

# LUCKY CEMENT LIMITED NOTICE OF 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting (AGM) of the members of Lucky Cement Limited will be held on Tuesday, September 29, 2020 at 12:00 noon, at the registered office of the Company situated at factory premises in Pezu, District Lakki Marwat, Khyber Pakhtunkhwa to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the year ended June 30, 2020 together with the Board of Directors' and Independent Auditors' reports thereon.
2. To appoint Auditors and fix their remuneration for the year ending June 30, 2021. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

## SPECIAL BUSINESS:

3. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2020 by passing the following special resolution with or without modification:

**"RESOLVED THAT** the transactions conducted with Related Parties as disclosed in the note 38 of the unconsolidated financial statements for the year ended June 30, 2020 and specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

4. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2021 by passing the following special resolution with or without modification:

**"RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2021.

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

## ANY OTHER BUSINESS:

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

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

By Order of the Board



**FAISAL MAHMOOD**  
Company Secretary

Karachi: September 07, 2020

**Notes:**

**1. Closure of Share Transfer Books**

The Share Transfer Books of the Company shall remain closed from Tuesday, September 15, 2020 to Tuesday, September 29, 2020 (both days inclusive). Transfers received in order at our Share Registrar / Transfer Agent M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400 at the close of business on Monday, September 14, 2020 shall be treated in time for the purpose of Annual General Meeting.

**2. Participation in General Meeting**

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

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

**3. Deposit of Physical Shares in to CDC Account:**

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

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

**4. Request for Video Conference Facility**

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

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

**REQUEST FOR VIDEO CONFERENCE FACILITY**

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

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

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

### 1. Item Number 3 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2020

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the Group companies, the quorum of directors could not be formed for approval of these transactions pursuant to section 207 of the Companies Act, 2017. During the 26th Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2020 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in next AGM for their formal approval / ratification. Accordingly, these transactions are being placed before the AGM for the formal approval / ratification by shareholders.

All transactions with related parties to be ratified have been disclosed in the note 38 to the unconsolidated financial statements for the year ended June 30, 2020. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in '000'
Lucky Textile Mills Limited	Sales	72,951,550
Yunus Textile Mills Limited	Sales	180,936,833
	Dividends paid	139,400,840
Gadoon Textile Mills Limited	Sales	19,012,000
	Reimbursement of expenses to Company	1,422,800
	Reimbursement of expenses from Company	2,953,488
Lucky Exim (Pvt.) Limited	Dividends paid	292,500
YB Pakistan Limited	Dividends paid	47,810,737
Lucky Paragon ReadyMix	Sales	19,124,555
Lucky One (Pvt.) Limited.	Sales	55,099,969
Lucky Knits (Pvt.) LTD	Sales	19,427,100
Lucky Foods (Pvt) Limited	Sales	30,450
	Reimbursement of expenses to company	18,903,215
Lucky Commodities (Pvt) Limited	Reimbursement of expenses to company	66,620
Aziz Tabba Foundation	Donation	71,174,628
	Charity	8,825,372

Name of Related Party	Transaction Type	PKR in '000'
ICI PAKISTAN Limited	Sales	1,644,545
	Purchases	12,639,017
	Dividends Received	786,236,251
Lucky Air (Pvt.) Limited	Services	23,823,682
	Reimbursement of expenses to company	60,000
Lucky Electric Power Company Limited	Payment against claim of tax loss	32,639,111
	Investment made during the period	8,864,600,910
	Reimbursement of expenses to company	318,557
Energas Terminal (Pvt.) Limited	Reimbursement of expenses to company	315,283
	Sale of fixed assets	2,570,880
Yunus Energy Limited	Dividend Received	122,273,000
LCL Holdings Limited	Reimbursement of expenses to company	30,000
Lucky Holdings Limited	Dividends Received	376,447,500
	Reimbursement of expenses to company	837,991
Lucky Cement Holdings (Pvt.) Limited	Investment made during the period	180,000,000
Tabba Heart Institute	Services	35,004
YB Holdings (Pvt.) Limited	Reimbursement of expenses to company	2,303,499
KIA Lucky Motors Pakistan Limited	Sales	20,515,350
	Purchase of fixed assets	230,419,000
	Payment against claim of tax loss	1,133,711,347
	Reimbursement of expenses to company	33,841,285
	Services	383,602
CNC Trading	Sales	259,451,144
Global Commodities Limited	Sales	272,876,670
	Purchase	4,439,114,267
Lucky Auto Industries (Pvt.) Limited	Sale of fixed assets	1,974,000
Lucky Energy (Pvt.) Limited	Dividends paid	74,638,688
Kenzo Holdings Limited	Dividends paid	137,878,780
Grandcres (Pvt.) Limited	Dividends paid	63,429,600
Lucky Landmark (Pvt.) Limited	Sales	943,950
Directors and close family members	Meeting fee	1,781,250
	Dividends paid	465,882,781
Key management Personnel	Salaries and benefits	245,793,662
	Retirement Benefits	21,798,433
	Dividends paid	52,728

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

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

The nature of relationship with these related parties has also been indicated in the note 38 to the unconsolidated financial statements for the year ended June 30, 2020. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

**2. Item Number 4 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2021**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2021, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

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