the year ended June 30, 2023, as disclosed in note 39 of the unconsolidated financial statements of the Company for the said period, and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified and confirmed. FURTHER RESOLVED THAT the Company be and is hereby authorized to enter into arrangements or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods, commodities and materials including cement, chemicals, vehicles, or availing or rendering of services or share subscription, with different related parties to the extent deemed fit and / or approved by the Board of Directors, during the financial year ending June 30, 2024. The members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board Audit Committee and the Board of Directors of the Company, including under Sections 207 and / or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions as per the quantums approved by the Board of Directors from time to time. **FURTHER RESOLVED THAT** the related party transactions, for the period ending June 30, 2024, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation."		

1. Duly filled ballot paper should be sent to the Chairman of Lucky Cement Limited at 7-A Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi. Attention of the Company Secretary or e-mail at company.secretary@lucky-cement.com

2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.

3. Ballot paper should reach the Chairman within business hours by or before Monday, September 25, 2023. Any postal Ballot received after this date, will not be considered for voting.

4. Signature on ballot paper should match with signature on CNIC/ Passport. (In case of foreigner).

5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written poll paper will be rejected.

6. In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.

7. Ballot Paper form has also been placed on the website of the Company at: www.lucky-cement.com. Members may download the Ballot paper from the website.

____

Shareholder / Proxy Holder Signature/Authorized Signatory
(In case of corporate entity, please affix company Stamp)

Form of Proxy

I / We ____

of (full address) ____

____

being member of LUCKY CEMENT LIMITED holding ____________________ ordinary shares as per Share Register Folio No. ____________ and/or CDC Participant I.D. No. ____________ and Sub-Account No. ____________ hereby appoint ____________________

of (full address) ____

or failing him/her ____

of (full address) ____________________________________ who is also a member of Lucky Cement Limited, as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at annual general meeting of the company to be held on Tuesday, September 26, 2023 at 12:00 noon, and / or any adjournment thereof.

Signature this ____________________ ____________________ year 2023.
(day) (date, month)

Witnesses:

1. Signature: ____________________

Name ____________________

Address ____________________

CNIC No. ____________________

Signature

Signature of members should match with the specimen signature registered with the company

2. Signature: ____________________

Name ____________________

Address ____________________

CNIC No. ____________________

Important:

1. In order to be effective, this form of proxy duly completed, stamped, signed and witnessed along with power of attorney, or other instruments (if any), must be deposited at the registered office of the company at factory premises Pezu, district Lakki Marwat, Khyber Pakhtunkhwa at least 48 hours before the time of the meeting.

2. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the company, all such forms of proxy shall be rendered invalid.

3. In case of proxy for an individual beneficial owner of shares from CDC, attested copies of beneficial owner's computerized national identity card (CNIC) or passport, account and participant's ID numbers must be deposited along with the form of proxy. In case of proxy for representative of corporate members from CDC, board of directors' resolution and power of attorney and the specimen signature of the nominee must be deposited along with the form of proxy. The proxy shall produce his / her original CNIC or passport at the time of meeting.

مختارنامہ (پراکسی فارم)

میں/ہم مسمی/مسماۃ ______________________________

ساکن ______________________ ضلع ______________________

بحیثیت رکن (ممبر) لکی سیمنٹ لمیٹڈ مقرر کرتا ہوں/ کرتی ہوں/ کرتے ہیں مسمی/مسماۃ ______________________

ساکن ______________________________

کو جو خود بھی لکی سیمنٹ لمیٹڈ کا رکن ہے کہ وہ بطور میرا/ہمارا مختار (پراکسی) لکی سیمنٹ لمیٹڈ کے سالانہ اجلاس عام میں جو بروز منگل 26 ستمبر 2023 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 ______________________ 2023 کے میرے/ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

دستخط کمپنی میں درج نمونہ
کے دستخط کے مطابق ہونے چاہیے

گواہ نمبر 1

دستخط ______________________

نام ______________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________

پتہ ______________________

گواہ نمبر 2

دستخط ______________________

نام ______________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ______________________

پتہ ______________________

ہدایات:

1۔مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔

2۔ممبر (رکن) کے دستخط ،نمونہ دستخط شدہ/اندراج شدہ دستخط سے مماثلت ضروری ہے۔

3۔سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختارنامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔کارپوریٹ اداروں کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔

4۔مختارنامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرار آفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔

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۔

کمپنی کی غیر یکجا مالیاتی دستاویزات بابت مالی سال اختتامیہ 30 جون 2023 کے نوٹ نمبر 39 میں کمپنی کے ساتھ ان متعلقہ پارٹیوں کے تعلق کی وضاحت بھی کی جا چکی ہے۔ڈائریکٹرز ان قرار دادوں میں متعلقہ پارٹیوں سے لین دین کے معاملات میں اپنی مشترکہ ڈائریکٹرشپ کی حد تک قرارداد میں دلچسپی رکھتے ہیں (جہاں تک قابل اطلاق ہو)۔

لہذا ممبران سے درخواست کی جاتی ہے کہ متعلقہ پارٹیوں سے لین دین کے معاملات کی منظوری وتوثیق فرمادیں جیسا کہ کمپنی کی غیر یکجا مالیاتی دستاویزات بابت مالی سال اختتامیہ 30 جون 2023 میں مذکور ہے۔

کمپنی کی جانب سے مالی سال اختتامیہ 30 جون 2024 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 2024 اکے دوران متعلقہ پارٹیوں سے لین دین کے معاملات کی منظوری دے اوراس 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 (بورڈ کے امتزاج اور ڈائریکٹروں کے مفادات سے قطع نظر)۔متعلقہ پارٹیوں سے لین دین کے ان معاملات دوران مالی سال اختتامیہ 30 جون 2024 کی نوعیت اور قدر کو مندرجہ بالا سطور میں بیان کیا جا چکا ہے جنھیں ممبران کی جانب سے منظور تصور کیا جائے گا۔

ممبران کو یہ بات نوٹ کرلینی چاہیئے کہ کمپنی یا ڈائریکٹرز کیلئے ممکن نہیں ہے متعلقہ پارٹیوں سے لین دین کے معاملات کی نوعیت کو صحیح صحیح قبل از وقت بیان کردیں یا اس متعلقہ پارٹی کی بعینہ نشاندہی کردیں جس کے ساتھ معاملات کئے جانے ہیں۔جس نوعیت کے معاملات کمپنی کی جانب سے کئے جانے ہیں، جو اس حد محدود نہیں ہیں، ان میں اشیاء، مال تجارت اور مال بشمول سیمنٹ، کیمیکلز کی خرید وفروخت اور خدمات کا حصول اور شیئر کی سبسکرپشن وغیرہ شامل ہیں۔

سالانہ اجلاس عام کے نوٹس میں مزکور خصوصی قراردادوں سے متعلق ممبران کو یہ بات بھی نوٹ کرلینی چاہیئے کہ کمپنی کیلئے یہ بھی ممکن نہیں ہے کہ مالی سال اختتامیہ 30 جون 2024 کے دوران متعلقہ پارٹیوں کے ساتھ معاملات کی اہمیت کو مکمل طور پر بیان کردیا جائے؛ لہذا ممبران سے یہ بھی درخواست کی جاتی ہے کہ کمپنی کے بورڈ آف ڈائریکٹرز کو اس بات کا مجاز بھی بنایا جائے کہ وہ گا ہے بگاہے متعلقہ پارٹیوں سے کئے جانے والے معاملات میں ان معاملات کی اہمیت کا تعین بھی کرسکیں۔کمپنی ممبران سے توثیق ومنظوری کی غرض سے ان معاملات کی اصل زری مالیت اگلے سالانہ اجلاس عام میں پیش کرے گی۔

مذکورہ بالا مباحث کی روشنی میں، ممبران سے گزارش کی جاتی ہے کہ نوٹس میں مذکور خصوصی قرارداد کو (اصلاحات کے ساتھ یا بغیر) پاس کرلیں۔

متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات سے متعلق قرارداد میں ڈائریکٹر اپنی مشترکہ ڈائریکٹرشپ کی حد (جہاں تک قابل اطلاق ہو) تک دلچسپی رکھتے ہیں۔

جیسا کہ کمپنی کے کچھ/اکثر ڈائریکٹرز متعلقہ پارٹیوں سے لین دین کے معاملات میں دلچسپی رکھتے ہوں، اپنی شیئر ہولڈنگ یا متعلقہ اداروں میں اپنی مشترکہ ڈائریکٹر شپ کی وجہ سے اور شفافیت کو یقینی بنانے کی غرض سے 29 ویں سالانہ اجلاس عام میں ممبران کی منظوری طلب کی گئی تھی جہاں ممبران کی جانب سے اس بات کی منظوری دی گئی تھی کہ کمپنی کہ بورڈ آف ڈائریکٹرز کو اس بات کا مجاز بنایا جاتا ہے کہ گا ہے بگاہے (فرداً فرداً ہر کیس کی بنیاد پر) مالی سال اختتامیہ 30 جون 2023 کے دوران متعلقہ پارٹیوں سے لین دین کے معاملات کی منظوری دیں، اور ایسے معاملات ممبران کی جانب سے منظور شدہ تصور کئے گئے تھے۔ مالی سال اختتامیہ 30 جون 2023 کی غیر یکجا مالیاتی دستاویز کے نوٹ 39 میں ایسی تمام متعلقہ پارٹیوں سے لین دین کے معاملات کو بیان کر دیا گیا ہے۔ ایسے معاملات کو اگلے سالانہ اجلاس میں توثیق/منظوری کیلئے ممبران کے سامنے پیش کیا جانا تھا۔ لہذا ان معاملات کو سالانہ اجلاس عام سے قبل ممبران کو توثیق و منظوری کیلئے پیش کیا جا رہا ہے۔

بلحاظ پارٹی متعلقہ پارٹیوں سے لین دین کے معاملات کی تفصیلات درج ذیل ہیں:

Name of Related Party	Transaction Type	PKR in '000'
Lucky Core Industries Limited	Sales	46,562
	Dividend Received	1,269,950
	Purchases	33,377
	Sale of Fixed Assets	25,740
Lucky Electric Power Company Limited	Reimbursement of expenses to the Company	6,978
Lucky Motor Corporation Limited	Sales	1,225
	Purchase of Vehicles	220,148
	Purchases	4,894
	Dividend Received	711,390
	Reimbursement of expenses to the Company	3,411
	Services received	34
Lucky Holdings Limited	Dividend Received	153,153
LCL Investment Holdings Limited	Business Development Technical Fee	363,738
Yunus Energy Limited	Dividend and other income received	244,546
Lucky Textile Mills Limited	Sales	108,280
Yunus Textile Mills Limited	Sales	181,218
Gadoon Textile Mills Limited	Sales	171,389
	Reimbursement of expenses from the Company	1,549
Lucky Foods (Private) Limited	Reimbursement of expenses to the Company	12,487
	Reimbursement of expenses from the Company	357
Lucky Commodities (Private) Limited	Reimbursement of expenses to the Company	7
Aziz Tabba Foundation	Donation	240,000
Energas Terminal (Private) Limited	Reimbursement of expenses to the Company	1,590
Lucky Air (Private) Limited	Reimbursement of expenses from the Company	43,226
YB Holdings (Private) Limited	Reimbursement of expenses to the Company	6,475
YB Pakistan Limited	Reimbursement of expenses to the Company	3,308
Lucky Paragon Ready mix (Pvt.) Ltd.	Sales	29,257
Lucky Energy (Private) Limited	Sales	438
Lucky Landmark (Private) Limited	Sales	186,896
Directors and close family members	Meeting fee	6,375
	Sales	544
Key Management Personnel (KMP)	Salaries and benefits	379,537
	Retirement Benefits	103,453

1۔ نوٹس کا آئٹم نمبر 4- کمپنی کے آرٹیکلز آف ایسوسی ایشن میں بحوالہ سیکشن 38 بابت کمپنیز ایکٹ 2017 کی قابل اطلاق شقوں کے مطابق ترمیم کرنا۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے قرار دیا گیا ہے اور ممبران کو سفارش کی گئی ہے کہ (بطریق متبادل) کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ آرٹیکل 110 میں ترمیم کی جائے تا کہ بورڈ آف ڈائریکٹرز اس بات کا مجاز بنایا جائے کہ ریزروز اور غیر تقسیم شدہ منافع وغیرہ کی کیپٹلا ئزیشن کی جا سکے۔

اس ترمیم کے بعد بورڈ آف ڈائریکٹرز کو اس بات کا مجاز بنایا جا سکے گا کہ کمپنی کے ریزرو فنڈز میں موجود جو کہ ممبران کے مابین تقسیم کئے جا سکتے ہوں کو (کلی یا جذوی طور پر) کیپٹلا ئز کیا جا سکے اور گا ہے بگا ہے ممبران میں تقسیم کیا جا سکے بشمول بطریق اجراء بونس شیئرز، نیز اس سلسلے میں کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکل 111 میں بھی ترمیم کی ضرورت ہوگی۔

کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ اور مجوزہ ترمیم شدہ آرٹیکلز 110 اور 111 کو ذیل میں پیش کیا جا رہا ہے:

آرٹیکل 110 بابت آرٹیکلز آف ایسوسی ایشن

موجودہ	مجوزہ
کمپنی کی جانب سے سالانہ اجلاس عام کے دوران بورڈ و آف ڈائریکٹرز کی سفارش پر قرار دے گی کہ کمپنی کے موجود غیر منقسم شدی منافع (جو ریزروز، یا کسی دیگر خصوصی اکاؤنٹس، یا نفع ونقصان کے اکاؤنٹ، یا حصص کے اجراء پر پریمیئم اکاؤنٹ میں کریڈٹ ہوں، یا کیپٹل ریزرو، بشمول کمپنی کے اثاثوں کی قدر میں حقیقی یا غیر حقیقی اضافے یا کمپنی کی ساکھ کی وجہ سے ہوں، یا کسی معاہدے کے تحت حاصل شدہ حقوق کی وجہ سے ہوں) کو کیپٹلا ئز کیا جا سکے اور ممبران کے مابین تقسیم کیا جا سکے جس تناسب سے بھی وہ اس کے حقدار ہوں گویا کہ انھیں ڈیویڈنڈ دیئے جانے ہوں، بشرطیکہ انھیں یہ ادائیگیاں نقدی کی صورت میں نہ کی جائیں بلکہ ممبران کے پاس موجود حصص کے عوض ادا کی جانے لازم ہو یا مذکورہ بالا تناسب سے ممبران کو کمپنی کے غیر جاری شدہ حصص یا ڈبنچرز بطور مکمل طور پر ادا شدہ حصص یا ڈبنچرز جاری کرنے کیلئے استعمال میں لائی جائیں، یا جذوی طور پر ایک اور جذوی طور پر دوسری طرح سے انھیں کام میں لایا جائے۔ ڈائریکٹرز کی جانب سے ایسی قرارداد کو روبہ عمل لایا جائے گا۔	بورڈ آف ڈائریکٹرز کو بااختیار بنایا جائے گا کہ وہ فیصلہ کر سکیں کہ کسی بھی قسم کی رقوم جو ریزروز، یا کسی دیگر خصوصی اکاؤنٹس، یا نفع ونقصان کے اکاؤنٹ، یا حصص کے اجراء پر پریمیئم اکاؤنٹ میں کریڈٹ ہوں، یا کیپٹل ریزرو، بشمول کمپنی کے اثاثوں کی قدر میں حقیقی یا غیر حقیقی اضافے یا کمپنی کی ساکھ کی وجہ سے ہوں، یا کسی معاہدے کے تحت حاصل شدہ حقوق کی وجہ سے ہوں، یا اس کے علاوہ کوئی دیگر قابل تقسیم رقوم ہوں، کو کیپٹلا ئز کیا جا سکے اور ممبران کے مابین تقسیم کیا جا سکے جس تناسب سے بھی وہ اس کے حقدار ہوں گویا کہ انھیں ڈیویڈنڈ دیئے جانے ہوں، بشرطیکہ انھیں یہ ادائیگیاں نقدی کی صورت میں نہ کی جائیں (زیر تحت آرٹیکل 111) بلکہ یا تو ایسی رقوم کی صورت میں ادائیگی کی جائے جو کہ فی الوقت ممبران کے پاس موجود حصص کے عوض ادا کی جانے لازم ہو یا مذکورہ بالا تناسب سے ممبران کو کمپنی کے غیر جاری شدہ حصص یا ڈبنچرز بطور مکمل طور پر ادا شدہ حصص یا ڈبنچرز جاری کرنے کیلئے استعمال میں لائی جائیں، یا جذوی طور پر ایک اور جذوی طور پر دوسری طرح سے انھیں کام میں لایا جائے۔

آرٹیکل 111 بابت آرٹیکلز آف ایسوسی ایشن

جب بھی مذکورہ بالا قرارداد کو پاس کیا جائے، ڈائریکٹرز کی جانب سے غیر تقسیم شدہ منافعوں کے ضمن میں ہر قسم کی تقسیم اور اطلاقی صورتوں کو عمل میں لایا جائے گا، جنھیں کیپٹلا ئز کیا جانا قرار پایا ہو، اور تمام مکمل ادا شدہ حصص اور ڈبنچرز کی الاٹمنٹ اور اجراء، اگر کوئی ہو، اور ایسے تمام اقدامات اٹھائے جائیں گے جنھیں عموماً اس صورت میں اٹھایا جانا چاہیئے، جس کیلئے بورڈ آف ڈائریکٹرز کو مکمل اختیارات دیئے گئے ہیں تا کہ وہ اس سلسلے میں قواعد وضع کر سکیں (بشمول ادائیگیاں بصورت نقدی) جیسا کہ وہ مناسب سمجھیں کہ اگر حصص اور ڈبنچرز کو جزوی طور پر تقسیم کرنا پڑ جائے، اور یہ کہ کسی شخص یا اشخاص کو اس بات کا مجاز بنایا جائے کہ استحقاق رکھنے والے تمام حصص داران کی جانب سے کمپنی کے ساتھ معاہدہ کرے یا کریں کہ انھیں کیپلٹلا ئزیشن کیلئے الاٹمنٹ کی جا سکے، مکمل ادا شدہ یا مزید حصص یا ڈبنچرز جن کا وہ استحقاق رکھتے ہوں (جیسی بھی صورت ہو) تا کہ کمپنی کی جانب سے ادائیگی کی جا سکے منافع کے تناسب سے ان رقوم کی جنھیں کیپٹلا ئز کیا جانا مقصود ہو، یا جو کہ ان کے پاس موجود حصص پر واجب الادا رقوم ہوں، اور ایسے تمام ممبران اس اتھارٹی کے تحت کئے جانے والے معاہدے کے پابند ہوں گے۔ ڈائریکٹرز، اگر مناسب سمجھیں، ایسے کسی بھی یا تمام حصص کی رجسٹریشن کا پروویژن بنالیں جیسا کہ اوپر بیان کیا گیا ہے ان اشخاص کے نام پر جو کہ بطور ممبران اس کا استحقاق رکھتے ہوں اور تحریری طور پر اس سلسلے میں درخواست دیں۔	جب بھی مذکورہ بالا قرارداد کو بورڈ آف ڈائریکٹرز کی جانب سے پاس کیا جائے، ڈائریکٹرز کی جانب سے غیر تقسیم شدہ منافعوں، ریزروز (جیسی بھی صورت ہو) کے ضمن میں ہر قسم کی تقسیم اور اطلاقی صورتوں کو عمل میں لایا جائے گا، جنھیں کیپٹلا ئز کیا جانا قرار پایا ہو، اور تمام مکمل ادا شدہ حصص اور ڈبنچرز کی الاٹمنٹ اور اجراء، اگر کوئی ہو، اور ایسے تمام اقدامات اٹھائے جائیں گے جنھیں عموماً اس صورت میں اٹھایا جانا چاہیئے، جس کیلئے بورڈ آف ڈائریکٹرز کو مکمل اختیارات دیئے گئے ہیں تا کہ وہ اس سلسلے میں قواعد وضع کر سکیں (بشمول ادائیگیاں بصورت نقدی) جیسا کہ وہ مناسب سمجھیں کہ اگر حصص اور ڈبنچرز کو جزوی طور پر تقسیم کرنا پڑ جائے، اور یہ کہ کسی شخص یا اشخاص کو اس بات کا مجاز بنایا جائے کہ استحقاق رکھنے والے تمام حصص داران کی جانب سے کمپنی کے ساتھ معاہدہ کرے یا کریں کہ انھیں کیپلٹلا ئزیشن کیلئے الاٹمنٹ کی جا سکے، مکمل ادا شدہ یا مذید حصص یا ڈبنچرز جن کا وہ استحقاق رکھتے ہوں (جیسی بھی صورت ہو) تا کہ کمپنی کی جانب سے ادائیگی کی جا سکے منافع کے تناسب سے ان رقوم کی جنھیں کیپٹلا ئز کیا جانا مقصود ہو، یا جو کہ ان کے پاس موجود حصص پر واجب الادا رقوم ہوں، اور ایسے تمام ممبران اس اتھارٹی کے تحت کئے جانے والے معاہدے کے پابند ہوں گے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے توثیق کی جا چکی ہے کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں مجوزہ ترامیم مروجہ قوانین اور ریگولیٹری فریم ورک عین مطابق ہیں۔

مذکورہ بالا امور خصوصی میں کمپنی ڈائریکٹرز کا کوئی مفاد نہیں ہے، ماسوائے بطور کمپنی کے ڈائریکٹرز اور ممبران ہونے کے (جیسا بھی اس کا اطلاق ہو)۔

2۔ آئٹم نمبر 5 بابت نوٹس-- تصحیح ومنظوری (قابل اطلاق ہونے کی حدتک) بابت متعلقہ پارٹی لین دین معاملات/بندوبست/بندوبست منجانب کمپنی

کمپنی معمول کے مطابق متعلقہ افراد سے لین دین کے معاملات اور دیگر بندوبست کرتی ہے، یہ معاملات مروجہ قوانین اور کمپنی کی پالیسی کے مطابق ہوتے ہیں۔ چند معاملات بابت متعلقہ افراد جن میں اکثر ڈائریکٹرز کے مفادات وابستہ ہیں کیلئے کمپنیز ایکٹ 2017 کے سیکشنز 207 اور/یا 208 کے مطابق (قابل اطلاق ہونے کی حدتک) معہ خواندگی ریگولیشن 15 بابت لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 ممبران کی منظوری درکار رہو گی۔

ب۔ ممبران اس بات کو یقینی بنائیں کہ باقاعدہ پر شدہ اور دستخط شدہ بیلٹ پیپر معہ کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل چیر مین اجلاس کو بذریعہ پوسٹ 6-A محمد علی ہاؤسنگ سوسائٹی کراچی (معرفت کمپنی سیکرٹری) بروز پیر مؤرخہ 25 ستمبر 2023 شام 5 بجے تک پہنچ جانا چاہیئے۔ بیلٹ پیپر پر ثبت شدہ دستخط کا کمپیوٹرائزڈ قومی شناختی کارڈ پر کئے گئے دستخط سے مشابہ ہونا لازم ہے۔ ایسا بیلٹ پیپر جو کہ مذکورہ تاریخ یا وقت کے بعد موصول ہو حق رائے دہی میں شمار نہیں کیا جائے گا۔

7۔ ڈیویڈنڈ پر ودہولڈنگ ٹیکس

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 معہ خواندگی ڈویژن I بابت پارٹ III بابت فرسٹ شیڈول کے قواعد کے مطابق ڈیویڈنڈ کی آمدن پر فائلر اور نان فائلر سے بالترتیب 15% اور 30% ودہولڈنگ ٹیکس منہا کیا جائے گا۔ فائلر اس ٹیکس دہندہ کو کہا جاتا ہے جس کا نام ایف بی آر کی جانب سے گاہے بگاہے جاری کی جانے والی ایکٹیو ٹیکس پیئرز لسٹ میں درج ہوتا ہے، بصورت دیگر کسی شخص کو نان فائلر کہا جاتا ہے۔ کمپنی کو سہولت فراہم کرنے کیلئے کہ فائلر ہونے کی صورت میں 15% کے حساب سے ودہولڈنگ ٹیکس کاٹے، تمام ممبران سے درخواست ہے کہ اس بات کو یقینی بنائیں کہ ان کا نام ایف بی آر کی ویب سائٹ پر ایکٹیو ٹیکس پیئر لسٹ میں درج ہو بصورت دیگر نان فائلر ہونے کی صورت میں ڈیویڈنڈ پر بحساب 30% ٹیکس کاٹا جائے گا۔ ودہولڈنگ ٹیکس کی کٹوتی سے بچت صرف اسی صورت میں ممکن ہے کہ شیئر رجسٹرار / ٹرانسفر ایجنٹ سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL) کو کھاتے بند کئے جانے کے پہلے دن ہی ٹیکس سے استثناء کا سرٹیفکیٹ جمع کروا دیا جائے۔

ایف بی آر کی جانب سے وضاحت کے مطابق، اگر جوائنٹ اکاؤنٹ ہو تو ودہولڈنگ ٹیکس فائلر اور نان فائلر کے حساب سے علیحدہ علیحدہ منہا کیا جائے گا، جیسا کہ پرنسپل اکاؤنٹ ہولڈر اور جوائنٹ اکاؤنٹ ہولڈرسز کا اسٹیٹس ہوگا اور جو بھی ان کا تناسب ہوگا۔ ایسے ممبران جو کہ جوائنٹ شیئر ہولڈرز ہیں کو چاہیئے کہ پرنسپل اکاؤنٹ ہولڈر اور جوائنٹ اکاؤنٹ ہولڈرز کے مابین پائے جانے والے تناسب سے ہمارے شیئر رجسٹرار / ٹرانسفر ایجنٹ سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL) سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس مین شاہراہ فیصل کراچی-74400 کو تحریراً آگاہ کردیں۔ اگر مذکورہ معلومات ہمارے رجسٹرار کو فراہم نہیں کی جاتیں ہیں تو تصور کیا جائے گا کہ جوائنٹ شیئر ہولڈنگ میں پرنسپل اور جوائنٹ اکاؤنٹ ہولڈرز کا شیئر برابر ہے۔

8۔ فزیکل / کاغذی حصص کی بک انٹری فارم میں منتقلی

ایس ای سی پی کی جانب سے بذریعہ لیٹر نمبر CSD/ED/Misc/2016-639-640 مؤرخہ 26 مارچ 2021 لسٹڈ کمپنیوں کو ہدایت دی گئی ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام فزیکل / کاغذی حصص کو مجوزہ بک انٹری کی صورت میں تبدیل کرلیں۔

ایسے حصص داران جو کہ فزیکل / کاغذی حصص کے حامل ہیں کو چاہیئے کہ سی ڈی سی میں براہ راست بروکر یا انویسٹرا کاؤنٹ 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۔

9۔ حوالگی کمپیوٹرائزڈ قومی شناختی کارڈ/این ٹی این (لازمی)

بمطابق نوٹس از سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) بحوالہ SRO 779/(1)/2011 مؤرخہ 18 اگست 2011 اور SRO 83(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 زرجسٹرار کے پاس جمع کروادیں۔ بصورت دیگر کمپنی کی جانب سے ڈیویڈنڈ وارنٹس ارسال کئے جانے سے روک لئے جائیں گے اس وقت تک جب تک کہ ریگولیٹر کے قواعد کے مطابق مذکورہ کمپیوٹرائزڈ قومی شناختی کارڈ/این ٹی این (جیسی بھی صورت ہو) جمع کروا دیئے جائیں۔

10۔ 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 99-B 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 انویسٹرا کاؤنٹ سروسز کے پاس جمع کروادیں۔

11۔ مالیاتی دستاویزات اور رپورٹس کی ویب سائٹس پر فراہمی

کمپنیز ایکٹ 2017 کے سیکشن (6)223 اور (7) کے پروویژنز کے مطابق کمپنی کی آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال اختتامیہ 30 جون 2023 کمپنی کی ویب سائٹ پر دستیاب ہیں۔

بہرکیف، کمپنی کی جانب سے کسی ممبر کی درخواست پر رجسٹرڈ شدہ پتے پر درخواست کرنے کے ایک ہفتے کے اندر آڈٹ شدہ مالیاتی دستاویزات کی ہارڈ کاپی بھی فراہم کی جاسکتی ہے۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت اہم حقائق سے متعلق بیان

اسٹیٹمنٹ ہذا امور خصوصی سے متعلق اہم حقائق کو سالانہ اجلاس عام لکی سیمنٹ لمیٹڈ ("کمپنی") میں پیش کئے جانے سے متعلق ہے۔

ب۔ مندرجہ بالا معلومات کے ضمن میں توثیق کرنے کے بعد ممبران کو رجسٹر کیا جائے گا اوراس کے بعد ممبران کو کمپنی کی جانب سے بذریعہ ای میل ویڈیو لنک ارسال کیا جائے گا۔

ج۔ بذریعہ ویڈیو کانفرنسنگ محض انہی ممبران کو شرکت کی اجازت دی جائے گی جن کے نام ان ناموں کے مطابق ہونگے جو کہ کمپنی کے پاس (مذکورہ بالا نکتہ الف کے مطابق) رجسٹرڈ کروائے گئے ہونگے۔

د۔ لاگ ان کی سہولت صبح 11:30 سے سالانہ اجلاس عام کے اختتام تک دستیاب رہے گی۔

4۔ سینٹرل ڈپازیٹری کمپنی (سی ڈی سی) سے متعلق ہدایات برائے انویسٹرا کاؤنٹ ہولڈرز

سی ڈی سی اکاؤنٹ ہولڈرز کو سرکلر نمبر 1 مؤرخہ 26 جنوری 2000 مجریہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی مندرجہ ذیل ہدایات پر بھی عمل کرنا ہوگا۔

الف۔ سالانہ اجلاس عام میں شرکت سے متعلق:

(i) بصورت افراد، انویسٹرا کاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کی سیکیورٹیز گروپ کی صورت میں ہیں جہاں کہ رجسٹریشن سے متعلق تفصیلات کو سی ڈی سی کے قواعد کے مطابق اپ لوڈ کیا جاتا ہے، کو اپنی شناخت ثابت کرنے کیلئے سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا کارآمد پاسپورٹ دکھانا ہوگا۔

(ii) بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی معہ نمونہ دستخط از نامزد کردہ شخص بوقت شرکت سالانہ اجلاس عام دکھانا ہونگے۔

ب۔ پراکسی مقرر کرنے سے متعلق:

(i) بصورت افراد، انویسٹرا کاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا ایسے افراد جن کی سیکیورٹیز گروپ کی صورت میں ہیں جہاں کہ رجسٹریشن سے متعلق تفصیلات کو سی ڈی سی کے قواعد کے مطابق اپ لوڈ کیا جاتا ہے، کو اپنی شناخت ثابت کرنے کیلئے سالانہ اجلاس عام میں شرکت کے وقت مذکورہ بالا شرائط کے تحت اپنا پراکسی فارم جمع کروانا ہوگا۔

(ii) پراکسی فارم پر دو گواہوں کے دستخط معہ نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر درج کیا جانا لازم ہے۔

(iii) مستفید مالکان اور پراکسی کی کمپیوٹرائزڈ قومی شناختی کارڈ یا کارآمد پاسپورٹ کی نقول فراہم کرنا لازم ہے۔

(iv) پراکسی کیلئے سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا کارآمد پاسپورٹ دکھانا لازم ہوگا۔

(v) بصورت کارپوریٹ ادارہ، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی معہ نمونہ دستخط (اگر اس سے قبل فراہم نا کیا گیا ہو) پراکسی فارم کے ساتھ کمپنی میں جمع کروانا ہونگے۔

5 ۔ غیر دعوی شدہ حصص اور ڈیویڈنڈ

ایسے حصص داران جن کی جانب سے ابھی تک اپنے حصص اور نقد ڈیویڈنڈ 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 کیلئے کمپنی کے پاس اپنا دعوی جمع کروادیں۔ ایسا دعوی ممبران کی جانب سے کمپنی کی ویب سائٹ پر موجود دعوی فارم پر کیا جا سکتا ہے۔ ڈیویڈنڈ/حصص وصول کرنے کیلئے دعوی کے فارم کمپنی کے شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL) کے پاس جمع کروائے جاسکتے ہیں۔

6۔ ای ووٹنگ و پوسٹل بیلٹ

بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 اوراس میں کی گئی ترامیم نوٹس شدہ براہ SRO 2192(1)/2022 مجریہ 5 دسمبر 2022 ممبران کو اس بات کی اجازت ہوگی کہ اپنا حق رائے دہی برائے امور خصوصی بوقت سالانہ اجلاس عام مذکورہ بالا شرائط کے تحت استعمال کرسکتے ہیں۔ اس سلسلے میں کمپنی کی جانب سے ممبران کو درج ذیل اختیارات برائے حق رائے دہی دیئے جائیں گے:

(i) ای ووٹنگ کا طریقہ کار

الف۔ ای ووٹنگ سے متعلق تفصیلات کمپنی کے ان ممبران کو بذریعہ ای میل ارسال کی جائیں گی جن کے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ نمبر، موبائل فون نمبر، اور ای میل ایڈریس بروقت کمپنی کے رجسٹر برائے ممبران میں درج ہونگے۔ ایسے ممبران جو کہ بذریعہ ای ووٹنگ سہولت اپنا حق رائے دہی استعمال کرنے کے خواہشمند ہیں کو چاہیئے کہ 15 ستمبر 2023 سے پہلے اپنا کارآمد موبائل فون نمبر اور ای میل ایڈریس فراہم کردیں۔

ب۔ ویب ایڈریس اور لاگ ان کی تفصیلات ممبران کو بذریعہ ای میل ارسال کردی جائیں گی۔

ج۔ ایسے ممبران جو کہ بذریعہ ای ووٹنگ اپنا حق رائے دہی استعمال کرنا چاہتے ہیں کی شناخت بذریعہ ای میل برائے لاگ ان کی جائے گی۔

د۔ ای ووٹنگ لائنز 20 ستمبر 2023 صبح 9 بجے شروع ہونگی اور 25 ستمبر 2023 شام 5 بجے تک بند کی جائیں گی۔ ممبران اس دوران کسی بھی وقت اپنا حق رائے دہی استعمال کرسکتے ہیں۔ ایک مرتبہ ایک ممبر کی جانب سے قرارداد پر دے دیا گیا تو بعدازاں انھیں اس میں تبدیلی کی اجازت نہیں ہوگی۔

(ii) پوسٹل بیلٹ

الف۔ بطور متبادل ممبران کی جانب سے پوسٹل بیلٹ کا اختیار بھی لیا جاسکتا ہے۔ ممبران کی سہولت کیلئے، نوٹس ہذا کے ساتھ بیلٹ پیپر منسلک کیا جارہا ہے، نیز یہ فارم کمپنی کی ویب سائٹ www.lucky-cement.com سے بھی ڈاؤن لوڈ کیا جاسکتا ہے۔

اور/یا بورڈ آف ڈائریکٹرز کی جانب سے منظور کیا جائے، دوران مالی اسال اختتامیہ 30 جون 2024 وغیرہ، البتہ یہ امور مذکورہ امور تک محدود نہیں ہیں۔ ممبران کی جانب سے اس بات کو نوٹ کیا گیا ہے کہ مذکورہ بالا بندوبست یا لین دین کے معاملات میں اکثر یا کچھ ڈائریکٹرز بھی دلچسپی لے سکتے ہیں۔ لہذا ممبران کی جانب سے بذریعہ ہذا پیشگی اختیار اور منظوری بورڈ آڈٹ کمیٹی اور بورڈ آف دائریکٹرز کو بشمول کپمنیز ایکٹ 2017 کے سیکشنز 207 اور/یا 208 (جس حد تک ان کا اطلاق ہو) کے تحت دیا جاتا ہے کہ وہ گاہے بگاہے متعلقہ پارٹیوں سے لین دین کے تمام معاملات کو بورڈ آف ڈائریکٹرز کی جانب سے منظور کئے گئے حجم کے تحت منظور کرتے ہیں۔

مزید قرار دیا جاتا ہے کہ متعلقہ پارٹیوں سے لین دین، برائے مالی سال اختتامیہ 30 جون 2024، کی توثیق و منظوری ممبران سے کروائی جائے گی، اور آئندہ منعقد کئے جانے والے سالانہ عام اجلاس میں ممبران کے سامنے توثیق اور منظوری کیلئے پیش کی جائیں گی۔"

اس کے علاوہ دیگر امور:

6۔ ان کے علاوہ ایسے دیگر امور کو زیرغور لانا جنھیں پیش کرنے کی چیرمین کی جانب سے اجازت دی جائے۔

(نوٹس ہذا کے ساتھ اہم حقائق سے متعلق ایک دستاویز منسلک شدہ ہے جس میں کپمنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت مذکورہ بالا خصوصی امور کی تفصیلات درج ہیں۔)

بمقام کراچی: 04 ستمبر 2023

بحکم بورڈ

فیصل محمود

کمپنی سیکرٹری

نوٹس:

1۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص منتقلی کھاتے بروز ہفتہ 16 ستمبر 2023 سے بروز منگل 26 ستمبر 2023 تک بند رہیں گے (دونوں ایام مذکورہ بھی اس میں شامل ہیں)۔ ہمارے شیئر رجسٹرار ٹرانسفر ایجنٹ میسرز سی ڈی سی شیئر جسٹرار 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 15 ستمبر 2023 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 اور ایسے ممبران اجلاس عام میں شرکت، حق رائے دہی اور نقد ڈیویڈنڈ وصول کرنے، بصورت منظوری از ممبران، کے حقدار بھی ہوں گے۔

یہاں ممبران کو اس بات کی وضاحت کی جاتی ہے کہ ان حصص کے عوض ڈیویڈنڈ واجب الادا نہیں ہوگا جو کہ کاروباری دن 15 ستمبر 2023 سے پہلے تک کمپنی کی جانب سے خریدے جا چکے ہوں، جیسا کہ کمپنی کی جانب سے اپنے حصص (جنھیں منسوخ کیا جانا ہے) واپس خریدنے کی مہم جاری ہے۔

2۔ اجلاس عام میں ذاتی یا بذریعہ پراکسی شرکت

وہ ممبران جن کے نام ممبران کے رجسٹر میں مؤرخہ 15 ستمبر 2023 کو مندرج ہوں اجلاس عام میں شرکت اور حق رائے دہی استعمال کرنے کے اہل ہونگے۔ کوئی بھی ایسا ممبر جو کہ اجلاس میں شرکت کرنے اور حق رائے دہی کا ستعمال کرنے کا مجاز ہو کو اس بات کی اجازت ہے کہ اپنی جانب سے اجلاس میں شرکت اور حق رائے دہی کیلئے پراکسی کا انتخاب عمل میں لائے۔

سالانہ اجاس عام کیلئے کارآمد نوٹس ہذا کے ساتھ منسلک پراکسی فارم ممبران کو ارسال کیا جارہا ہے۔ پراکسی فارم کمپنی کی ویب سائٹ http://www.lucky-sement.com سے بھی ڈاؤن لوڈ کیا جاسکتا ہے۔ پراکسی فارم اور پاور آف اٹارنی یا دیگر اتھارٹی (اگر کوئی ہو) جس کی جانب سے اس پر دستخط کئے گئے ہوں، یا تصدیق کی گئی ہو، ایسی اتھارٹی کی اصل معہ تصدیق از نوٹری پبلک ، جو کہ کارآمد ہو، بذریعہ ای میل company.secretary@lucky-cement.com کو ای میل کردی جائے یا بذریعہ ڈاک کمپنی شیئر زرجسٹرار کے رجسٹرڈ شدہ پتے سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL) 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۔

ممبران سے درخواست کی جاتی ہے کہ اپنا کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل کمپنی شیئر زرجسٹرار کے رجسٹرڈ شدہ پتے سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL)، سی ڈی سی ہاؤس، B-99، بلاک B، ایس ایم سی ایچ سوسائیٹی، کراچی کے پاس جمع کروادیں۔

اگر ایک ممبر کی جانب سے ایک سے زائد پراکسی منتخب کئے جاتے ہیں اور ایک سے زائد پراکسی فارم جمع کروائے جاتے ہیں تو ایسے تمام پراکسی فارم کو کالعدم قرار دے دیا جائے گا۔

3۔ سالانہ اجلاس عام میں شرکت بذریعہ ویڈیو کانفرنسنگ

الف۔ سالانہ اجلاس عام میں بذریعہ ویڈیو کانفرنسنگ شرکت کیلئے ممبران سے درخواست کی جاتی ہے کہ ای میل ایڈریس company.secretary@lucky-cement.com پر خود کو سالانہ اجلاس عام شروع ہونے سے کم از کم 48 گھنٹے پہلے رجسٹر کروالیں اور اس سلسلے میں (i) ممبر کا نام (ii) قومی شناختی کارڈ/این ٹی این نمبر (iii) فولیو نمبر/سی ڈی سی آئی اے ایس نمبر (iv) موبائل فون نمبر اور (v) ای میل ایڈریس بذریعہ ای میل ارسال کرنا لازم ہیں۔

لکی سیمنٹ لمیٹڈ

اطلاع برائے 30واں سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ لکی سیمنٹ لمیٹڈ کے ممبران کا 30واں سالانہ اجلاس عام بروز منگل مؤرخہ 26 ستمبر 2023 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 2023 اور ان کے بارے میں بورڈ آف ڈائریکٹرز اور غیر جانبدار آڈیٹرز کی رپورٹس کو زیرغور لانا اور انکی منظوری دینا۔

کمپنیز ایکٹ 2017 کے سیکشن 223 اور ایس آر او 2023/(I)389 مجریہ 21 مارچ 2023 کے مطابق کمپنی کی مالیاتی دستاویزات کمپنی کی ویب سائٹ پر اپ لوڈ کی جاچکی ہیں۔ ان دستاویزات کو کمپنی کی ویب سائٹ سے بذریعہ درج ذیل ویب لنک یا کیو آر کوڈ ڈاؤن لوڈ کیا جاسکتا ہے:

2۔ بورڈ ڈائریکٹرز کی جانب سے سفارش کے مطابق، حتمی نقد ڈیویڈنڈ بحساب 180% یعنی 18 روپے فی عام حصص برائے مالی سال اختتامیہ 30 جون 2023 کا اعلان کرنا اور اس کی منظوری دینا۔

3۔ آئندہ مالی سال اختتامیہ 30 جون 2024 کیلئے کمپنی کے آڈیٹرز کا تقرر 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 اور بورڈ آف ڈائریکٹرز کی جانب سے ان کی تقرری کی سفارش کی گئی ہے۔

خصوصی کاروائی:

4۔ کمپنیز ایکٹ 2017 کے سیکشن 38 اور دیگر قابل اطلاق سیکشنز کے مطابق کمپنی کے آرٹیکلز آف ایسوسی ایشن کو زیرغور لانا، اور اگر مناسب سمجھا جائے تو ان میں ترمیم کرنا، اور اس سلسلے میں درج ذیل قراردادوں کو بطور خصوصی قراردادیں پاس کرنا، ترمیمات کے ساتھ یا ترمیمات کے بغیر:

'' قرار دیا گیا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے موجودہ آرٹیکلز 110 اور 111 میں ترمیم کی جائے اور انھیں مندرجہ ذیل پڑھا جائے

"110۔ بورڈ آف ڈائریکٹرز کو بااختیار بنایا جائے گا کہ وہ فیصلہ کرسکیں کہ کسی بھی قسم کی رقوم جو ریزروز، یا کسی دیگر خصوصی اکاؤنٹس، یا نفع ونقصان کے اکاؤنٹ، یا حصص کیا جراء پر پریمیئم اکاؤنٹ میں کریڈٹ ہوں، یا کیپٹل ریزرو، بشمول کمپنی کے اثاثوں کی قدر میں حقیقی یا غیر حقیقی اضافے یا کمپنی کی ساکھ کی وجہ سے ہوں، یا کسی دوسرے کاروبار میں حصص کے حصول یا فروخت کی وجہ سے ہوں، یا اس کے علاوہ کوئی دیگر قابل تقسیم رقوم ہوں، کو کیپٹلائز کیا جاسکے اور ممبران کے مابین تقسیم کیا جاسکے جس تناسب سے بھی وہ اس کے حقدار ہوں گویا کہ انھیں ڈیویڈنڈ دیئے جانے ہوں، بشرطیکہ انھیں یہ ادائیگیاں نقدی کی صورت میں نا کی جائیں (زیر تحت آرٹیکل 111) بلکہ ایسی رقوم کی ادائیگی میں استعمال کی جائے جو کہ فی الوقت ممبران کے پاس موجود حصص کے عوض ادا کی جانی لازم ہو یا مذکورہ بالا تناسب سے ممبران کو کمپنی کے غیر جاری شدہ حصص یا ڈبنچرز بطور مکمل طور پر ادا شدہ حصص یا ڈبنچرز جاری کرنے کیلئے استعمال میں لائی جائیں، یا جذوی طور پر ایک اور جذوی طور پر دوسری طرح سے انھیں کام میں لایا جائے۔

111۔ جب بھی مذکورہ بالا قرارداد کو بورڈ آف ڈائریکٹرز کی جانب سے پاس کیا جائے، ڈائریکٹرز کی جانب سے غیر تقسیم شدہ منافعوں، ریزروز (جیسی بھی صورت ہو) کے ضمن میں ہر قسم کی تقسیم اور اطلاقی صورتوں کو عمل میں لایا جائے گا، جنھیں کیپٹلائز کیا جانا قرار پایا ہو، اور تمام مکمل ادا شدہ حصص اور ڈبنچرز کی الاٹمنٹ اور اجراء، اگر کوئی ہو، اور ایسے تمام اقدامات اٹھائے جائیں گے جنھیں عموماً اس صورت میں اٹھایا جانا چاہیئے، جس کیلئے بورڈ آف ڈائریکٹرز کو مکمل اختیارات ہوں گے تا کہ وہ اس سلسلے میں قواعد وضع کرسکیں (بشمول نقد ادائیگیاں بصورت نقدی) جیسا کہ وہ مناسب سمجھیں کہ اگر حصص اور ڈبنچرز کو جزوی طور پر تقسیم کرنا پڑ جائے، اور یہ کہ کسی شخص یا اشخاص کو اس بات کا مجاز بنایا جائے کہ استحقاق رکھنے والے تمام حصص داران کی جانب سے کمپنی کے ساتھ معاہدہ کرے یا کریں کہ انھیں کیپٹلائزیشن کیلئے الاٹمنٹ کی جاسکے، مکمل ادا شدہ یا مزید حصص یا ڈبنچرز جن کا وہ استحقاق رکھتے ہوں یا (جیسی بھی صورت ہو) تا کہ ان کے پاس موجود حصص پر واجب الادا رقوم کی ادائیگی ان کی جانب سے کمپنی جس منافع کا کیپٹلائز کرنا مقصود ہو، اس میں سے ان کے حصے کے تناسب میں کرسکے، اور ایسے تمام ممبران اس اتھارٹی کے تحت کئے جانے والے معاہدے کے پابند ہوں گے۔"

مزید قرار پایا ہے کہ کمپنی سکیرٹری کو بذریعہ ہذا مجاز بنایا جاتا ہے کہ اس ضمن میں تمام دستاویزات کی تیاری عمل میں لائے، انھیں حتمی شکل دے اور انھیں جمع کروائے اور اس سلسلے میں تمام رسمی اور قانونی افعال اور امور کو کمپنی کی جانب سے یا کمپنی کے نام پر سرانجام دے جو ضروری ہوں یا جنھیں وہ ضروری سمجھے تا کہ مذکورہ بالا قرارداد کو عملی جامہ پہنایا جاسکے، اور ایسے تمام اقدامات اٹھائے یا امور سرانجام دے جو کہ مذکورہ بالا قرارداد مقاصد کے حصول کیلئے لازمی ہوں جس میں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے پاس دستاویزات جمع کروانا بھی شامل ہیں تاہم یہ ذمہ داریاں محض بیان شدہ ذمہ داریوں تک محدود ہونا لازم نہیں ہیں۔"

5۔ کمپنیز ایکٹ 2017 کے سیکشنز 207 اور/ یا 208 (جہاں تک ان کا اطلاق ہو) کے تحت، ترمیمات کے ساتھ یا ترمیمات کے بغیر متعلقہ پارٹیوں سے متعلق لین دین کے معاملات اور کئے جانے والے بندوبست سے متعلق مندرجہ ذیل قراردادوں کو بطور خصوصی قراردادیں زیرغور لانا، اور اگر مناسب سمجھا جائے، توثیق کرنا اور منظوری دینا (جیسی بھی صورت ہو)۔

" قرار دیا جاتا ہے کہ مالی سال اختتامیہ 30 جون 2023 کے دوران کمپنی کی جانب سے مختلف متعلقہ پارٹیوں کے ساتھ کی جانے والی لین دین، جیسا کہ کمپنی کی غیر یکجا رپورٹ کے نوٹ 39 میں بیان کیا جاچکا ہے اور سیکشن 134(3) بابت بیان برائے اہم معلومات میں بھی مذکور ہے، کی توثیق کرنا اور اسکی منظوری دینا۔

مزید قرار دیا جاتا ہے کہ کمپنی کو بذریعہ ہذا مجاز بنایا جاتا ہے کہ گا ہے بگا ہے بندوبست کرے اور لین دین کے معاملات کرے جن میں، اشیاء اور دیگر اموال بشمول سیمنٹ، کیمیکلز، گاڑیوں کی خرید وفروخت، خدمات سرانجام دینا یا حاصل کرنا، حصص کی سبسکرپشن کرنا مختلف متعلقہ پارٹیوں کے ساتھ جس حد تک مناسب سمجھا جائے

آخر میں، گوکہ مالی سال 2024 پاکستان میں آٹوموبائل اور موبائل فونز دونوں ہی شعبوں کے لیے بڑے مسائل کا منظر پیش کررہا ہے، ان مسائل سے نبرد آزما ہونے کیلئے سٹریٹجک نوعیت کی تبدیلیاں کرنا ہونگی جیسا کہ مقامی ذرائع پر انحصار کو بڑھانا اور اور پیداوار لاگت میں کمی لانا، یہ اقدامات مذکورہ مسائل کا حل پیش کرنے میں کلیدی کردار ادا کرسکتے ہیں۔

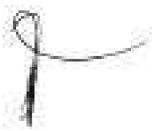
آپ کی کمپنی کی مضبوط مالی پوزیشن اور نقد رقوم کی ترسیل کی صلاحیت سے توقع کی جاتی ہے کہ کاروباری افعال کو مزید مؤثر بنانے، نئی سرمایہ کاری کرنے اور شیئر ہولڈر کے سرمائے کی قدر کو بڑھانے کے لیے اس کے وژن کی میں مزید معاون ثابت ہوگی۔

اظہار تشکر

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کے تمام ملازمین کی جانب سے انتھک محنت اور اخلاص نیت کے ساتھ اپنی خدمات فراہم کرنے پر تہہ دل سے ان کے مشکور ہیں۔ نیز ڈائریکٹرز کمپنی کے دیگر شراکت داروں کے بھی بے حد ممنون ہیں کہ ان کی حمایت اور اعتماد ہمارے شامل حال رہے۔

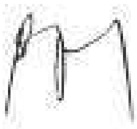
ہم اللہ تعالی کی بارگاہ میں دعا گو ہیں کہ کمپنی مزید ترقی کرے، کمپنی کے شراکت داروں اور بالعموم پورے ملک کو اس کے ثمرات سمیٹنے کی توفیق حاصل ہو۔

منجانب بورڈ



محمد سہیل ٹبہ

چیئرمین/ڈائریکٹر



محمد علی ٹبہ

چیف ایگزیکٹیو/ڈائریکٹر

کراچی: 7 اگست 2023

آئی ایم ایف پروگرام کی بحالی کے کئی مثبت اثرات مرتب ہوں گے۔ سب سے پہلے اور سب سے اہم، یہ مالیاتی منظرنامے میں غیر یقینی صورتحال کو کم کرنے میں مدد کرے گا، کاروبار اور سرمایہ کاروں کو استحکام دینے کے ساتھ ساتھ آئندہ پیش آنے والے معاشی منظرنامے کے بارے میں پیش قدمی کے قابل بنائے گا۔ مزید برآں، یہ ملک کے لیے دوسرے بین الاقوامی قرض دہندگان اور دوست ممالک سے مزید قرض حاصل کرنے کے نئے مواقع فراہم کرے گا، جس سے مالی لچک میں اضافہ ہوتا ہے۔

اگرچہ آنے والے ایام بھی مسائل سے بھرپور ہیں، آئی ایم ایف پروگرام کا دوبارہ آغاز مالی سال2024 میں پاکستان کی معاشی بحالی کے لیے پرامید ہے۔ یہ مالیاتی نظم وضبط، مالیاتی نظم ونسق، اور بین الاقوامی مالیاتی اداروں کے ساتھ اسٹریٹیجک محاذ پر مشغولیت کی اہمیت کو بھی اجاگر کرتا ہے تاکہ موجودہ مشکلات سے گزر کر پائیدار اقتصادی ترقی کی جانب راہ ہموار کی جاسکے۔

مزید برآں، معیشت پر اعتماد بحال کرنے اور طویل المدتی اقتصادی ترقی کو یقینی بنانے کے لیے، ملک کے سیاسی منظرنامے میں یقینی صورتحال کا پیدا ہونا بہت ضروری ہے۔ آئندہ عام انتخابات سے سیاسی استحکام متوقع ہے جو کہ موجودہ معاشی منظرنامے کو بحال کرنے میں اہم کردار ادا کرے گا۔ پائیدار اور طویل المدتی اقدامات پر عمل درآمد سے معیشت پر اعتماد بحال کیا جاسکتا ہے، جس سے خوشحال مستقبل کی راہ ہموار ہوسکتی ہے۔

مقامی سیمنٹ آپریشنز

افراط زر کی بلند شرح، بڑھتی ہوئی شرح سود، اور کمزور ہوتی کرنسی مستقبل قریب میں سیمنٹ کی طلب کو کم کرنے کے امکانات کے ساتھ ساتھ مزید معاشی چیلنجز کا پیش خیمہ بھی ہے۔ تاہم، پاکستان کے اندر سیاسی استحکام کا امکان اور پبلک سیکٹر کی ترقی کے لیے فنڈز کی دوبارہ تخصیص، بشمول چین پاکستان اقتصادی راہداری کی بحالی جیسے بڑے بنیادی ڈھانچے کے منصوبے، قومی معیشت کے لیے اہم محرکات کے طور پر کام کرسکتے ہیں، جو ممکنہ طور پر اندرون ملک سیمنٹ سیکٹر میں بڑھتی ہوئی طلب کو جنم دے گا۔

مزید برآں وبائی امراض کے بعد شروع ہونے والا اور روس-یوکرین تنازعہ کی وجہ سے شدت اختیار کرنے والا کموڈیٹی سپر سائیکل اب اپنی شدت میں نرمی کے آثار دکھا رہا ہے، جیسا کہ تیل اور کوئلے کی قیمتوں میں کمی سے ظاہر ہوتا ہے۔ یہ ترقی سیمنٹ کی صنعت پر مثبت اثرات مرتب کرسکتی ہے اگر عالمی سطح پر کوئلے کی قیمتوں میں کمی ہو اور مقامی کوئلے کے زیادہ استعمال سے اس شعبے کے منافع کے مارجن کو تقویت دی جائے۔ صنعت میں تکنیکی ترقی، جیسے کہ متبادل ایندھن کا استعمال اور توانائی کی بچت کے طریقے، منافع مارجنز کو مزید بڑھا سکتے ہیں۔

ان سب باتوں کے باوجود، موجودہ مسائل کی نشاندہی ضروری ہے۔ پاکستانی روپے کی مزید گراوٹ اور توانائی کے نرخوں میں ممکنہ اضافہ سیمنٹ سیکٹر کے منافع کے مارجن پر اضافی دباؤ ڈال سکتا ہے۔ یہی عوامل ملک کے تمام برآمدی شعبوں کی مسابقت پر بھی منفی اثر ڈال سکتے ہیں۔

لہٰذا، اگرچہ حوصلہ افزا اشارے موجود ہیں، لیکن اس پیچیدہ اقتصادی ماحول کو آگے بڑھانے میں احتیاط اور حکمت عملی کی منصوبہ بندی اب بھی ضروری ہے۔

غیر ملکی سیمنٹ آپریشنز

توقع ہے کہ بین الاقوامی سیمنٹ کے آپریشنز میں بڑھتی طلب کا سامنا ہوگا، اور کمپنی آنے والے مالی سال میں موجودہ آپریشنل لائنوں کے بھرپور استعمال سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہوگی۔ مزید برآں، سماوہ، عراق میں 1.82 ملین ٹن سالانہ کی گنجائش کے ساتھ ایک نئی کلنکر لائن کا اضافہ ہمارے کاروبار کی آپریشنل صلاحیتوں میں خاطر خواہ اضافے کا باعث بنے گا۔ یہ اسٹریٹیجک اقدام عراق کے اندر کلنکر کی دستیابی کے لحاظ سے خود انحصاری کے حصول میں ایک اہم کردار ادا کرتا رہے گا۔

پولیسٹر، سوڈا ایش اور کیمیکلز

توقع ہے کہ لکی کور انڈسٹریز لمیٹڈ ملک کے میں جاری معاشی مسائل کے پیش نظر مالی سال2024 میں ان مسائل سے بنرد آزما ہوگی۔ متوقع مالیاتی سختی کے اقدامات کے باوجود صنعتی سرگرمیوں کو سست روی کا شکار سکتے ہیں اور کمپنی کی مصنوعات کی طلب کو متاثر کرسکتے ہیں، لکی کور انڈسٹریز لمیٹڈ دیرپا نتائج فراہم کرنے کے لیے پرعزم ہے۔

توقع کی جاتی ہے کہ کمپنی کا متنوع پروڈکٹ پورٹ فولیو اس ماحول میں ایک کلیدی طاقت ہوگا، جو سیکٹر کی مخصوص مندی کے خلاف ایک حفاظتی بند فراہم کرے گا اور اسے صارفین کی وسیع ضروریات کو پورا کرنے کے قابل بنائے گا۔ یہ تنوع آمدنی کے سلسلے کو برقرار رکھنے میں مدد کرسکتا ہے یہاں تک کہ اگر اقتصادی حالات کی وجہ سے بعض مصنوعات کی مانگ کم بھی ہوجاتی ہے۔

مزید برآں، پیداواری لاگت کو کم از کم حد تک رکھنے کیلئے ایل سی آئی (LCI) کا عزم آئندہ مالی سال کے لیے حکمت عملی اہم ترین جز ثابت ہوگا۔ آپریشنل کارکردگی کو بہتر بنانے اور غیر ضروری اخراجات کو کم کرنے پر توجہ مرکوز کرکے، کمپنی کا مقصد اپنے منافع کے مارجن کی حفاظت کرنا اور ممکنہ طلب میں کمی کے باوجود منافع کو برقرار رکھنا ہے۔

توانائی

مالی سال2024 میں متوقع ایک اہم سنگ میل ایس ای سی ایم سی (SECMC) کی جانب سے فیز III کی تکمیل ہے، جس سے پلانٹ کو 100% تھر کول آپریشنز میں تبدیل کرنے کی امید ہے۔ اس منتقلی سے خاطر خواہ مالی اور اسٹریٹیجک فوائد حاصل ہونے کی امید ہے کیونکہ اس اقدام سے کوئلے کی درآمدات کے لیے غیر ملکی کرنسی کے اخراجات کی ضرورت ختم ہوجائے گی۔ مزید برآں، یہ توانائی کے شعبے میں کم پیداواری لاگت کی وجہ سے قیمت کو کم کرنے کی جانب بھی ایک اہم قدم ہوگا، اور سب سے بڑھ کر، مقامی کوئلے کی طرف منتقلی سے ملک کی توانائی محفوظ ہاتھوں میں ہوگی اور غیر ملکی ذرائع پر انحصار کم ہوگا۔

آٹوموبائل اور موبائل فونز

مالی سال2024 کے لیے پاکستان میں آٹوموبائل سیکٹر غیر یقینی صورتحال سے دوچار ہے، معاشی سست روی، خام مال کی بڑھتی ہوئی قیمتوں اور پاکستانی روپے کی قدر میں کمی کی وجہ سے فروخت زیر دباؤ رہنے کی توقع ہے۔ ان عوامل سے نئی گاڑیوں کی طلب میں کمی اور آٹوموبائل مینوفیکچررز کے منافع کے مارجن پر منفی اثرات پڑنے کا امکان ہے۔ تاہم، اپنے آپریشنز کو مزید مؤثر بنانے اور مقامی ذرائع پر انحصار کرنے کی پالیسی پر کمپنی کی توجہ مرکوز ہے جس کے باعث درآمدی اجزاء پر انحصار کم ہوگا اور نتیجتاً منافع کے مارجن کی حفاظت ہو پائے گی جس سے مسابقتی قوت کو بڑھانے میں مدد کرے گی۔

معاشی سست روی اور روپے کی قدر میں کمی کے باعث مالی سال2024 میں پاکستان کی موبائل انڈسٹری کو بھی مسائل کا سامنا رہنے کی توقع ہے کیونکہ کہ روپے کی قدر میں کمی کے باعث اسمارٹ فونز کی بڑھتی ہوئی قیمتیں طلب کو کم کرسکتی ہیں۔ معاشی بدحالی کے پیش نظر اسمارٹ فونز کے لیے صارفین کی طلب کم رہنے کی توقع ہے، کیونکہ یہ صوابدیدی اخراجات میں شمار ہوتے ہیں جنھیں کم کیا جاسکتا ہے۔ ان مسائل سے نمٹنے کیلئے کمپنی ممکنہ طور پر کم قیمت فونز کی تیاری اور فروغ کی طرف اپنی توجہ مرکوز رکھے گی۔ یہ حکمت عملی فروخت بلحاظ حجم کو برقرار رکھنے میں مدد کرسکتی ہے، اس طرح منافع کے مارجنز پر پڑنے والے کچھ منفی اثرات کو کم کیا جاسکتا ہے۔

4	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	1
5	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	1
6	مسعود کریم شیخ آزاد ڈائریکٹر	1
*	شبیر حمزہ کھانڈ والا آزاد ڈائریکٹر	0

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 محمد یونس ٹبہ کے انتقال کے بعد بورڈ نے جناب محمد سہیل ٹبہ کو بورڈ کا چیئرمین مقرر کیا ہے۔ بورڈ کمیٹیوں کی تشکیل نو کے نتیجے میں، جناب محمد سہیل ٹبہ، بورڈ کے چیئرمین ہوتے ہوئے، بورڈ کی انسانی وسائل و ادائیگیوں کی کمیٹی کے رکن نہیں ہیں۔ جبکہ جناب شبیر حمزہ کھانڈ والا 27 جنوری 2023 سے بورڈ کی آڈٹ کمیٹی کے رکن بنا دیئے گئے۔

سی ای او کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے مستقل بنیادوں پر مالیاتی اور غیر مالیاتی نتائج کے معیارات کو مدنظر رکھتے ہوئے سال کے آغاز میں ہی سی ای او کی کارکردگی کا جائزہ لیا جاتا ہے۔ بورڈ کی جانب سے سی ای او کی کارکردگی برائے گزشتہ سال کا جائزہ لیا جاچکا ہے اور بورڈ سی ای او کی کارکردگی اور سالانہ اہداف کے حصول سے مطمئن ہے۔ بورڈ کو اس بات کا مکمل اطمینان ہے کہ سی ای او کمپنی کے تمام امور کو مستعدی کے ساتھ چلانے کیلئے صلاحیتوں کے حامل ہیں۔ وہ اس بات کے بھی ذمہ دار ہیں کہ مینجمنٹ ٹیم کیلئے کام کے معیارات کو مدنظر رکھتے ہوئے کارپوریٹ مقاصد کا تعین کریں اور مستقل بنیادوں پر ان مقاصد سے بورڈ کو آگاہ کریں کہ ٹیم کی کارکردگی کیسی رہی اور مقاصد کا حصول کس حد تک ممکن ہوا۔

ویژن، مشن اور مجموعی کارپوریٹ حکمت عملی کی بورڈ سے منظوری

بورڈ کی جانب سے انتہائی باریک بینی کے ساتھ ویژن، مشن اور مجموعی کارپوریٹ حکمت عملی کی بورڈ کا جائزہ لئے جانے کے بعد ان کی منظوری دی جاچکی ہے اور بورڈ کو اس بات پر مکمل اعتماد ہے کہ یہ اس فلسفے کے عین مطابق ہیں جس کی بنیاد پر لکی سیمنٹ کو کا قائم کیا گیا تھا۔ ہم اس بات پر مکمل یقین رکھتے ہیں کہ ہمارا ویژن اور مشن مجموعی کارپوریٹ حکمت عملی کی راہ متعین کرتے ہیں اور ہمارے مستقبل کے سفر کی ہر سطح پر غمازی کرتے ہیں۔ پورا ادارہ اسی مقصد کیلئے یکجا اور منسلک ہے اور یہی ہمارے روزمرہ کے فیصلوں کی بنیاد ہیں۔

اندرونی مالیاتی کنٹرول کی معقولیت

بورڈ آف ڈائریکٹرز کی جانب سے ایک مؤثر اندرونی فنانشل کنٹرول سسٹم تشکیل دیا گیا ہے تاکہ ایک جانب تمام افعال کو مؤثر انداز اور مستعدی کے ساتھ سرانجام دیا جاسکے تو دوسری جانب کمپنی کے اثاثوں کی حفاظت بھی 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 جاچکا ہے۔ تمام مالیاتی دستاویزات کو پاکستان میں رائج محاسبی اور رپورٹنگ معیارات کے عین مطابق تیار کیا گیا ہے۔ منظور شدہ محاسبی معیارات انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRSs) پر مبنی ہیں جنھیں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کی جانب سے جاری کیا گیا ہے اور کمپنیز ایکٹ 2017 میں ان کی بابت نوٹس جاری کیا جاچکا ہے، دستاویزات کی تیاری میں ایکٹ ہذا کے قواعد اور ہدایات کی بھی پاسداری کی گئی ہے۔

سی ایف او اور اندرونی آڈٹ کے سربراہ کی قابلیت

سی ایف او اور اندرونی آڈٹ کے سربراہ کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق اہلیت کے حامل ہیں۔

ترتیب حصص داری

کمپنیز ایکٹ 2017 کے سیکشن (f) (2) 227 اور رول 5.19.11 بابت پاکستان ایکسچینج رول بک کی شرائط کے مطابق کمپنی کی ترتیب حصص داری بتاریخ 30 جون 2023 رپورٹ ہذا کے ساتھ منسلک ہے۔

آڈیٹرز

کمپنی کی مالیاتی دستاویزات برائے مالی سال 23-2022 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 نا 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

مالی سال 2024 میں قدم رکھتے ہمیں اندازہ ہوتا ہے کہ جس سے ایک قدرے مایوس کن منظرنامہ قائم ہے۔ پاکستان میں ان حالات کو جو کا توں موجود ہونا باعث افسردگی ہے۔ ملک کو عالمی کساد بازاری، افراط زر کے دباؤ، مالیاتی رکاوٹوں، اور ماحولیاتی آفات کے اثرات کا سامنا ہے، ان تمام عوامل نے معاشی صورتحال کو پیچیدہ کرنے میں اپنا اپنا کردار ادا کیا ہے۔

ان چیلنجوں کے درمیان اقتصادی محاذ پر ایک حالیہ پیش رفت ہوئی ہے جو امید کی کرن فراہم کرتی ہے۔ وفاقی حکومت نے ایک طویل عرصے سے زیر التوا آئی ایم ایف پروگرام کو کامیابی کے ساتھ دوبارہ شروع کر دیا ہے، جس نے "اسٹینڈ بائی ایگریمنٹ" کی شکل اختیار کر لی ہے۔ اس معاہدے کے تحت، نو ماہ کی مدت میں 3.0 بلین ڈالر کی وصولی متوقع ہے، جس سے معیشت کو انتہائی ضروری ریلیف ملے گا اور مختصر سے درمیانی مدت کی مالیاتی ضروریات کو پورا کرنے میں مدد ملے گی۔

* جناب شبیر حمزہ کھنڈ والا کو مؤرخہ 27 جنوری 2023 دائریکٹر تعینات کیا گیا، انکی تقرری جناب محمد یونس ٹبہ صاحب کی وفات سے پیدا ہونے والی اسامی پر کی گئی۔

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 تجزیے کی صلاحیت کا حامل ہونا۔
8۔ کمپنی میں صحت، ماحولیات، ملازمت کے مواقع اور دیگر پالیسیوں کی اصلاح اور نفاذ کے ضمن میں دلچسپی ظاہر کرنا اور عملی طور پر حصہ لینا۔
9۔ کمپنی کو غیر ضروری قانونی مقدمات اور ساکھ کو لاحق رسک کے خلاف کمپنی کی حفاظت کرنا۔

بورڈ کی کارکردگی کی جانچ

مندرجہ بالا معیارات کی بنیاد پر بورڈ کی مجموعی سالانہ کارکردگی اطمینان بخش رہی۔ بورڈ کی مجموعی کارکردگی کے حوالے سے کمپنیز ایکٹ 2017 کے سیکشن 192 کے تحت چیئرمین کی جانب سے پیش کی گئی رپورٹ کو بھی سالانہ رپورٹ کے ساتھ منسلک کیا گیا ہے۔

ڈائریکٹروں کا مشاہرہ

بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹروں اور سینئر مینجمنٹ کے ممبران کے مشاہرے کیلئے ایک پالیسی کی منظوری دی جاچکی 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 ہوسکتی ہے۔
- ڈائریکٹروں کی جانب سے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس میں شرکت کیلئے فیس کا گاہے بگاہے جائزہ لیا جاتا رہے گا اور اسے بورڈ آف ڈائریکٹرز سے باقاعدہ منظور بھی کروایا جائے گا۔
- کسی بھی ڈائریکٹر کو کمپنی کے بورڈ آف ڈائریکٹرز، اس کی کمیٹیوں میں شرکت کے سلسلے میں مشاہرے کی منظوری گاہے بگاہے بورڈ آف ڈائریکٹرز سے لی جاتی ہے۔
- 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 جاتے ہیں خواہ وہ ان اخراجات کو پہلے اپنی جانب سے کر چکا ہو۔

معاوضہ بشمول بورڈ یا بورڈ کی کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز کی فیس، ڈائریکٹرز اور سی ای او کو ادا کیا جاتا ہے، جس کی تفصیلات غیر یکجا فنانشل اسٹیٹمنٹس کے نوٹ 38 میں دی گئی ہیں۔

بورڈ کی کمیٹیاں اور ان کے اجلاس

آڈٹ کمیٹی

آڈٹ کمیٹی۔۔ کل اجلاس 5		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	مسعود کریم شیخ (چیئرمین) آزاد ڈائریکٹر	5
2	محمد سہیل ٹبہ * غیر انتظامی ڈائریکٹر	4
3	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	5
4	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	4
5	خواجہ اقبال حسن آزاد ڈائریکٹر	5
*	شبیر حمزہ کھانڈ والا آزاد ڈائریکٹر	1

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 محمد یونس ٹبہ کے انتقال کے بعد بورڈ نے جناب محمد سہیل ٹبہ کو بورڈ کا چیئرمین مقرر کیا ہے۔ بورڈ کمیٹیوں کی تشکیل نو کے نتیجے میں، جناب محمد سہیل ٹبہ، بورڈ کے چیئرمین ہوتے ہوئے، بورڈ کی آڈٹ کمیٹی کے رکن نہیں ہیں۔ جبکہ جناب شبیر حمزہ کھانڈ والا 27 جنوری 2023 سے بورڈ کی آڈٹ کمیٹی کے رکن بنا دیئے گئے۔

انسانی وسائل واداٸیگیوں کی کمیٹی

انسانی وسائل واداٸیگیوں کی کمیٹی۔۔1 اجلاس		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں شرکت کی تعداد
1	خواجہ اقبال حسن (چیئرمین) آزاد ڈائریکٹر	1
2	محمد علی ٹبہ انتظامی ڈائریکٹر	1
3	محمد سہیل ٹبہ غیر انتظامی ڈائریکٹر	1

ہوئے مرتب کیا جائے تو سماجی ضروریات کو پورا کرنے اور کمیونٹیز کو بااختیار بنانے کے اہداف بھی حاصل ہو جاتے ہیں۔

آپ کی کمپنی اب پائیدار معاشی استحکام کو اپنی کاروباری حکمت عملی سے جوڑ کر دیکھتی ہے۔ہم ایس ڈی جیز کو ایک ایسے موقع کے طور پر دیکھتے ہیں جس میں سب کا فائدہ ہے، جو مستقبل کی نسلوں کے لیے دنیا کو بہتر بنانے اور ہمارے کمپنی کا باوقار اور پائیدار بنانے میں ہمارے وژن کے عین مطابق ہے۔

کوڈ آف کارپوریٹ گورننس

پاکستان اسٹاک ایکسچینج کیجانب سے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) 2019 اور رول بک آف پاکستان اسٹا کا ایکسچینج سے متعلق ذمہ داریوں سے آپکی کمپنی کے ڈائریکٹرز بخوبی آگاہ ہیں۔آپکی کمپنی کی جانب سے کوڈ آف کارپوریٹ گورننس کے اطلاق اور اسکی مکمل پاسداری کیلیئے تمام ضروی 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 برمبنی حصص میں تبدیلی کی نمائندگی کرتی ہیں۔
- کمپنی کی جانب سے محاسبی کے کھاتوں کو باقاعدہ محفوظ رکھا جاتا ہے۔
- بورڈ سے منظوری لئے جانے سے قبل چیف ایگزیکیٹیو اور چیف فنانشل آفیسر کی جانب سے مالیاتی دستاویزات کی باقاعدہ توثیق کی جاچکی تھی۔
- محاسبی کی مناسب پالیسیوں کو مستقل بنیادوں پر مالیاتی دستاویزات کی تیاری میں استعمال کیا جاتا ہے اور محاسبی کے تمام تخمینے قرین قیاس ہیں۔
- مالیاتی دستاویزات بناتے وقت پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کو ممکن بنایا جاتا ہے اور اگر اس سلسلے میں کسی بھی قسم کی کوئی بھی روگردانی کی جائے تو اس کی توضیح وتشریح بیان کردی جاتی ہے۔
- اندرونی کنٹرول کا نظام انتہائی مربوط ہے اور مؤثر انداز سے اس کا نفاذ کرنے کے بعد اس کی مسلسل مانیٹرنگ بھی کی جاتی ہے۔
- اس بات سے کسی شک کی کوئی گنجائش نہیں ہے کمپنی ہمیشگی کی بنیاد پر اپنے کاروبار کو چلارہی 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 جاچکا 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	3
II) دیگر غیر انتظامی ڈائریکٹرز	3
III) انتظامی ڈائریکٹر	1

جناب محمد یونس ٹبہ صاحب کی رحلت کے بعد بورڈ آف ڈائریکٹرز میں تبدیلی

زیر غور مالی سال کے دوران جناب محمد یونس ٹبہ صاحب کی وفات کمپنی کے اسپانسرز اور انتظامیہ کیلیئے ایک بڑا سانحہ تھا۔ آپ یونس برادرز گروپ (YBG) کے بانیان میں سے تھے اور نصف صدی سے زائد عرصے اس گروپ سے وابستہ رہے۔آپ کی رہنمائی اور لیڈرشپ کے تحت وائی بی جی گروپ نے تیزی کے ساتھ ترقی کی منازل طے کیں اور اس گروپ کو ملک کے اندر اور بین الاقوامی سطح پر ایک شناخت حاصل ہوئی۔ یہ گروپ ملک میں سب سے زیادہ متنوع گروپ بن کر ابھرا اور اس نے کئی سنگ میل طے کئے۔ وطن عزیز میں اپنی کاروباری اور سماجی خدمات کے عوض انھیں صدر پاکستان کی جانب سے "ستارہ امتیاز" کے سویلین ایوارڈ سے نوازا گیا۔ گو کہ ہمارے لئے یہ ایک پرملال لمحہ ہے لیکن اسی لمحے ہم اس بات کا عزم بھی کرتے ہیں کہ انہی کے نقش قدم پر چلتے ہوئے ہم انکی اس وراثت کو آگے بڑھائیں گے جس کا خواب انھوں نے پچاس برس قبل یونس برادرز گروپ کے دیگر بانیان کے ساتھ مل کر دیکھا تھا۔

بورڈ کی جانب سے محمد یونس ٹبہ کو ان خدمات کیلیئے خراج تحسین پیش کیا جاتا ہے جن کی بدولت یونس برادرز گروپ اور لکی سمینٹ آج ایک متنوع اور انتہائی اہم بزنس گروپ کے بطور منظر نامے پر موجود ہے۔

جناب محمد یونس ٹبہ کے انتقال پرملال سے پیدا ہونے والے خلاء کو پر کرنے کیلیئے بورڈ آف ڈائریکٹرز کی جانب سے جناب شبیر حمزہ کھانڈ والا کو بطور ڈائریکٹر تعینات کیا گیا ہے۔

بورڈ آف ڈائریکٹرز---7 اجلاس		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	محمد سہیل ٹبہ (چیئرمین) غیر انتظامی ڈائریکٹر	6
2	محمد یونس ٹبہ (مرحوم) غیر انتظامی ڈائریکٹر	2
3	محمد علی ٹبہ انتظامی ڈائریکٹر	7
4	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	7
5	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	5
6	مسعود کریم شیخ آزاد ڈائریکٹر	7
7	خواجہ اقبال حسن آزاد ڈائریکٹر	7
*	شبیر حمزہ کھانڈ والا آزاد ڈائریکٹر	3

وہ ڈائریکٹر جو اپنی مصروفیات کی بنیاد پر ان اجلاسوں میں شرکت نا کر سکے انہیں غیر حاضری کیلیئے رخصت دے دی گئی تھی۔

لکی سیمنٹ لمیٹڈ، دی سٹیزن فاؤنڈیشن کے ساتھ شراکت میں، ہمارے پیزو پلانٹ کے قریب ایک مکمل پرائمری اور سیکنڈری سکول کامیابی سے قائم کر چکا ہے۔ یہ اسکول اب فعال ہے اور 24-2023 تعلیمی سال کے لیے داخلہ لینے والے طلباء کو بھرپور انداز سے معیاری تعلیم فراہم کر رہا ہے۔

اسکالرشپ/ مالی امداد

لکی سیمنٹ لمیٹڈ پاکستان میں مستحق اور ذہین طلباء کو تعلیمی مدد فراہم کرنے والے مختلف نامور اداروں کے ساتھ مل کر کام کر رہا ہے۔ اس کا بنیادی مقصد ہونہار طلباء کی مالی حیثیت سے قطع نظر تعلیم کو ان کیلئے قابل رسائی اور سستا بنانا ہے۔

انسٹی ٹیوٹ آف بزنس مینجمنٹ (IoBM)

لکی سیمنٹ لمیٹڈ نے کریک ہائی سکول اینڈ کریک کالج (IoBM کیمپس) کے ساتھ مستحق اور ذہین طلباء کو وظائف فراہم کرنے کے لیے تعاون جاری رکھا ہوا ہے۔ تسلسل کے ساتھ، لکی سیمنٹ لمیٹڈ IoBM اور کریک ہائی سکول کے ریگولر طلباء کو وظائف فراہم کر رہا ہے۔ مزید برآں، لکی سیمنٹ نے دی سٹیزن فاؤنڈیشن (TCF) اسکولوں سے IoBM کے منتخب کردہ طلباء کے لیے اپنی اسکالرشپ امداد کو برقرار رکھا ہے۔

لاہور یونیورسٹی آف مینجمنٹ سائنسز (LUMS)

لکی سیمنٹ لمیٹڈ نے اپنے نیشنل آؤٹ ریچ پروگرام (NOP) کے ذریعے منتخب طلباء کو اسکالرشپ فراہم کرنے کے لیے لاہور یونیورسٹی آف مینجمنٹ سائنسز (LUMS) کے ساتھ اپنے تعاون کا جاری رکھے ہوئے ہے۔

انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن

لکی سیمنٹ لمیٹڈ نے انسٹی ٹیوٹ آف بزنس ایڈمنسٹریشن (IBA) کے ساتھ بھی شراکت داری کی ہے جس کے تحت آئی بی اے (IBA) سے معیاری تعلیم کے حصول میں ذہین طلباء کو مدد فراہم کی جاتی ہے اور مستحق اور ہونہار طلباء سرپرستی کی جاری ہے۔

پیزو اسکالرشپ پروگرام

لکی سیمنٹ لمیٹڈ نے پاکستان کے نوجوانوں کو بااختیار بنانے کی کوشش میں پیزو اسکالرشپ پروگرام کے ذریعے ضلع لکی مروت کے ذہین طلباء کے لیے اپنے موجودہ قومی اسکالرشپ پروگرام کو وسعت دی ہے۔ اس اقدام کے تحت مستحق طلباء کو انٹرمیڈیٹ، گریجویٹ اور انڈر گریجویٹ پروگراموں کے لیے وظائف دیے جاتے ہیں۔ اس پروگرام کا بنیادی مقصد باصلاحیت طلباء کے لیے خاص طور پر دیہی علاقوں سے تعلق رکھنے والے طلباء کیلئے مالی وسائل سے قطع نظر سستی اور معیاری تعلیم کو قابل رسائی بنانا ہے۔

پیشہ ورانہ تربیت

لکی سیمنٹ لمیٹڈ نے ضلع لکی مروت، پیزو کے نوجوانوں کی پیشہ ورانہ تربیت کے لیے ملک کے معروف پیشہ ورانہ تربیت فراہم کرنے والے ادارے کے ساتھ اپنی شراکت داری جاری رکھی ہے۔ اس پروگرام کا مقصد پسماندہ لیکن قابل اور مستحق مرد اور خواتین طلباء کو کسی بھی رنگ ونسل یا مذہبی امتیاز سے بالاتر ہو کر پیشہ ورانہ تربیت کے مساوی مواقع فراہم کرنا ہے، جس سے وہ روزگار یا چھوٹے کاروبار کی قیام کی جانب گامزن ہو سکیں۔ ہمارے پلانٹ کے آپریشنز میں پچھلے دو بیجز کے طلباء کو بھی روزگار کے مواقع فراہم کیے گئے ہیں۔

جونیئر سی ای او چیلنج

لکی سیمنٹ لمیٹڈ نوجوان طلباء میں تخلیقی صلاحیتوں، قیادت اور کاروباری صلاحیتوں کو فروغ دینے کی اہمیت کو تسلیم کرتا ہے۔ اس وژن کے مطابق، کمپنی نے جونیئر سی ای او چیلنج کو سپانسر کیا، جو ایک انٹر اسکول بزنس آئیڈیا جنریشن مقابلہ ہے۔

صحت کے اقدامات

معاشرے میں معیاری صحت کی سہولیات بہم فراہم کرنا آپ کی کمپنی کی ترجیحات میں شامل ہے، بالخصوص عزیز طبّہ فاؤنڈیشن، ایک ممتاز فلاحی ادارہ جو طبّہ ہارٹ اور طبّہ کڈنی کے ادارے چلا رہا ہے، کے مالی تعاون کے ذریعے اس مشن کو آگے بڑھایا جا رہا ہے۔ یہ ادارے ملک میں دستیاب خصوصی اور جدید طبی نگہداشت کے درمیان فرق کو ختم کرنے میں اہم کردار ادا کر رہے ہیں۔

کمیونٹی ڈیولپمنٹ:

LRBT سالانہ فنڈ ریزنگ گالف ٹورنامنٹ:

لکی سیمنٹ لمیٹڈ صحت اور بہبود سے متعلق اقدامات کیلئے سنجیدگی کے ساتھ اپنی کاوشیں جاری رکھے ہوئے ہے۔ آپ کی کمپنی کیلئے فخر کی بات ہے کہ LRBT کے زیر اہتمام چھٹے سالانہ فنڈ ریزنگ گالف ٹورنامنٹ میں آپکی کمپنی نے بطور ایسوسی ایٹ اسپانسر اپنی خدمات فراہم کیں۔ اس تقریب کا مقصد پاکستان بھر میں نابینا افراد کے نابینا پن کے علاج کے لیے فنڈز اکٹھا کرنا تھا۔

فلڈ ریلیف پروگرام

لکی سیمنٹ لمیٹڈ نے تباہ کن سیلاب کے دوران سب سے زیادہ متاثرہ علاقوں کی مدد کی اور متاثرین کی فوری ضروریات کو پورا کرنے کے لیے فعال کردار ادا کیا۔ آپ کی کمپنی کی جانب سے سیلاب زدگان کو ضروری امداد، پناہ گاہ، طبی کٹس، کپڑے، اور غذائی اشیاء فراہم کی گئی ہیں۔

معذور افراد کی مدد کرنا:

لکی سیمنٹ لمیٹڈ کی جانب سے مختلف شراکتوں کے ذریعے سماجی تبدیلی اور سب کو ساتھ لے کر چلنے کیلئے اقدامات اٹھائے جا رہے ہیں۔ آپ کی کمپنی نے 'پاور آف سپورٹس' کے ذریعے ہمدردی اور رواداری کو فروغ دینے اور ذہنی طور پر معذور افراد کی زندگیوں کو تبدیل کرنے کے مشن کی حمایت میں خطیر عطیات دیئے ہیں۔ مزید برآں، آپ کی کمپنی نے بصارت سے محروم خواتین کھلاڑیوں کو بااختیار بنانے کے لیے "نیشنل بلائنڈ ویمن اسپورٹس 2022" کو بھی سپانسر کیا۔ لکی سیمنٹ لمیٹڈ کا مقصد مثبت تبدیلی پیدا کرنا، شمولیت کو فروغ دینا، اور کمیونٹی میں متنوع افراد کی زندگیوں کو بہتر بنانے کے لیے کھیلوں کے ذریعے صلاحیتوں کو فروغ دینا ہے۔

ماحولیاتی تحفظ

ماحولیات سے متعلق آپ کی کمپنی ہمیشہ سنجیدگی کے ساتھ ذمہ داری کا مظاہرہ کرتی آئی ہے۔ آپ کی کمپنی نے ماحولیات سے متعلق اقدامات کو جاری رکھا جس میں ساحل سمندر کی صفائی کی مہم اور اپنی مینوفیکچرنگ سائٹس کے اردگرد درخت لگانے کی مہم شامل ہے۔

اقوام متحدہ کے پائیدار ترقی کے اہداف 2030 کے لیے تعاون

اقوام متحدہ کے پائیدار ترقی کے اہداف کی حمایت میں، آپ کی کمپنی نے اقوام متحدہ کے 2030 ایجنڈے کو فروغ دینے کی غرض سے مختلف پائیدار منصوبوں کو نا صرف شروع کیا ہے بلکہ ان کے فروغ کیلئے بھی اقدامات اٹھائے ہیں۔ ایس ڈی جی کے امتزاج نے ہمیں معاشرے میں درپیش چیلنجوں کو پائیدار ترقی اور کاروباری ردعمل کے طور پر دیکھنا سکھایا ہے۔ کاروبار سے متعلق حکمت عملیوں کو اگر دیرپا معاشی استحکام کو مدنظر رکھتے

رسک مینجمنٹ ایک ایسا عمل ہے جسے ہمہ وقت جاری رکھنے کی ضرورت 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 ست 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 ہو سکتے 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۔

افراط زر میں بلندی کا رجحان، شرح مبادلہ میں کمی اور قدرتی وسائل کی محدود دستیابی کے ساتھ کوئلہ اور دیگر ایندھن جیسے اہم خام مال کی قیمتوں میں مسلسل اضافہ پیداواری لاگت میں اضافے کا باعث بنتا ہے، جس کی مسلسل نگرانی کی جاتی ہے اور اسے بطور رسک 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 تا کہ کمپنی کی فروخت اور پیداوار کا عمل بڑے مسائل کی صورت میں بھی بلاتعطل 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 زر مبادلہ میں اتار چڑھاؤ سے جذوی طور پر محفوظ رہتی ہے اور مالیاتی رسک کم ہو جاتا ہے۔ سخت مالیاتی نظم وضبط، نقد رقوم کی ترسیل کے مناسب بندوبست اور غیر ملکی کرنسی کی پاکستانی کرنسی کے مقابلے میں برابری کمپنی کی نگرانی سے مناسب حکمت عملیوں کی نشاندہی ہوتی ہے جس سے اندرونی اور پروجیکٹ سے متعلق سرمایہ کاری سے وابستہ خطرات کو کم کرنے میں مدد ملتی ہے۔

غیر یقینی صورتحال اور غیر ملکی کرنسی کے اتار چڑھاو، شرح سود اور اشیاء کی اونچی قیمتوں سے پیدا ہونے والے رسک کو کم کرنے کے لیے آپ کی کمپنی نے سخت پالیسیاں وضع کی ہیں اور ان پر عمل درآمد کیا ہے۔ ان پالیسیوں کا وقتاً فوقتاً جائزہ لیا جاتا ہے اور مالیاتی مارکیٹ کے بہترین طریقوں اور ضوابط کے ساتھ مسلسل ہم آہنگ ہوتے ہیں۔

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

تعلیم

تعلیم ایک ایسے پائیدار معاشرے کے قیام میں اہم کردار ادا کرتی ہے جو غربت کے مسائل سے مؤثر طریقے سے نمٹنے کے قابل ہوتا ہے۔ انسانی سوسائل پر سرمایہ کاری کر کے، ہم اہم سماجی تبدیلیوں کو فروغ سکتے ہیں اور ترقی پذیر ممالک کے افراد کے لیے اپنی حقیقی صلاحیتوں کو اجاگر کرنے کے مواقع فراہم کئے جا سکتے ہیں، جو کہ آنے والی نسلوں کے رہنما بن کر ابھرتے ہیں۔ لکی سیمنٹ لمیٹڈ کی توجہ اس جانب مبذول ہے کہ ملک میں تعلیمی معیار کو بلند کیا جائے، بذریعہ تعلیم پائیدار معاشرے کا قیام عمل میں لایا جائے جس کے باعث کمیونٹیز اور ماحولیات پر دیرپا مثبت اثرات مرتب ہوں۔

خواتین کی خودمختاری

پاکستان میں خواتین کو باختیار 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۔

پرائمری تعلیم

آپ کی کمپنی پاکستان میں پرائمری تعلیم کے معیار کو بڑھانے اور معاشرے میں بنیادی سطح سے مثبت تبدیلیاں لانے ک کے لیے پرعزم ہے۔ اس سلسلے میں لکی سیمنٹ لمیٹڈ نے شاہد آفریدی فاؤنڈیشن (SAF) کے ساتھ اپنی شراکت داری جاری رکھی ہے اور کراچی کے ایک دور افتادہ کم مراعات یافتہ علاقے میں ایک اسکول کو اپنایا ہے۔

مزید برآں، لکی سیمنٹ لمیٹڈ نے کنڈل شاہی، نیلم ویلی، آزاد جموں کشمیر (AJK) کے ایک پرائمری اسکول میں بنیادی تعلیمی نظام کو بہتر بنانے اور ترقی دینے کے منصوبے میں ملین سمائلز فاؤنڈیشن (MSF) کی امداد بھی کی ہے۔

زیرِنظر مالی سال کے دوران کمپنی کی جانب سے 18.7 ارب روپے کیپٹل سرمایہ کی مد میں، 5.2 ارب روپے کمپنی کی جانب سے اپنے ہی حصص خریدنے کیلئے مختص کئے گئے تا کہ انھیں منسوخ کیا جائے، اور 1.0 ارب روپے انکم ٹیکس کی ادائیگی کی مد میں خرچ کئے گئے۔

سرمائے کی ساخت اور مالیاتی پوزیشن

گو کہ آپ کی کمپنی بنیادی طور ایکیوٹی پر قائم ہے لیکن اس نے کیلئے اسٹیٹ بینک آف پاکستان کی جانب سے مختلف فنانسنگ اسکیموں (TERF/LTFF) سے فائدہ اٹھایا گیا اور اس طرح کمپنی نے طویل المیعاد تمویل کی ضروریات کو بطور احسن پورا کیا۔ آپ کی کمپنی کی اندرونی ذرائع سے نقدو فوم حاصل کرنے کی صلاحیت اس کی سب سے بڑی طاقت ہے اس سے 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 7% اضافہ ہوا ہے جس کے بعد ہمارے ذخائر 134.2 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۔

بندوبست برائے تمویل

آپ کی کمپنی اسٹیٹ بینک آف پاکستان کی مختلف قرضوں کی سہولیات سے فائدہ اٹھانے کے قابل تھی، جس کی رقم 1.0 بلین روپے تھی۔ آپ کی کمپنی نے غیر معمولی برآمدی نمو کی حوصلہ افزائی کے لیے مختلف بینکوں سے تقریباً 4.9 بلین روپے (2022:1.0 بلین روپے) کی اسلامک ایکسپورٹ ری فنانس سہولیات حاصل کیں۔ یہ اسلامی مالیاتی سہولیات بنیادی طور پر کمپنی کے پلانٹ اور مشینری، ذخائر، اسٹورز اور اسپئیرز کو بطور ضمانت رکھ کر حاصل کی جاتی ہیں۔

کریڈٹ ریٹنگ

زیرِنظر مالی سال کے دوران وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے درمیان اور طویل المیعاد قرضوں کے سلسلے میں AA+ (ڈبل اے پلس) اور قلیل المیعاد قرضوں کے سلسلے میں A-1+ (اے ون پلس) کی ریٹنگ کمپنی کو دی گئی ہے۔ درمیانی سے طویل المیعاد قرضوں کے سلسلے میں دی گئی ریٹنگ سے کریڈٹ کے اعلی معیار اور زبردست حفاظتی اقدامات کا اظہار ہوتا ہے۔ نیز قلیل المیعاد قرضوں کی ریٹنگ A-1+ 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 اعلی کریڈٹ ریٹنگ اس بات کی غماز ہے کمپنی قرضوں کی واپسی کے سلسلے میں بہت اچھی ساکھ کی حامل ہے اور یہ کہ اپنی مالی ذمہ داریوں سے نمٹنے کیلئے 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۔ ایل 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 تا کہ حصص داران کی سرمایہ کاری کی قدر میں اضافہ کیا جا سکے۔ جیسا کہ ختم ہونے والا مالی سالمعاشی چیلنجوں سے دوچار تھا، کمپنی کے تمام ذیلی اداروں کی جانب سے خاطر خواہ لچک کا مظاہرہ کیا گیا، اپنے کاروباری افعال کو نہایت مستعدی کے ساتھ چلایا گیا اور سخت مالی نظم وضبط کا اہتمام کیا گیا۔ 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	18.14%	20.72%	15.04%	149.93	32.67
پولیسٹر	10.29%	7.97%	6.98%	18.33	16.62
سوڈا ایش	65.24%	21.04%	15.98%	50.44	11.61
فارما	3.08%	23.29%	8.03%	9.72	5.53
لائف سائنسز اینڈ کیمکلز	26.03%	23.44%	12.11%	21.51	4.27
آٹوموبائلز وموبائل فونز اسمبلنگ	-34.00%	9.61%	8.44%	52.58	17.23
پاور جنریشن	190.89%	33.88%	33.50%	215.84	23.19
دیگر	-52.69%	23.58%	14.16%	2.12	11.02

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 یہ ذمہ دار 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 ہو سکتا 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 سینئیر مینجمنٹ کے علم میں لایا جاتا ہے تا کہ معمول کے کاروباری افعال کو متاثر کئے بغیر ان کے بارے یں فوری ایکشن لیا جا سکے۔

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 انٹر پرائز رسک مینجمنٹ فریم ورک کام کر رہا ہے جسے کمپنی کی تنظیم کے ساتھ مربوط کیا گیا ہے تا کہ اس بات کو یقینی بنایا جا سکے کہ کسی بھی ممکنہ رسک کے پنپنے سے پہلے ہی اس کی نشاندہی، اس کی حساسیت اور جانچ کو ممکن بنایا جا سکے۔ تمام نشان زدہ رسک کو ان کے اثرات اور ان کے واقع ہونے کے امکانات کے حساب سے ترجیحاً دیکھا جاتا ہے تا کہ ان کے خلاف ممکنہ تادیبی اقدامات اٹھائے جا سکیں۔

ادارے کا کلچر

ہم اس بات پر یقین رکھتے ہیں کہ تنوع اور شمولیت جدت طرازی کو فروغ دینے، فیصلہ سازی کو مؤثر بنانے اور ایک ہم آہنگ ماحول کار کو فروغ دینے کے لیے بہت ضروری ہیں۔ انسانی وسائل کو بروئے کار لانے کیلئے ہمارے اقدامات ایک متنوع اور جامع ثقافت کو فروغ دینے کی جانب مؤثر قدم ہیں جہاں مختلف پس منظر، تجربات، اور نقطہ نظر کے حامل ملازمین خود کو گرانقدر اور سراہتا ہوا محسوس کرتے ہیں۔

لکی سیمنٹ لمیٹڈ میں، ہم ایک مثبت اور جامع ورکنگ کلچر کو فروغ دینے کے لیے پرعزم ہیں جو ہماری بنیادی اقدار اور ضابطہ اخلاق کے مطابق ہو۔ جدت طرازی، صارفین کی خدمت، بہترین صلاحیتوں کا فروغ، اور دیانت داری جیسی اقدار کو ہماری ثقافت کی بنیاد ہیں۔ اعلی اقدار پر مبنی ثقافت کو فروغ دینے سے، ہم اپنی افرادی قوت کو با اختیار بناتے ہیں، پیداواری صلاحیت کو بڑھاتے ہیں، اور جدت طرازی کو فروغ دیتے ہیں، اور اپنے تنظیمی ڈھانچے کو مضبوط بناتے ہیں۔ مزید برآں، ہم اپنے ملازمین کی فلاح و بہبود، ترقی، نمو اور مشغولیت کو ترجیحات میں شامل کرتے ہوئے ایک جامع منصوبے پر عمل پیرا رہتے ہیں۔

اپنے ملازمین کی قدر اور شناخت کو تقویت پہنچانے کے لیے مختلف مجالس کے ذریعے اپنی افرادی قوت کے ساتھ جڑنے کی مسلسل کوشش کرتے ہیں۔ یہ مجالس ملازمین کو اپنے کام سے منقطع ہونے اور ایک دوسرے کے ساتھ بامعنی روابط کو فروغ دینے کے قیمتی مواقع فراہم کرتے ہیں۔ کمیونٹی کے احساس کو پروان چڑھانے اور کھلے ذہن کے ساتھ تبادلہ خیال کو فروغ دے کر، ہم تعاون اور ٹیم ورک کو بڑھاتے ہیں، ایک ایسی ثقافت کو فروغ دیتے ہیں جہاں ہر فرد اپنی قدر اور حمایت محسوس کرتا ہو۔

لکی سیمنٹ لمیٹڈ کو افرادی قوت میں تنوع کی اہمیت کا مکمل ادراک ہے۔ ہم متنوع افرادی قوت کی طاقت کا ادراک کرتے ہوئے اور با مقصد طریقے سے شمولیت کو فروغ دے کر ایک اعلیٰ کارکردگی کا مظاہرہ کرنے والے ٹیلنٹ پول کو تیار کرنے کا ماحول پیدا کرتے ہیں۔ دوران سال متعارف کرائے گئے متعدد اقدامات اور تربیتی مجالس کے ذریعے، ملازمین کو اپنی اعلیٰ ترین صلاحیت کے مطابق کارکردگی کا مظاہرہ کرنے کا اختیار دیتے ہیں۔ متنوع نقطہ نظر، پس منظر اور تجربات کو اپناتے ہوئے، ہم جدت، تخلیقی صلاحیتوں اور موافقت کو فروغ دیتے ہیں، ایسی موافقت ہمیں متحرک کاروباری ماحول میں ترقی کی منازل طے کرنے کے قابل بناتی ہے۔ ہماری ترقی کے ساتھ ساتھ، لکی سیمنٹ لمیٹڈ ہمارے تنظیمی کلچر کو مسلسل بہتر بنانے کے اپنے عزم میں ثابت قدم ہے۔

ملازمین کی دلجمعی و بہبود

لکی سیمنٹ لمیٹڈ میں، ہم سمجھتے ہیں کہ دلجمعی کے ساتھ کام کرنے والے اور مطمئن ملازمین ہی ہماری کامیابی کی بنیاد ہیں۔ ہم ایک جامع اور تعاون پر مبنی کام کا ماحول بنانے پر بہت زور دیتے ہیں جو تعاون، تخلیقی صلاحیتوں اور افراد کی ترقی کی حوصلہ افزائی کرتا ہے۔ ملازمین کی کاوشوں کو تسلیم کرنے، ٹیمیں بنانے ، اور شفاف مواصلاتی چینلز قائم کرنے جیسے مختلف اقدامات کے ذریعے، ہم اپنی افرادی قوت کے درمیان تعلق پیدا کرتے ہیں اور ایسا محول بنایا جاتا ہے کہ انھیں یہاں کی افرادی قوت میں شمار ہونے پر فخر کا احساس ہو۔

صلاحیتوں کو پروان چڑھانا

ہم اپنے ملازمین کی قابلیت اور مہارتوں کی مسلسل ترقی پر پختہ یقین رکھتے ہیں۔ ہمارے محکمہ انسانی وسائل نے ہمہ وقت سیکھنے اور ترقی کے پروگرام وضع کر رکھے ہیں جو ہماری افرادی قوت کو ان کے متعلقہ کرداروں میں آگے سے آگے بڑھنے کے سلسلے میں ضروری آلات اور علم سے آراستہ کرتے ہیں۔ مقررہ اہداف پر مبنی تربیتی اقدامات، رہنمائی کیلئے ترتیب شدہ پروگراموں، اور بین الشعبہ جاتی مہارتوں کے ذریعے، ہم اپنے ملازمین کو اپنی مہارتوں کو وسیع کرنے، اختراعی ذہن پیدا کرنے، اور خود کو نت نئے صنعتی رجحانات کے مطابق ڈھالنے کے قابل بنانے کیلئے مواقع فراہم کرتے ہیں۔ ہم صلاحیتوں کی نشوونما کیلئے سرمایہ کاری کر کے مسلسل سیکھنے کے کلچر کو فروغ دیتے ہیں اور سیمنٹ انڈسٹری کو گاہے بگاہے پیش آنے والی ضروریات کو پورا کرنے کے لیے اپنی افرادی قوت کو ان مسائل سے نبرد آزما ہونے کے قابل بناتے ہیں۔ ہماری جانب سے پیشہ ورانہ ترقی کے لیے جاری پروگراموں کی بدولت ہماری افرادی قوت کو اس قابل بناتے ہیں کہ آئندہ پیش آنے والے صنعتی مسائل کو بھانپ لیتے ہی اور مسلسل سیکھنے اور اختراع کے کلچر کو فروغ دیتے ہیں۔

لکی سیمنٹ لمیٹڈ میں، ہم اپنی افرادی قوت کی ترقی کے لیے ہمہ وقت پرعزم ہیں۔ سیکھنا اور آگے بڑھنا ہماری تنظیمی ثقافت کے لیے لازم و ملزوم ہیں اور ہم اہلیت اور ضرورت کے مابین خلیج کو پر کرنے اور صلاحیتوں کو پروان چڑھانے کے لیے مسلسل سرمایہ کاری کرتے ہیں۔ ضرورت اور اہلیت میں خلیج جیسے پروگراموں کی رہنمائی میں، ہم نے ایک جامع تربیتی منصوبہ تیار کیا ہے اور جس اندرون خانہ اور بیرونی پروگراموں کے ذریعے روبہ عمل ہوا جاتا ہے اور ان پروگراموں کے تحت تمام مقامات پر عملے کی مختلف سطحوں پر درکار مہارتوں کو پروان چڑھایا جاتا ہے خواہ ان کا تعلق انسانی تعلقات سے ہو یا فنون اور مہارتوں سے۔

اس بات کو یقینی بنانے کے لیے کہ ہمارے ملازمین کو بہترین تربیتی وسائل تک رسائی حاصل رہے، ہماری جانب سے اندرونی اور بیرونی تربیت کاروں کی خدمات حاصل کی جاتی ہیں جو مقامی اور بین الاقوامی تربیتی مواد میں مہارت رکھتے ہیں۔ اس تعاون نے ہمیں موزوں پروگرام فراہم کرنے اور اپنے ملازمین کو ان کے متعلقہ کرداروں میں بہترین کارکردگی دکھانے کے لیے ضروری مہارتوں اور علم سے آراستہ کرنے کے قابل بنایا ہے، جو انفرادی ترقی اور مجموعی تنظیمی کامیابی میں حصہ ڈالتے ہیں۔

لیڈرشپ کو پروان چڑھانے اور جانشینی کا منصوبہ

لکی سیمنٹ لمیٹڈ میں، ہم سمجھتے ہیں کہ طویل المیعاد کامیابی کے لیے مضبوط قیادت ضروری ہے۔ ہم اپنی تنظیم کے اندر قائدانہ صلاحیتوں کی شناخت کرنے اور اسے پروان چڑھانے اپنا کردار ادا کرتے ہیں۔ ہماری جانب سے مستقبل کے لیڈرشپ کو تیار کرنے کے لیے اہداف پر مبنی ترقیاتی پروگرام مرتب کئے گئے ہیں جن کے تحت رہنمائی فراہم کرنے کے ساتھ ساتھ جانشینی کی منصوبہ بندی کے اقدامات بھی اٹھائے جاتے ہیں اور ہمیں ایسے لیڈر دستیاب ہوتے ہیں جو ہمہ وقت بدلتی ہوئی مارکیٹ کے تناظر میں ہماری کمپنی کو آگے بڑھانے کی صلاحیت رکھتے ہیں۔ اپنے ملازمین کی ترقی کے ضمن میں سرمایہ کاری کے ذریعے اور قیادت کے کلچر کو فروغ دے کر، ہم ٹیلنٹ کی ایک مضبوط وراثت کو یقینی بناتے ہیں جو ہمارے اسٹریٹجک مقاصد کو آگے بڑھا سکتی ہے اور ہماری مسابقتی برتری کو برقرار رکھ سکتی ہے۔

مالیاتی نظام

کمپنی کی غیر مربوط بیلنس شیٹ بتاریخ 30 جون 2023 ٹھوس اثاثوں کی بنیاد پر 213.1 ارب روپے ہے (185.0 ارب روپے بمطابق 2022)، کرنٹ ریشو 1.29 (1.48 بمطابق 2022) اور کوئیک ریشو 0.85 (0.87 بمطابق 2022) ہیں۔

حکمت عملی برائے ترسیل نقد رقوم

آپکی کمپنی کی جانب سے نقد رقوم کی ترسیل کیلئے ایک مؤثر اور جامع نظام نافذ العمل ہے جس کے تحت نقد رقوم 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۔

- آئی ٹی سسٹم انفرااسٹرکچر/خودکاریت کا فروغ۔

دوران سال رواں انتظامیہ نے مزکورہ 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 و نما

مارکیٹ میں حصہ:

ختم ہونے والے مالی سال 2022-23 کے دوران معاشی اور سیاسی عدم استحکام کی صورتحال کے باوجود آپ کی کمپنی مارکیٹ میں اپنا حصہ 16.5% تک برقرار رکھنے میں کامیاب رہی اور اس طرح پاکستان کی سیمنٹ انڈسٹری میں اسکی لیڈرشپ کا مقام اپنی جگہ قائم و دائم رہا۔

کم از کم پیداواری لاگت:

آپ کی کمپنی نے مالی سال 2022-23 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 2022-23 کے دوران حجم برائے فروختگی میں 18.8% کی کمی واقع ہوئی ہے۔ اس کی بنیادی وجہ سیمنٹ کی کم طلب کی وجہ سے کمپنی کی مقامی فروخت میں 14.9% کمی تھی۔ دریں اثنا، کمپنی کی برآمدی فروخت کے حجم میں 34.7% کی کمی درج کی گئی ہے جس کی بنیادی وجہ کمپنی کی برآمدی منڈیوں میں معاشی مسائل کے ساتھ بڑھتے ہوئے شپنگ فریٹ اخراجات اور خام مال کی بڑھتی ہوئی لاگت ہے۔

پیداواری لاگت میں کمی کیلئے اقدامات:

آپ کی کمپنی کی جانب سے کم قیمت مقامی طور پر دستیاب کوئلے کے استعمال میں اضافہ کیا گیا ہے تا کہ اس سے زیادہ سے زیادہ فائدہ اٹھایا جائے۔ مزید برآں، ایک نئی سیمنٹ لائن کا اضافہ نظام کے اندر آپریشنل افادیت کو بڑھاتا ہے۔ کمپنی نے اپنے پیزو پلانٹ میں 34 میگاواٹ کے سولر پاور پروجیکٹ کے منصوبے کو بھی مکمل کیا۔ مزید یہ کہ 25 میگاواٹ کا ایک اور سولر پروجیکٹ اس وقت کراچی پلانٹ میں بھی جاری ہے۔ اس کے نتیجے میں سستی اور پائیدار توانائی کے استعمال میں اضافہ ہوگا، جو کہ لکی سیمنٹ لمیٹڈ کے کاربن سے پاک فضاء کے اہداف میں اپنا حصہ ڈالے گا۔

کارپوریٹ اور برانڈ کی ساکھ

زیرنظر 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 زیرنظر مالی سال کے دوران کمپنی نے حاصل کئے:

- سینتیسویں (37th) ایم اے پی سالانہ کارپوریٹ ایکسیلینس ایوارڈ کی تقریب کے موقع پر مینجمنٹ ایسوسی ایشن آف پاکستان کارپوریٹ ایکسیلینس ایوارڈ برائے سیمنٹ سیکٹر کیٹگری حاصل کیا۔
- "بیسٹ انویسٹر ریلیشنز 2012/22 -- لسٹڈ کمپنیز بموقع 19th سالانہ حسن کارکردگی ایوراڈز، منتظمہ سی ایف اے سوسائٹی۔
- رنراپ پوزیشن برائے ای ایس جی رپورٹنگ ایوارڈ 2021 بموقع 19th سالانہ حسن کارکردگی ایوارڈ منتظمہ سی ایف اے سوسائٹی۔
- جوائنٹ سیکنڈ پوزیشن برائے بہترین کارپوریٹ رپورٹ ایوارڈ بابت سیمنٹ کیٹگری بموقع "بیسٹ کارپوریٹ اینڈ سسٹین ایبلٹی رپورٹ ایوارڈ 2021" اس ایوارڈ کے سلسلے میں انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس (ICAP) اور انسٹیٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP) کی جانب سے مشترکہ اعلان کیا گیا۔
- انوائرنمنٹ ایکسلینس ایوارڈ بموقع 19th اینول انوائرنمنٹ ایکسلینس ایوارڈز 2022، منتظمہ نیشنل فورم آف انوائرنمنٹ اینڈ ہیلتھ (NFEH)۔
- کارپوریٹ سوشل ریسپانسبلٹی ایوارڈ بابت گرین انرجی اقدامات بموقع 15th کارپوریٹ سوشل ریسپانسبلٹی ایوارڈز 2023 منتظمہ نیشنل فورم آف انوائرنمنٹ اینڈ ہیلتھ (NFEH)۔
- انوائرنمنٹ، ہیلتھ اینڈ سیفٹی ایوارڈ بموقع 8th انٹرنیشنل ایوارڈ آن انوائرنمنٹ، ہیلتھ اینڈ سیفٹی منتظمہ دی پروفیشنلز نیٹ ورک (TPN)۔

ترقی برائے انسانی وسائل

سیمنٹ سیکٹر میں سب سے بڑی کمپنی ہونے کے ناطے، لکی سیمنٹ اس بات پر یقین رکھتی ہے کہ سیمنٹ انڈسٹری میں بنیادی طور پر ہماری طاقت اور صلاحیتوں اصل سرچشمہ ہماری افرادی قوت ہی ہے۔ ہمارے انسانی وسائل ہی بنیادی طور پر ہمیں انتہائی مؤثر، مخلص اور خودمختار افرادی قوت فراہم کرتے ہیں جن کے بل بوتے پر ہم مسائل سے بنرد آزما ہوتے ہیں، دیرپا ترقی کا حصول ممکن ہوتا ہے اور اپنے شراکت داروں کو مستقل بنیادوں پر گرانقدر خدمات فراہم کرتے ہیں۔

خودمختار ماحول کار کی جانب اقدامات

انسانی وسائل سے متعلق ہمارے فلسفے کا مرکز ایک بااختیار کام کے ماحول کی تخلیق ہے جو ملازمین کی صلاحیتوں کو فروغ دے اور ان کی صلاحیتوں کو بھرپور انداز سے اجاگر کرے۔ ہم اپنے ملازمین کو پیشہ ورانہ ترقی کے لیے اہم مواقع فراہم کرنے کے لیے پرعزم ہیں، یہ تسلیم کرتے ہوئے کہ ان کا علم، مہارت اور لگن ہماری تنظیمی کامیابی کو آگے بڑھانے میں اہم کردار ادا کرتی ہے۔ سٹریٹجک ٹیلنٹ کے حصول اور انتظام اور جانشینی کی منصوبہ بندی کے ذریعے، ہم قابل قائدانہ صلاحیتیں رکھنے والے افراد کے تسلسل کو یقینی بناتے ہیں جو بدلتے ہوئے کاروباری منظرنامے کو لے کر آگے بڑھ سکتے ہیں۔

بہترین ٹیلنٹ کو راغب کرنا

ایک ایسی صنعت میں جہاں ٹیلنٹ کامیابی کی کلید ہے، ہماری انسانی وسائل کی ٹیم بہترین پیشہ ور افراد کو راغب کرنے اور انہیں برقرار رکھنے میں انتھک محنت کر رہی ہے۔ اسٹریٹجک بھرتیوں کے ذریعے، ہم نے ایسے افراد کی تلاش کی ہے جو ہماری بنیادی اقدار کو اپنی شناخت بنانے کا جذبہ رکھتے ہوں اور ہماری کمپنی کو آگے بڑھانے کے لیے ضروری مہارتوں اور فنون کے حامل ہوں۔

لازمی علم، وسائل، آلات اور معاونت نئے ملازمین کو فراہم کر کے، ہم انہیں اس قابل بنانے کیلئے کوشاں ہیں کہ وہ اپنے کردار کے مطابق خود کو تیزی کے ساتھ ڈھال سکیں اور آغاز کے دنوں ہی سے اپنا مؤثر کردار ادا کریں۔ سب کو ساتھ لے کر چلنے کا ہمارا کلچر باہمی تعلق اور مقصد کے احساس کو فروغ دینے کے لیے ڈیزائن کیا گیا ہے، جس سے ملازمین کو ہماری تنظیمی ثقافت اور اہداف کے ساتھ ہم آہنگ ہونے کا موقع ملتا ہے۔

برآں، آپ کی کمپنی کی جانب سے زیرِ نظر مالی سال کے دوران سیمنٹ کی برآمدات کے ذریعے سے وطن عزیز کیلئے تقریباً 55.17 ملین ڈالر کا قیمتی زرمبادلہ بھی حاصل کیا گیا 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 نا صرف سائٹ پر ان آپریشنز میں مشغول افراد کیلئے اعلیٰ معیار کی صحت اور حفاظت پالیسی پر سختی کے ساتھ عمل کیا جاتا ہے بلکہ جس معاشرے میں ان افعال کو سرانجام دیا جا رہا 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 جہدِ مسلسل کو اپنا شعار بنائے، ایک جامع مواصلاتی نظام وضع کیا گیا ہے۔ جس کے تحت یومیہ، ہفتہ وار اور ماہانہ جائزے لئے جاتے ہیں اور 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 و حفاظت کے ضمن میں اقدامات اٹھائے جاتے ہیں۔

زیرو لاس ورک انجری

ختم ہونے والے مالی سال کے دوران کسی بھی قسم کا کوئی قابل ذکر حادثہ پیش نہیں آیا۔ 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 اور ان اقدامات کی وجہ سے کام کرنے کا محفوظ ماحول پیدا ہوا 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 72% کم کی سطح پر رکھا جاتا ہے اور اس ہدف کے حصول کو 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۔ لکی سیمنٹ کے پلانٹ ذرات کے اخراج کو کنٹرول کرنے کے لیے نئے اور زیادہ جدید بیگ ہاؤسز سے لیس ہیں۔ بیگ ہاؤس کی کارکردگی 99.95% ہے اور ماحولیاتی تحفظ کی کارکردگی 99% ہے۔ پلانٹس کے اندر اور آس پاس درخت لگانے کی مہم ہمارے پائیدار ماحول دوست طریقوں میں سب سے زیادہ اہمیت حاصل ہے۔

ویسٹ ہیٹ ریکوری (ڈبلیو ایچ آر) پلانٹس

آپ کی کمپنی کی جانب سے بھرپور کوشش کی جاتی ہے 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 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 سے گزر کر آج مضبوط بنیادوں پر قائم ہے۔ آپ کی کمپنی متنوع پورٹ فولیو ہمیشہ توسیعی آپریشنز اور مثالی حکمت عملی نے اس کی بنیادوں کو نہ صرف بڑے سیمنٹ مینوفیکچرر کے طور پر، بلکہ پاکستان میں سب سے زیادہ خوشحال تنظیم کے طور پر بھی مضبوط کیا 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۔ 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۔

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 نا 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 و جاں 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 آپ کی کمپنی نے ادارے کے طول عرض میں تمام اعلیٰ و ادنیٰ ملازمین کو شامل کرتے ہوئے ہر کام کے سرانجام دینے کیلئے SOPs (کام سرانجام دینے کے معیارات) اور KPIs (کارکردگی کو جانچنے کے پیمانے) مقرر 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 حالیہ سیلاب کے دوران 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 و اہداف کے حصول کو ممکن بنانے کیلئے کمپنی کی جانب سے کارکردگی کو جانچنے کے معیارات و علامتیں مقرر کی گئی ہیں۔ ان معیارات کو کمپنی کے ہر شعبے اور طول عرض میں ''لکی سیمنٹ لمیٹڈ کے 5 اہداف'' کے نام سے فراہم کیا جا چکا ہے۔ ان معیارات کی وجہ سے اپنے مستقبل کی حکمت عملی طے کرنے میں بھی مدد ملتی ہے۔

- مقامی اور برآمدی مارکیٹوں میں مستقل اور منافع بخش نشوونما کو ممکن بنانا اور پیداواری لاگت کو کم از کم کرنا۔
- تنظیمی ڈھانچہ اور ٹیلنٹ مینجمنٹ
- ماحولیات، معاشرہ اور گورننس (ای ایس جی)۔
- مصنوعات کے پورٹ فولیو میں تنوع پیدا کرنا۔

آمدن فی حصص

آپ کی کمپنی کی آمدن فی حصص مالی سال2023 کے اختتام پر43.06روپے فی حصص رہی، جبکہ گزشتہ مالی سال کے اختتام پر آمدن فی حصص47.31روپے درج کی گئی تھی۔

توسیع وترقی

براؤن فیلڈ سیمنٹ پلانٹ توسیعی منصوبہ بمقام پیزو

دوران سال22دسمبر2022 کو بمقام پیزو، خیبر پختونخواہ آپ کی کمپنی کی جانب سے3.15ملین ٹن سالانہ کی ایک اضافی سیمنٹ لائن نے کام شروع کیا ہے۔ اس نئی لائن کے اضافے کے بعد اب آپ کی کمپنی کی مجموعی پیداواری صلاحیت15.30ملین ٹن سالانہ تک پہنچ چکی ہے۔ اس اضافے کے بعد آپ کی کمپنی کو پاکستان میں سب سے بڑے سیمنٹ ساز ادارے ہونے کے اعزاز کو مزید تقویت ملی ہے۔

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 کمپنی کی جانب سے قابل تجدید توانائی پلانٹس لگانے کا سلسلہ ہے۔ کمپنی کی جانب سے پیزو پلانٹ پر 29دسمبر2022 کو 34میگاواٹ کے سولر پاور پروجیکٹ کا آغاز کیا گیا۔

کراچی پلانٹ کیلئے بھی25میگاواٹ کے ایک قابل تجدید سولر پاور پروجیکٹ زیر تکمیل ہے۔ ضروری آلات و اشیاء کے حصول کیلئے کاروائی مکمل کی جا چکی ہے۔ کمپنی کی انتظامیہ اس بات سے پر امید ہے کہ مالی سال2024 کی پہلی سہ ماہی میں یہ پروجیکٹ مکمل کرلیا جائے گا۔

کمپنی کی جانب سے قابل تجدید توانائی پروجیکٹس میں کی جانے والی سرمایہ کاری کے نتائج لاگت برائے پیداوار میں کمی کے نتیجے میں برآمد ہونگے اور دوسری جانب وطن عزیز کا درآمد شدہ ایندھن پر انحصار بھی کم ہوگا۔

کلنکر پیداواری توسیعی منصوبہ بمقام ساوہ عراق --1.82ملین ٹن سالانہ

عراق میں معاشی سرگرمیوں کی بحالی کے بعد سیمنٹ کی بڑھتی ہوئی طلب کے پیش نظر تعمیراتی منصوبوں میں آنے والی تیزی اور اپنی منسلکہ کمپنی المبروکہ سیمنٹ مینوفیکچرنگ کمپنی لمیٹڈ بصرہ، عراق میں کلنکر کی سپلائی کو یقینی بنانے کیلئے حصص داران کی جانب سے اس بات کی منظوری دی گئی ہے کہ نجمۃ السماوہ کمپنی برائے سیمنٹ انڈسٹری ساوہ، عراق میں کلنکر کی پیداواری صلاحیت میں اضافہ کیا جائے اور اس سلسلے میں1.82ملین ٹن سالانہ کی اضافی لائن لگائی جائے گی۔

پیداواری صلاحیت میں اس اضافے کے بعد مجموعی طور پر کاروباری افعال کی کارکردگی بہت مؤثر ہو جائے گی اور اس کے بعد عراق میں کلنکر کی فراہمی کی حد تک کمپنی خود مختار بھی ہو جائے گی۔

بنیادی پلانٹ و مشینری کے حصول کیلئے انجینیئرنگ اور پروکیورمنٹ کا معاہدہ کیا جا چکا ہے۔ اس وقت کمپنی اس پروجیکٹ کے سلسلے میں ممکنہ کنٹریکٹروں کے ساتھ گفت وشنید کے مرحلے میں کام کر رہی ہے۔

امید ہے کہ اس پروجیکٹ کا تعمیراتی کام مالی سال2024 کی پہلی سہ ماہی میں شروع کرلیا جائے گا اور اس بات کی امید ہے کہ پروجیکٹ کا تعمیراتی کام اٹھارہ(18) ماہ کی مدت میں پایہ تکمیل کو پہنچ جائے گا۔

لکی کور انڈسٹریز لمیٹڈ (ایل سی آئی) کی جانب سے لوٹے کیمیکل پاکستان لمیٹڈ کے شیئرز کے حصول کیلئے شیئر پرچیز ایگریمنٹ

زیر غور مالی سال کے دوران، کمپنی کی ذیلی کمپنی کی جانب سے26جنوری2023کو لوٹے کیمیکلز کارپوریشن کے حصص خریدنے کا معاہدہ طے پایا جسے بعد ازاں لکی کور وینچرز (پرائیویٹ) لمیٹڈ (مکمل طور پر ذیلی ملکیتی کمپنی) کو تفویض کیا گیا تا کہ لوٹے کیمیکل پاکستان لمیٹڈ کے تقریباً 75.01 % حصص جو کہ1,135,860,105عام حصص میں سے حاصل کر لئے جائیں۔ اس معاہدے کی تکمیل سیل پرچیز ایگریمنٹ کی شرائط پر موقوف ہے، بشمول مطلوبہ منظوری اور کلوزنگ سے متعلق دیگر شرائط۔

لکی سیمنٹ لمیٹڈ کے حصص کی از خود خریداری

مالی سال2023 کی پہلی سہ ماہی میں کمپنی نے10ملین عام حصص تک کے شیئرز کی از خود خریداری کا اعلان کیا تھا جسے بعد ازاں 20 ستمبر2022 کو منعقد کئے جانے والے غیر معمولی سالانہ اجلاس عام (EOGM) میں شیئر ہولڈرز نے منظور کیا تھا۔ مذکورہ خریداری طے شدہ وقت کے اندر اندر پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) سے اوسطاً435.6روپے فی حصص بمطابق اسپاٹ پرائس کی بنیاد پر کی گئی تھی۔

حصص داران کی دولت میں مزید قدر پیدا کرنے کے مقصد کو مدنظر رکھتے ہوئے، کمپنی کی جانب سے23.8 ملین عام حصص تک کی دوسری از خود خریداری کا اعلان بھی مالی سال2023 کی چوتھی سہ ماہی میں کر دیا گیا تھا، جسے بعد ازاں24مئی2023 کو منعقدہ غیر معمولی سالانہ اجلاس عام(EOGM) میں شیئر ہولڈرز نے منظور کیا تھا۔ خریداری کی مدت مالی سال2023 کے آخری مہینے کے دوران شروع ہوئی اور بتاریخ30جون تک از خود خریداری کے تحت1.6ملین عام شیئرز خریدے گئے۔

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۔ گزشتہ سالوں میں 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 رہی 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۔ موجودہ سرمایہ اور ایکویٹی سرمایہ کاری کے منصوبوں کو مدنظر رکھتے ہوئے بورڈ نے26 ستمبر2023 کو منعقد کی جانے والی آئندہ سالانہ اجلاس عام میں حصص داران کی منظوری سے مشروط 18روپے فی حصص کے حتمی نقد ڈیویڈنڈ کی سفارش کی ہے۔

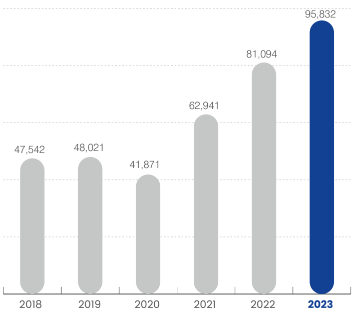
چونکہ کمپنی اپنے حصص کی دوسرے از خود خریداری کے مرحلے میں ہے (جو منسوخ ہونے والے ہیں)، اس لیے ڈیویڈنڈ ان حصص کے حوالے سے قابل ادائیگی نہیں ہوگا جو کمپنی پہلے ہی خرید چکی ہے۔ لہذا، 15 ستمبر 2023 کو رجسٹر آف ممبرز میں ظاہر ہونے والے حصص داران کو استحقاق حاصل ہوگا (یعنی کھاتہ بند ہونے کے آغاز پر)، جس کی مجموعی رقم کا تعین مذکورہ تاریخ سے قبل غیر یقینی ہے۔

قومی خزانے میں حصہ

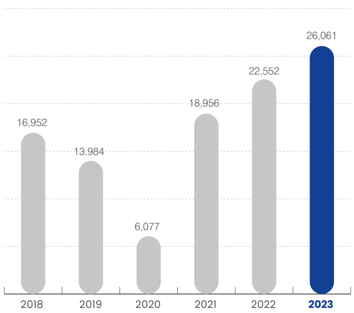
غیر یکجا طور پر آپ کی کمپنی کی جانب سے سرکاری خزانے میں31.3ارب روپے (بمطابق2022: 31.5 ارب روپے) انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری لیویز کی مدات میں جمع کروائے گئے۔ مزید

چھ سالہ مالیاتی کارکردگی کا جائزہ

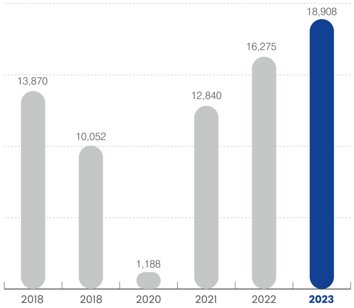
Net Revenue
(PKR in Million)



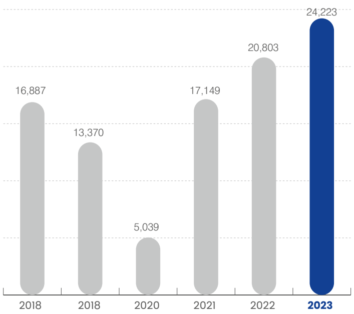
Gross Profit
(PKR in Million)



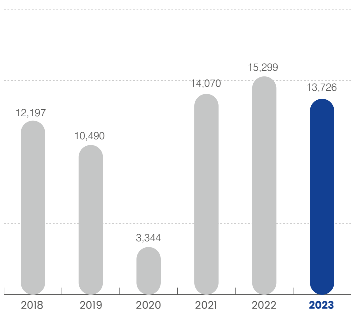
Operating Profit
(PKR in Million)



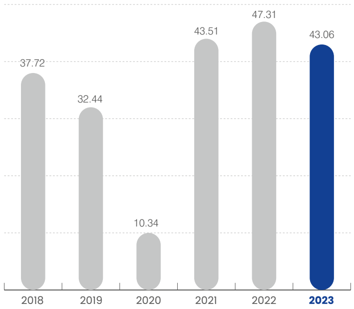
EBITDA Profit
(PKR in Million)



Net Profit
(PKR in Million)



EPS
(PKR)



آمدن

زیرِ غور مالی سال کے دوران گزشتہ مالی سال کے مقابلے میں آپ کی کمپنی کی خام آمدن از فروخت میں 15.9% کا اضافہ ہوا۔ گوکہ مقامی سطح پر فروخت کے حجم میں 14.9% کی کمی واقع ہوئی ہے لیکن آمدن از فروخت میں 16.9% کا اضافہ ہوا ہے (112.1 بلین روپے بمقابلہ 95.9 بلین روپے بمطابق گزشتہ مالی سال)، آمدن از فروخت میں یہ اضافہ دراصل خام مال کی قیمت میں اضافے کی وجہ سے سیمنٹ کی بڑھتی ہوئی قیمت کو ظاہر کر رہا ہے۔ اسی طرح برآمدات میں 34.7% کی کمی کے باوجود خام آمدن از برآمدات میں 7.6% کا اضافہ درج کیا گیا ہے (13.7 بلین روپے بمقابلہ 12.7 بلین روپے بمطابق گزشتہ مالی سال) جس کی وجہ ڈالر کے مقابلے میں پاکستانی روپے کی تیزی کے ساتھ گرتی ہوئی قدر تھی۔

لاگت برائے فروخت

گزشتہ مالی سال کے مقابلے میں زیرِ غور مالی سال اختتامیہ 30 جون 2023 کے دوران لاگت برائے فروخت میں 46.7% کا اضافہ درج کیا گیا ہے۔ یہ اضافہ خام مال بالخصوص کوئلے، فرنس آئل اور درآمد شدہ اشیاء کی بڑھتی ہوئی قیمت اور بنیادی طور پر روپے کی قدر میں کمی کی وجہ سے ہوا۔

خام منافع

گزشتہ مالی سال کے 27.8% کے مقابلے میں زیرِ غور مالی سال 2023 کے دوران خام منافع 27.2% رہا۔ اس سے صاف ظاہر ہے کہ دوران سال کمپنی کی توجہ پیداواری لاگت میں کمی لانے اور پیداواری افعال کی کارکردگی مؤثر بنانے پر مرکوز رہی۔ ان نتائج سے ظاہر ہے کہ دیگر مسائل سے نمٹنے کے ساتھ ساتھ کمپنی کی جانب سے پیداواری لاگت کو کم از کم سطح پر رکھنے کیلئے کمپنی کی کوششیں بار آور ثابت ہوئیں۔

آمدن از ڈیویڈنڈ

مالی سال اختتامیہ 30 جون 2023 کے دوران آپ کی کمپنی کی جانب سے وصول کی گئی آمدن از ڈیویڈنڈ 2.4 بلین روپے رہی (جو کہ مالی سال 2022 کے دوران 3.5 بلین روپے تھی)۔ ڈیویڈنڈ سے حاصل ہونے والی آمدن میں کمی کی وجہ آٹو موبائل سیکٹر کیلئے نامساعد اور غیر یقینی کاروباری صورتحال تھی۔ علاوہ ازیں، کیمیکل کے شعبے میں توسیع کیلئے خاطر خواہ فنڈز بھی درکار تھے جس کی وجہ سے ذیلی کمپنیوں سے حاصل ہونے والے ڈیویڈنڈ پر اثرات مرتب ہوئے۔

ذیلی / منسلکہ کمپنیاں بلین روپے	مالی سال 2023	مالی سال 2022	مالی سال 2021	مالی سال 2020
ایل سی آئی	1.3	2.0	1.3	0.8
ایل ایچ ایل	0.2	0.3	0.2	0.4
وائی ای ایل	0.2	0.2	0.1	0.1
ایل ایم سی	0.7	1.1	2.9	0.0
کل	2.4	3.5	4.4	1.3

صافی منافع

زیرِ غور مالی سال اختتامیہ 30 جون 2023 کے دوران مذکورہ مسائل اور دگرگوں معاشی صورتحال کے پیشِ نظر فروخت کے حجم میں کمی کے باوجود آپ کی کمپنی نے 21.3 بلین روپے کا منافع کمایا ہے، جبکہ گزشتہ مالی سال کے اختتام پر صافی منافع 21.4 بلین روپے تھا۔

اسی طرح مالی سال 2023 کے اختتام پر بعد از ٹیکس منافع 13.7 بلین روپے رہا، جبکہ گزشتہ مالی سال کے اختتام پر بعد از ٹیکس منافع 15.3 بلین روپے تھا۔ کمی کی بنیادی وجہ، فنانس ایکٹ 2023 میں مستقلاً ٹیکس بحساب 10% بنام سپر ٹیکس عائد کئے جانے کے بعد ٹیکسوں میں اضافہ تھا۔

13.1% کمی کے ساتھ 4.6 ملین ٹن رہا جبکہ گزشتہ مالی سال کے اختتام پر برآمدات کا حجم 5.3 ملین ٹن تھا۔

برآمدات میں کمی کی وجہ یہ تھی کہ مالی سال 2023 کے پہلے نصف کے دوران بین الاقوامی مارکیٹ میں کوئلے کی قیمت میں مسلسل اضافے کی وجہ سے قیمتوں کے لحاظ سے عدم عملداری کی وجہ سے تھی، علاوہ ازیں شپنگ کے کرایوں میں بھی اضافہ کا رجحان تھا۔ نتیجتاً سیمنٹ ساز کمپنیوں کو مقامی کوئلے کی جانب رجوع کرنا پڑا جو کہ نسبتاً سستا پڑا۔ اس کے علاوہ سیمنٹ ساز کمپنیاں گرین انرجی یعنی سولر سسٹم کی تنصیب کی جانب اپنی توجہ مرکوز کئے تھے۔

سیمنٹ انڈسٹری کے مقابلے میں آپکی کمپنی کی مجموعی فروخت میں 18.8% کی کمی واقع ہوئی اور اس کمی کے ساتھ مالی سال 2023 کے دوران حجم برائے فروختگی 7.4 ملین ٹن درج کیا گیا جبکہ گزشتہ مالی سال کے اختتام پر یہ حجم 9.1 ملین ٹن تھا۔ مقامی سطح پر 14.9% کمی کے ساتھ سیمنٹ کی فروخت کا حجم 6.2 ملین ٹن تھا جبکہ گزشتہ مالی سال کے اختتام پر یہ حجم 7.3 ملین ٹن تھا جس کی بنیادی وجہ سیمنٹ کی طلب میں کمی تھی۔ مزید برآں، کمپنی کی برآمدات کم ہو کر 1.2 ملین ٹن تک رہ گئیں جبکہ گزشتہ مالی سال کے اختتام پر برآمدات کا حجم 1.8 ملین ٹن تھا۔ اس کمی کی وجوہات اوپر بیان کی جا چکی ہیں۔

سیمنٹ کی پیداوار اور بلحاظ حجم فروخت کی کارکردگی

مالی سال اختتامیہ 30 جون 2023 کی بابت آپ کی کمپنی کی غیر یکجا پیداوار اور فروخت کے اعداد و شمار بمقابلہ گزشتہ مالی سال ذیل میں پیش کئے جا رہے ہیں:

تفصیلات	مالی سال 2023	مالی سال 2022	اضافہ/(کمی)%
	ہزاروں ٹن میں		
کلنکر کی پیداوار	6,235	8,794	(29.1%)
سیمنٹ کی پیداوار	7,060	8,284	(14.8%)
فروخت برائے کلنکر	7,374	9,079	(18.8%)

آپکی کمپنی کے کاروبار اور پاکستان کی سیمنٹ کی صنعت کا تقابلی جائزہ برائے مالی سال 2023 ذیل میں پیش کیا جا رہا ہے:

تفصیلات (ہزاروں ٹن میں)	مالی سال 2023	مالی سال 2022	اضافہ/(کمی)%	
	ہزاروں ٹن میں			
سیمنٹ کی صنعت*				
مقامی فروختگی	40,018	47,643	(7,625)	(16.0%)
برآمدات				
بوری بند سیمنٹ	2,512	2,065	447	(21.6%)
کھلا سیمنٹ	83	415	(332)	(79.9%)
کلنکر	1,971	2,772	(801)	(28.9%)
کل برآمدات	**4,566**	**5,252**	**(686)**	**(13.1%)**
مجموعی کل	**44,584**	**52,895**	**(8,311)**	**(15.7%)**
لکی سیمنٹ				
مقامی فروختگی				
سیمنٹ	6,203	7,263	(1,060)	(14.6%)
کلنکر	-	25	(25)	-
	6,203	**7,288**	**(1,085)**	**(14.9%)**
برآمدات				
بوری بند سیمنٹ	750	586	164	27.9%
کھلا سیمنٹ	83	415	(331)	(79.9%)
کلنکر	337	791	(453)	(57.3%)
کل برآمدات	**1,170**	**1,791**	**(621)**	**(34.7%)**
مجموعی کل	**7,374**	**9,079**	**(1,705)**	**(18.8%)**

مارکیٹ میں حصہ	مالی سال 2023	مالی سال 2022	اضافہ/(کمی)%
	ہزاروں ٹن میں		
مقامی فروختگی	15.5%	15.3%	1.3%
برآمدات			
بوری بند سیمنٹ	29.8%	28.4%	5.2%
کھلا سیمنٹ	100.0%	99.9%	0.0%
کلنکر	17.1%	28.5%	(40.0%)
کل برآمدات	**25.6%**	**34.1%**	**(24.8%)**
مجموعی کل	**16.5%**	**17.2%**	**(3.6%)**

*صنعت کا ڈیٹا مارکیٹ میں دستیاب قرین قیاس بنیادوں پر پیش کیا جا رہا ہے۔

مالیاتی کارکردگی- مفرد

آپکی کمپنی کی غیر یکجا مالیاتی کارکردگی برائے مالی سال اختتام پذیر 30 جون 2023 اور گزشتہ سال کا تقابلی جائزہ ذیل میں پیش کیا جا رہا ہے:

پاکستانی روپے میں ماسوائے آمدن فی حصص	2023	2022	% فرق
خام آمدن	125,819	108,601	15.9%
صافی آمدن	95,832	81,094	18.2%
خام منافع	26,061	22,552	15.6%
خام منافع بلحاظ فیصد صافی منافع	27.2%	27.8%	(2.2%)
کاروباری منافع	18,908	16,275	16.2%
آمدن قبل از سود، انکم ٹیکس، فرسودگی	24,223	20,803	16.4%
صافی منافع	13,726	15,299	(10.3%)
فی حصص آمدن	43.06	47.31	(9.0%)

بابت سیمنٹ سازی 16.2% بہتر رہے۔ تاہم سپر ٹیکس کی صورت میں آمدن پر لگائے جانے والے اضافی ٹیکس کی وجہ سے اس مالی سال کے اختتام پر گزشتہ مالی سال کے مقابلے میں بعد از ٹیکس منافع کم رہا، جیسا کہ رپورٹ ہذا میں ذیل کی سطور میں اس نکتے کو بیان کیا گیا ہے۔

غیر ملکی سیمنٹ آپریشنز

جوائنٹ وینچر کے تحت، عراق اور کانگو میں سیمنٹ سازی کی سہولیات مسلسل گروپ کے منافع میں اپنا حصہ ملا رہی ہیں۔ عراق میں سیمنٹ کی طلب میں استحکام رہا۔ نجمۃ السماوہ میں پیداواری صلاحیت کو بھرپور استعمال کیا گیا اور بھٹی کو ایچ ایف او سے گیس میں تبدیل کرنے کی وجہ سے کمپنی کے منافع میں بھی اضافہ ہوا ہے۔ اسی طرح کانگو میں بھی سیمنٹ کی طلب میں اضافے کا رجحان قائم رہا اور مستقل نوعیت کے اخراجات کا انجذاب مؤثر رہا جس کے باعث منافع میں بھی اضافہ ہوا۔

پولیسٹر، سوڈا ایش اور کیمیکلز

مؤرخہ 23 دسمبر 2022 کو "ذیلی کمپنی کے نام کو آئی سی آئی "(ICI) پاکستان لمیٹڈ سے تبدیل کر کے " لکی کور انڈسٹریز لمیٹڈ "(LCI) بنا دیا گیا ہے۔ اپنی بنیادی طاقت پر توجہ مرکوز کرتے ہوئے، نیا برنڈ نام ضروری مصنوعات کے متنوع پورٹ فولیو کے ذریعے پائیدار قدر فراہم کرنے میں کمپنی کے مرکزی کردار کی عکاسی کرتا ہے جو تقریباً پاکستان کی ہر اہم صنعت اور تقریباً تمام گھرانوں کی بنیادی ضروریات ہیں۔

زیر غور مالی سال کیلئے ذیلی کمپنی کا کاروباری حجم 109.49 بلین روپے گزشتہ مالی کے مقابلے میں 26% زائد ہے جس کا سہرا بنیادی طور پر سوڈا ایش کی اضافی پیداوار کو جاتا ہے، یہ کامیابی 135000 ٹن سالانہ سودا ایش کے توسیعی منصوبے کی کامیاب کمیشننگ کے بعد حاصل ہوئی۔ اضافی پیداوار کے ساتھ پیداواری لاگت میں اضافے کی وجہ سے قیمت فروخت میں اضافے جو کہ پاکستانی روپے کی قدر میں آنے والی کمی کے باعث افراط زر میں ہونے والے اضافے اور توانائی کی بڑھتی ہوئی قیمت کے باعث کیا گیا، وہ وجوہات ہیں جن کے باعث گزشتہ مالی سال کے مقابلے میں زیر غور مالی سال کے دوران سوڈا ایش کے کاروبار سے 65% اضافی آمدن حاصل ہوئی۔ جانوروں کی صحت، پولیسٹر، کیمیکل و زرعی سائنسز اور فارماسیوٹیکلز کے کاروباروں کی آمدن میں گزشتہ مالی سال کے مقابلے میں بالترتیب 22%، 10%، 8% اور 3% اضافہ درج کیا گیا ہے۔

زیر غور مالی سال کے اختتام پر کاروباری مالیاتی نتائج 14.65 بلین روپے گزشتہ مالی سال کے مقابلے میں 25% زائد ہیں۔ سوڈا ایش، کیمیکلز و ایگری سائنسز اور اینیمل ہیلتھ کے کاروباروں نے زیر غور مالی سال کے اختتام پر گزشتہ مالی سال کے مقابلے میں بالترتیب 71%، 29% اور 23% بہتر مالیاتی نتائج دیئے ہیں، تاہم پولیسٹر اور فارماسیوٹیکلز کے کاروباروں کی جانب سے گزشتہ مالی سال کے مقابلے میں بالترتیب 16% اور 19% کی کمی درج کی گئی ہے۔

جنوری 2023 میں ذیلی کمپنی نے کامیابی کے ساتھ 21,763,125 نیوٹریکو مورینا گا پرائیویٹ لمیٹڈ (NMPL) کے عام حصص مورینا گا ملک انڈسٹری کمپنی جاپان (مورینا گا ملک) کو اوسطاً 45.08 ملین ڈالر میں فروخت کئے (NMPL کے تقریباً 26.5% جاری شدہ اور ادا شدہ شیئر کیپٹل شامل تھے)۔ نتیجتاً 9.842 بلین روپے کمپنی کی اسٹینڈ الون مالیاتی دستاویزات میں درج کئے گئے اور یہ اندراج کنٹرولنگ انٹرسٹ کی قیمت پر بطور پریمئیم اور حصص کی فروخت پر بطور نفع ظاہر کیا گیا۔ کمپنی کے پاس ابھی بھی NMPL کے 24.5% حصص کی ملکیت موجود ہے، بطور ایسوسی ایٹڈ کمپنی، جبکہ NMPL میں مورینا گا ملک کے حصص کی تعداد 51% تک بڑھ چکی ہے اور نتیجتاً مورینا گا ملک کا کنٹرولنگ انٹرسٹ ان کے پاس ہے۔ مورینا گا ملک کی جانب سے اکثریتی حصص کے حصول کے بعد اس بات کی امید کی جاسکتی ہے کہ NMPL کی نمو میں اضافہ ہوگا اور حصص داران کی دولت میں اضافے کا باعث بنے گا۔

توانائی

ایل ای پی سی ایل (LEPCL) بمقام بن قاسم کراچی 660 میگا واٹ کا سپر کریٹیکل کول فائرڈ پاور پلانٹ ہے۔ یہ پلانٹ تھر کے علاقے سے باہر پاکستان کا پہلا پاور پلانٹ ہے جسے مقامی ایندھن سے چلایا جا رہا ہے۔ بیس لوڈ پاور جنریشن کیلئے یہ پروجیکٹ مقامی ایندھن کے استعمال کے ساتھ ایک نئے دور میں داخل ہو رہا ہے، اس قدام سے درآمد شدہ ایندھن پر ملک کا انحصار کم ہوگا۔ اخراج کو کنٹرول کرنے کیلئے جدید ترین ٹیکنالوجی کی تنصیب بھی عمل میں لائی گئی ہے، ان ٹیکنالوجیز میں فلو گیس ڈی سلفرائزیشن (FGD)، الیکٹرواسٹیٹک پریسیپیٹیٹر (ESP) بمعہ ماحول دوست آلات شامل ہیں۔ اس پلانٹ نے 21 مارچ 2023 میں اپنے کمرشل آپریشنز کا ایک سال کامیابی کے ساتھ مکمل کرلیا۔ پلانٹ اپنے کام کے آغاز سے ابتدائی مسائل سے دوچار رہا اور یہ مسائل رواں مالی سال کے آغاز تک اپنی جگہ موجود رہا۔ تاہم ایل ای پی سی ایل (LEPCL) کی انتظامیہ نے ان مسائل پر قابو پالیا اور مالی سال 2023 کی چوتھی سہ ماہی میں اس پلانٹ کو 100% فعال کردیا گیا۔ رواں سال کے دوران تھر کول پر جذوی طور آپریشنز چلائے گئے (جس حد تک دستیابی ممکن تھی) اور اس کے ساتھ انڈونیشیا کے لگنائٹ کول کو بھی استعمال کیا گیا۔ حکومت کے ساتھ پاور پرچیز ایگریمنٹ کے تحت اس پلانٹ سے نیشنل گرڈ میں بجلی داخل کی جارہی ہے۔

آٹوموبائل اور موبائل فونز

جولائی 2022 کے آغاز سے ہی آٹوموبائل سیکٹر بلحاظ حجم زوال کا شکار ہے جس کی وجہ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی ہے جس کے باعث کاروں کی قیمت میں اضافہ ہوتا رہا۔ اس کے علاوہ وہ دیگر عوامل جن کے باعث آٹوموبائل کی کمپنی زوال کا شکار ہوئی ان میں سی کے ڈی کٹس اور پارٹس منگوانے کیلئے ایل سی کھولنے کیلئے اسٹیٹ بینک آف پاکستان کی پیشگی اجازت، دسمبر 2022 کے آخر تک آٹوموبائل مینوفیکچررز کی جانب سے سی کے ڈی کٹس اور پارٹس درآمد کرنے پر مکمل پابندی، غیر ملکی سپلائرز کو ادائیگیوں میں غیر معمولی تاخیر، 1300CC تک یا اس سے اوپر کی کاروں پر 1% سی وی ٹی، 1400CC اور اوپر کی کاروں پر اور بلا امتیاز تمام ایس یو ویز پر سیلز ٹیکس کی شرح کو 17% سے بڑھا کر 25% تک لے جانا، بلند شرح سود اور اسٹیٹ بینک کی جانب سے سخت تمویلی پالیسیاں، افراط زر کی بلند شرح اور ایندھن کی قیمت میں ہوشربا اضافے جیسے اقدامات شامل ہیں۔ مالی سال 2023 کے اختتام پر گزشتہ مالی سال کے مقابلے میں بلحاظ حجم آٹوموبائل سیکٹر میں 55% سے زائد کی مجموعی کمی واقع ہوئی ہے، اسی طرح اس عرصے کے دوران گزشتہ مالی سال کے مقابلے میں موبائل فونز کی مارکیٹ میں تقریباً 60% سے زائد کی کمی واقع ہوئی ہے، جس کی وجہ درآمدات پر لگائی جانے والی پابندیاں اور پاکستانی روپے کی قدر میں تیزی کے ساتھ آنے والی گراوٹ ہے۔

سیمنٹ انڈسٹری اور کمپنی کی کارکردگی _ غیر یکجا

مالی سال 2023 کے دوران تعمیرات کی صنعت بڑے بحرانوں کا شکار رہی، بشمول سیاسی عدم استحکام، افراط زر کی بلند شرح، بلند شرح سود، تباہ کن سیلاب، اخراجات میں کمی جس کے باعث پی ایس ڈی پی میں کمی آئی اور توانائی کی قیمتوں میں اتار چڑھاؤ وغیرہ ان بحرانوں میں شامل ہیں، البتہ فہرست محض انہی مسائل تک محدود نہیں ہے۔ پاکستان میں سیمنٹ کی انڈسٹری 15.7% زوال کا شکار ہوئی ہے، اس شرح کے ساتھ سیمنٹ انڈسٹری کا حجم گر کر 44.6 ملین ٹن تک آ گیا جو کہ گزشتہ مالی سال کے اختتام پر 52.9 ملین ٹن تھا۔ مقامی سطح پر سیمنٹ کی فروخت میں 16% تک کمی آئی ہے، اس تناسب کے ساتھ زیر غور مالی سال کے دوران سیمنٹ کا حجم 40 ملین ٹن رہا جبکہ گزشتہ مالی سال کے دوران یہ حجم 47.6 ملین ٹن تھا۔ سیمنٹ کی برآمدات کا حجم

ڈائریکٹرز رپورٹ

ڈائریکٹروں کی جانب سے انتہائی مسرت کے ساتھ رپورٹ ہذا، بمعہ کمپنی کے آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال اختتامیہ 30 جون 2023 آپکی خدمت میں پیش کیے جا رہے ہیں۔ ذیل میں دی گئی معلومات زیرغور مالی سال کے دوران کمپنی کی یکجا اور غیر یکجا کارکردگی پر مشتمل ہے۔

رپورٹ ہذا کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت تیار کی گئی ہے اور رپورٹ ہذا کو 26 ستمبر 2023 کو منعقد کئے جانے والے کمپنی کے سالانہ اجلاس عام کے دوران حصص داران کی خدمت میں پیش کی جائے گی۔

جائزہ برائے معیشت و مربوط مالیاتی کارکردگی

معیشت کا جائزہ

زیرنظر ختم ہونے والا مالی سال مسائل سے بھرپور تھا، دوران سال ایسے معاشی عدم استحکام اور بحران کا سامنا رہا جس کی نظیر ماضی میں نہیں ملتی۔ اس بحران کا آغاز ایک شدید سیاسی و معاشی بحران سے ہوا جس کے باعث غیر ملکی زرمبادلہ کے ذخائر میں کمی واقع ہوئی۔ ملک میں معاشی صورتحال میں استحکام پیدا کرنے کیلئے انتہائی اقدام اٹھاتے ہوئے آئی ایم ایف کے موجودہ پروگرام کو جاری رکھنے کا فیصلہ کیا گیا، جس کے نتیجے میں بہت سے پالیسی اقدامات اٹھائے گئے جیسا کہ ایندھن اور بجلی کی قیمتوں میں اضافہ، مارکیٹ کی بنیاد پر شرح مبادلہ کا تعین، ٹیکسوں کی وصولی بڑھانے کیلئے ٹیکس کی شرح میں اضافہ اور افراط زر کو قابو میں رکھنے کیلئے ڈسکاؤنٹ ریٹ کو 22% کی دس سالہ بلند ترین سطح تک لیجانے جیسے اقدامات شامل ہیں۔ ان اقدامات کی وجہ سے ایسے افراط زر کا سامنا کرنا پڑا جس کی ماضی میں نظیر نہیں ملتی، مئی کے مہینے میں افراط زر کی شرح 38% تک پہنچ گئی۔

ملک میں زرمبادلہ کے گرتے ہوئے ذخائر اور بڑھتے ہوئے کرنٹ اکاؤنٹ خسارے کو قابو میں رکھنے کیلئے اسٹیٹ بینک آف پاکستان کی جانب سے مختلف سطحوں پر درآمدات پر پابندی عائد کی گئی۔ اسٹیٹ بینک کی جانب سے اس اقدام کے بعد کرنٹ اکاؤنٹ خسارے میں اضافے کے رجحان پر بڑی حد تک قابو تو پا لیا گیا لیکن اس قدام کی وجہ سے وہ انڈسٹری شدید بحران کا شکار ہوگئی جو خام مال اور پارٹس کیلئے درآمدات پر انحصار کرتی ہے۔ درآمدات پر عائد ان پابندیوں کی وجہ سے معیشت پر کثیرالجہتی اثرات مرتب ہوئے اور کئی شعبوں میں کاروباری سرگرمیاں بر طرح متاثر ہوئیں۔

ان مسائل میں مزید اضافہ زیرنظر مالی سال کی پہلی سہ ماہی کے دوران موسلا دھار بارشوں اور بڑے پیمانے پر آنے والے سیلابوں کی وجہ سے ہوا، اس سیلابی صورتحال نے پہلے سے دگرگوں حالات کو مزید خرابی کی جانب دھکیل دیا اور اس کے منفی اثرات نے بھی معیشت کو متاثر کیا۔ عالمی سطح پر کساد بازاری نے بھی اپنا کردار ادا کیا اور ملک کی برآمدات اور ترسیلات زر پر بہت منفی اثرات مرتب ہوئے۔

گزشتہ مالی سال کے دوران وطن عزیز بڑے معاشی مسائل سے نبرد آزما رہا، ان مسائل نے مختلف شعبوں اور کاروباری حلقوں کو متاثر کیا۔ تاہم ان تمام مسائل کے مابین ہم بہتری کیلئے پر امید ہیں۔ آئی ایم ایف کی جانب سے معاشی میدان میں جن بنیادی اصلاحات کی تجاویز دی گئی ہیں ان اصلاحات کے باعث وطن عزیز میں معاشی نظم وضبط میں بہتری پیدا ہونے اور قومی سطح پر استحکام پیدا ہونے کی توقع ہے۔

آئی ایم ایف کی جانب سے ان مجوزہ اقدامات، جیسا کہ بجلی کی قیمتوں میں اضافہ اور بتدریج سبسڈی کو ختم کرنا وغیرہ، کا مقصد دراصل ان دیرینہ معاشی مسائل کو حل کرنا ہے جس کی وجہ سے ملک کی معیشت دباؤ کا شکار رہتی ہے۔ گو ان اقدامات کی وجہ سے قلیل المدتی مسائل کا سامنا تو رہے گا لیکن طویل المیعاد استحکام کے حصول کیلئے یہ اقدامات ناگزیر ہیں۔

آپکی کمپنی کی انتظامیہ کی جانب سے اقدامی حکمت عملی اور منصوبہ سازی کے تحت کمپنی کو درپیش مسائل سے نبرد آزما ہونے کیلئے اقدامات اٹھائے جا رہے ہیں تاکہ کمپنی کی مالیاتی اور آپریشنل کارکردگی پر ان مسائل کے کم از کم منفی اثرات مرتب ہوں۔ کمپنی کی لیڈرشپ پیداواری لاگت میں کمی، رسک مینجمنٹ، اور بذریعہ اختراعات اپنے شراکت داروں کو معیاری فراہمی کے ذریعے کمپنی کی کارکردگی کو مؤثر بنانے کیلئے پرعزم ہے۔ ہم معاشی مسائل سے بآسانی نبرد آزما ہونے کیلئے اپنی قوت اور ساکھ پر مکمل اعتماد رکھتے ہیں۔

یکجا مالیاتی کارکردگی

یکجا بنیادوں پر آپکی کمپنی کا کاروباری حجم گزشتہ مالی سال کے مقابلے میں 18.4% اضافے کے ساتھ 385.1 بلین روپے رہا، جبکہ گزشتہ مالی سال کے دوران کاروباری حجم 325.4 بلین روپے تھا۔ مزکورہ بالا مسائل کے باوجود یہ کمپنی کی جانب سے خاطرخواہ شرح نمو ہے، جس کا سہرا لکی الیکٹرک پاور کمپنی لمیٹڈ (LEPCL) کے سارا سال فعال رہنے کو جاتا ہے، جس کا مالی سال 2023 میں صافی آمدن میں حصہ 25.5% ہے جبکہ مالی سال 2022 کے دوران صافی آمدن میں اس کا حصہ 10.4% تھا۔ یہ گروپ کی جانب مثبت کاروباری اقدامات اور گروپ کی متنوع حکمت عملی کی کامیابی کا عملی ثبوت ہے۔

زیرنظر مالی سال کے اختتام پر کمپنی کا یکجا صافی منافع 59.5 بلین روپے رہا جس میں سے ہولڈنگ کمپنی کے مالکان کے 48.8 بلین روپے ہیں جبکہ گزشتہ مالی سال کے دوران کمپنی کا صافی منافع اور اس میں ہولڈنگ کمپنی کے مالکان کا حصہ بالترتیب 36.4 بلین روپے اور 29.5 بلین روپے تھا۔ اس طرح مالی سال 2023 کے اختتام پر آمدن فی حصص 152.97 روپے رہا جبکہ گزشتہ مالی سال کمپنی کی آمدن فی حصص 91.22 روپے تھی، اس طرح آمدن فی حصص میں 67.7% کا اضافہ ہوا۔ آمدن فی حصص میں اس خاطر خواہ اضافے کا سہرا لکی الیکٹرک پاور کمپنی لمیٹڈ (LEPCL) کے سارا سال فعال رہنے کو جاتا ہے جس کا ذکر اوپر کیا جا چکا ہے، علاوہ ازیں کمپنی کے غیرملکی سیمنٹ آپریشنز کی وجہ سے بھی منافع میں اضافہ ہوا۔ اس کے علاوہ، اس یکجا صافی منافع میں لکی کور انڈسٹریز (LCI) کی جانب سے نیوٹریکو موریناگا میں کنٹرولنگ انٹرسٹ کی فروخت پر ایک دفعہ کا ہونے والا، منافع جس کی مالیت 9.6 بلین روپے بنتی ہے اور اس میں 5.3 بلین روپے کا تعلق آپکی کمپنی سے ہے۔

گزشتہ مالی سال کے مقابلے میں مالی سال اختتامیہ 30 جون 2023 سے متعلق آپکی کمپنی کی یکجا مالیاتی کارکردگی کو ذیل میں پیش کیا جا رہا ہے:

ملین روپے ماسوائے آمدن فی حصص	مالی سال 2023	مالی سال 2022	تبدیلی (%)
خام آمدن	459,459	396,704	15.82%
صافی آمدن	385,125	325,400	18.35%
خام منافع	93,634	60,041	55.95%
خام منافع بلحاظ فیصد برائے صافی منافع	24.31%	18.45%	31.77%
کاروباری منافع	77,295	43,669	77.00%
آمدن قبل از ٹیکس، سود و فرسودگی	94,047	55,404	69.75%
صافی منافع	59,537	36,423	63.46%
صافی آمدن (برائے ہولڈنگ کمپنی مالکان)	48,758	29,497	65.30%
آمدن فی حصص (روپے میں)	152.97	91.22	67.69%

مقامی سیمنٹ آپریشنز

زیرغور مالی سال کے دوران گزشتہ مالی سال کے مقابلے میں کمپنی کی مجموعی خام آمدن از فروخت 15.9% زائد رہی۔ اسی طرح گزشتہ مالی سال کے مقابلے میں اس سال قبل از ٹیکس کاروباری مالیاتی نتائج

BCR Criteria Index

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1.03	Geographical location and address of all business units including sales units and plants.	22
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4.02	Board's statement about the company's strategic objectives on ESG (environmental, social and governance)/ sustainability reporting.	196-197
4.03	A chairman's overview on how the company's sustainable practices can affect their financial performance.	197
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5.11	"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) Company's approach to managing and reporting policies like procurement, waste and emissions.	120-125
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5.15	"Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	127
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5.17	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee's overall role in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) 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 recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported. h) he Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy. i) Results of the self-evaluation of the Audit Committee carried out of its own performance j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year	132-133
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Anexure II Specific Disclosures of the Financial Statements		
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3	Capacity of an industrial unit, actual production and the reasons for shortfall.	Page # 267 - Note # 40 Page # 348 - Note # 44
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	Not Applicable
5	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017.	Not Applicable
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022)	Not Applicable
7	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
8	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
9	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
Specific disclosures required for shariah compliant companies		
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	Revenue earned from a shariah compliant business segment	Page # 260 - Note # 28.1
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	Exchange gain earned	Not applicable
	Mark up paid on Islamic mode of financing	Page # 262 - Note # 32.1
	Relationship with shariah compliant banks; and	Not applicable
	Profits earned or interest paid on any conventional loan or advance	Page # 262 - 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**

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