LUCKY CEMENT

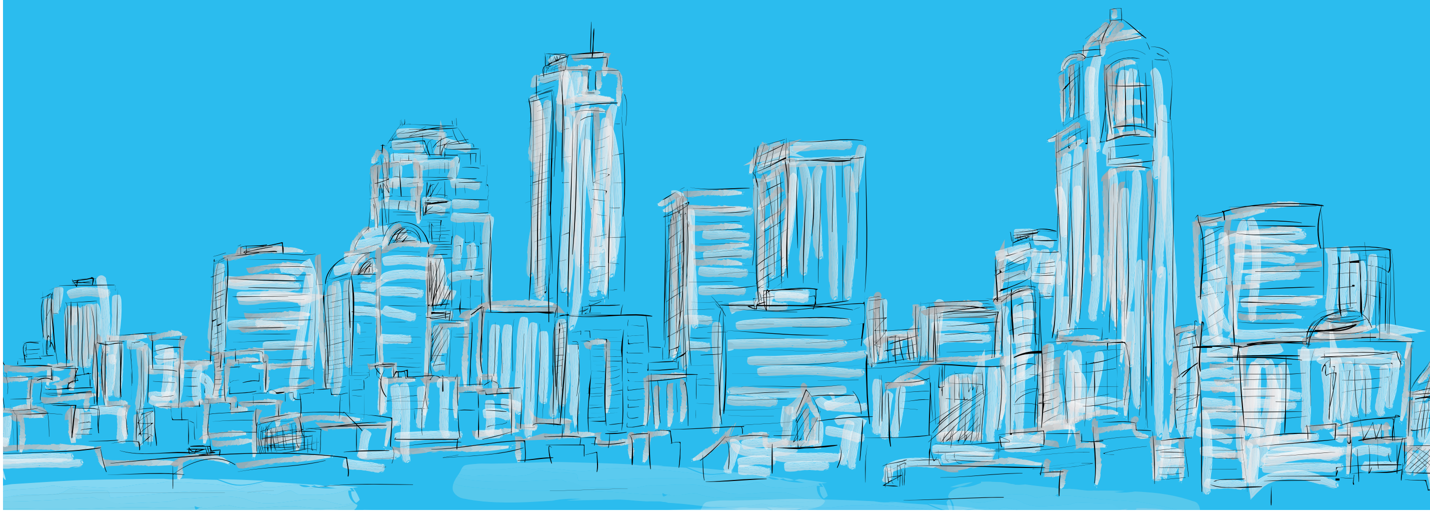
A FUTURE OF PROMISE

Annual Report - twenty 16

A FUTURE OF PROMISE

Making sure that we continue to provide the best to the world, we are determined to excel as one of the largest producers of quality cement and further increase the value for our shareholders as well as for the prosperity of the country.

In this year's annual report, we rejoice the commitment of our dedicated team. The support of our customers has made us strong enough to expand all over the country. We promise to give everyone a better and even stronger future in times to come.



Contents

Road to Success

1993

Incorporated in Pakistan

1994

Listed on Karachi, Lahore and Islamabad Stock Exchanges (Currently Pakistan Stock Exchange)

1996

Started commercial production with a capacity of 1.2 mtpa

1999

Production capacity increased to 1.5 mtpa

2001

Conversion of Kiln Firing System from furnace oil to coal based

2002

Delivered the first export consignment

2005

Brown field expansion at Pezu by 2.5 mtpa

Green field expansion at Karachi by 2.5 mtpa

Became largest cement producer of Pakistan

2006

Invested in Cement Export Logistics i.e. Bulkers and Ship loaders

Became the largest cement exporter from Pakistan

2007

Became the first company to export loose cement by sea

2008

Set up its own cement storage facility at Karachi Port

Conversion of Furnace Oil Power Generation Engines to Dual Fuel Engines

Got listed on London Stock Exchange and became the first Cement company in Pakistan to issue GDRs

2009

Brown Field expansion at Karachi Plant by another 1.2 mtpa

2010

Invested in Waste Heat Recovery Project at both Karachi and Pezu Plants

Further invested in Logistics / multipurpose trailers

2011

Invested in Tyre Derived Fuel (TDF) Plant to use alternative fuels

Signed a joint venture agreement for setting up of cement plant in DR Congo

2012

Started selling electricity to HESCO

Signed a joint venture agreement for cement grinding plant in Iraq

Acquired ICI Pakistan Limited

2013

Became first Pakistani Company to receive A+ rating from the Global Reporting Initiative

2014

Started commercial operations of cement grinding plant in Iraq

Started another 5MW Waste Heat Recovery Project at Karachi Plant

Initiated a 1x 660 MW Coal Fuel Power Project in Karachi, Pakistan

Became the only Pakistani Company to be listed in Forbes 'Asia's 200 Best Under a Billion' list

2015

Installed vertical grinding mills at the Karachi Plant

Started operations of 5MW each Waste Heat Recovery Plants at Karachi and Pezu

2016

Planned to setup a 2.3 mtpa fully-integrated Greenfield Cement Plant in the Punjab Province of Pakistan

Initiated another 10MW Waste Heat Recovery Project at Pezu Plant

Initiated Brown field expansion at Karachi Plant by 1.25 mtpa

Achieved commercial operations of 50 MW Wind Farm project in September 2016

Implementation of SAP S/4 HANA across the Company

Vision

We envision being the leader of the cement industry in Pakistan, identifying and capitalizing on new opportunities in the global market, contributing towards industrial progress and sustainable future, while being responsible corporate citizens.

Mission

Our mission is to be a premium cement manufacturer by building a professional organization, having state-of-the-art technology, identifying new prospects to reach globally and maintain service and quality standards to cater to the international construction needs with an environment-friendly approach.

Core Values

CUSTOMER FOCUS

- Quality and Consistency
- Commitment
- Customer satisfaction
- Fair Practices

SOCIAL RESPONSIBILITY

- Sustainable Development
- Philanthropy
- Community Development
- Environmentally Conscious

INNOVATION

- Creative Solution
- Modernization
- First-movers Advantage
- Setting Trends

ETHICS AND INTEGRITY

- Prestige
- Honesty
- Uprightness
- Reliability

ENTREPRENEURSHIP

- Sense of Ownership
- Loyalty
- Identifying and Capitalizing on Opportunities
- Foresightedness
- Proactive Approach
- Value Addition and Creation
- Business Oriented

EXCELLENCE

- Benchmark Practices
- Continuous Improvement
- Efficient and Effective Performance

Business Strategies

Holding and growing local market share

Further reinforcing our strength is what we keep in focus when designing our business strategies for the local market.

Increasing our share in the international market

Broadening our horizons, we have engaged our resources to the unconventional markets to become accessible to the construction industry worldwide.

Efficiency

(in terms of cost, energy and resource utilization)

Efficiency is reflected in all our business approaches, giving us an edge over our competitors in cost and energy, by the skillful utilization of resources.

Sustainable Development

(In terms of environmental and social responsibility)

We believe in giving back to the communities we operate in and to the society at large. We endeavor to stimulate environmental awareness among the stakeholders and have a broad vision for the sustainable world.

HR Excellence

We believe in people development. Our Human Resource is our asset and an important factor in our success. Our Intellectual Capital provides a framework that serves as a guiding force for the organization as a whole.

Code of Conduct

It is the fundamental policy of Lucky Cement Limited (Lucky Cement) to conduct its business with honesty, integrity and in accordance with the highest ethical and legal standards. This Code is intended to provide guidance to all stake holders and applies to all Board Members, Senior Management and Employees of the Company.

CORPORATE GOVERNANCE PRACTICES

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

NON-COMPLIANCE OF LAWS

We expect our employees to comply with the applicable laws and regulations. If anyone observes any kind of breach of the law, or any areas of this code, in any area of operations; should bring it under the supervisor's notice.

We assure that no one will be subject to retaliation due to good faith communication of suspected misconduct.

TRANSACTION TRANSPARENCY

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

At the same time, authenticity and accuracy of the information must be assured.

REFRAIN FROM INSIDER TRADING

Employees working at Lucky Cement are required to refrain from Insider Trading and shall comply with the Insider Trading Regulations as laid down by SECP.

SECONDARY EMPLOYMENT BY EMPLOYEES

Employees are expected to avoid indulging themselves in any business which consumes their time, efforts, and energy without approval of and disclosure to the Company's management.

COMPANY ASSETS FORTIFICATION

All employees are expected to be the guardians 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

Lucky Cement commends all its employees for keeping the exclusivity of Company's trade secrets and personal information acquired during and after performance of their employment. Lucky Cement employees should also respect the rights of other competitors and their confidential information.

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.

CONFLICTS OF INTERESTS

All Lucky Cement employees are expected not to be engaged in activities that are a subject matter of conflict of interests between their personal interests and with the interests of the Company.

Employees are expected to be honest and ethical in dealing with each other, with customers, suppliers, dealers, vendors and contractors in order to avoid compromises on the ability of transacting business on competitive basis or 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 with:

I. A relative,
II. A Private Limited Company in which he is a member or his relative is a Director,
III. A Public Limited Company, in which he or his relative(s) hold(s) 2% or more shares or voting rights; and
IV. A firm in which a relative is a partner, except with the prior approval of the Management requiring proper disclosure of all such related party transactions.

ANTI- BRIBERY / CORRUPTION

Lucky Cement employees shall not be engaged in bribery or corruption in conducting the Company's business.

Employees must not involve in money laundering or financing of terrorism and shall not be part of any dealings with any person who is engaged or is on any sanctioned lists or practice, is subject to any criminal or civil penalties related to narcotics trafficking or corruption, is politically exposed person or is engaged in any litigation or arbitral proceedings. This prohibition applies everywhere and under all circumstances.

EQUAL EMPLOYMENT OPPORTUNITY

Lucky Cement believes in providing equal opportunities to all its personnel. There is no discrimination of caste, religion, color, marital status, and gender at work. All the policies and practices are administered in a manner ensuring equal opportunity to the 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 shall be taken against any person who is found in breach of such a rule.

BORROWING MONEY

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

RECEIVING OF GIFTS, PAYMENTS OR FAVORS

All Lucky Cement employees should not receive any gifts, payments or favors, from customers or suppliers or any business associates; if 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 of the same by the Company.

CORPORATE SOCIAL RESPONSIBILITY & HEALTH AND SAFETY MEASURES

Lucky Cement adheres to its CSR policy and does not compromise with health and safety measures in carring out its business.

MEDIA RELATIONS & INVOLVEMENT

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

BREACH OF IT SECURITY

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

PERSONAL USE OF TELEPHONES & COMPUTERS

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

WHISTLE BLOWING

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

Company Information

BOARD OF DIRECTORS	
Muhammad Yunus Tabba – Chairman	Mariam Tabba Khan
Muhammad Ali Tabba	Zulekha Tabba Maskatiya
Muhammad Sohail Tabba	Muhammad Abid Ganatra
Jawed Yunus Tabba	Tariq Iqbal Khan
MANAGEMENT TEAM	
Chief Executive	Muhammad Ali Tabba
Executive Directors	• Noman Hasan • Muhammad Faisal (Chief Strategy, Finance & Investment Officer)
Chief Operating Officer	Amin Ganny
Company Secretary	Irfan Chawala
BOARD COMMITTEES	
Audit Committee	**Human Resource and Remuneration Committee**
• Tariq Iqbal Khan – Chairman • Muhammad Sohail Tabba • Jawed Yunus Tabba • Mariam Tabba Khan • Zulekha Tabba Maskatiya • Muhammad Abid Ganatra	• Mariam Tabba Khan – Chairperson • Muhammad Ali Tabba • Muhammad Sohail Tabba • Jawed Yunus Tabba • Zulekha Tabba Maskatiya
Budget Committee	**Share Transfer Committee**
• Muhammad Sohail Tabba – Chairman • Muhammad Ali Tabba • Jawed Yunus Tabba • Muhammad Abid Ganatra	• Jawed Yunus Tabba – Chairman • Mariam Tabba Khan • Muhammad Abid Ganatra

BANKERS	
Allied Bank Limited Askari Bank Limited Bank Alfalah Limited Bank AL-Habib Limited Citibank N.A. Dubai Islamic Bank Pakistan Limited Habib Bank Limited Habib Metropolitan Bank Limited	MCB Bank Limited Meezan Bank Limited National Bank of Pakistan NIB Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited United Bank Limited
AUDITORS	
External Auditors	**Cost Auditors**
E Y Ford Rhodes, Chartered Accountants (A member firm of Ernst & Young Global Limited)	KPMG Taseer Hadi and Co. Chartered Accountants
REGISTERED OFFICE	HEAD OFFICE
Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan	6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi – 75350 UAN: (021) 111-786-555 Website: www.lucky-cement.com Email: info@lucky-cement.com
PRODUCTION FACILITIES	SHARE REGISTRAR/TRANSFER AGENT
1. Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan 2. 58 Kilometers on Main Super Highway, Gadap Town, Karachi, Pakistan	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S Main Shahra-e-Faisal, Karachi, Pakistan (Toll Free): 0800 23275

Company at A Glance

Lucky Cement is Pakistan's premium cement manufacturer in terms of consistent quality, customer satisfaction, state-of-the-art technology and low production costs. With plants in Pakistan and Democratic Republic of Congo; Lucky Cement's customer base extends across continents.

CORE BRANDS

Lucky Cement aims at producing cement to suit every user. The company is producing different variations of Ordinary Portland Cement and Sulphate Resistant Cement to meet needs of a wide range of customers. The following cement brands are available domestically:

Lucky Cement (Regular):
Lucky Cement Regular is an OPC brand and sells primarily in the North region markets of Pakistan.

Lucky Star:
Lucky Star is an OPC brand which sells primarily in the South region markets of Pakistan.

Lucky Gold:
Lucky Gold is also an OPC brand which was introduced to penetrate into the Faisalabad market, and sells primarily in Faisalabad and surrounding areas.

Lucky Sulphate Resistant Cement:
Developed specially for use along shore lines and canal linings, Lucky SRC sells across entire Pakistan.

Lucky Block Cement:
Developed specially for block makers with quick setting time, Lucky Block Cement is an OPC product which sells primarily in the Karachi market.

Lucky Raj:
In order to attract the price conscious consumer, Lucky Raj is an OPC product introduced in the Karachi markets.

LOCAL AND INTERNATIONAL MARKETS

The Company has a well-established distribution network in Pakistan, making the quality products of Lucky Cement available from Karachi to Kashmir and from Gwadar to Gilgit.

In addition to the local market, the Company has successfully established a well-diversified export market to mitigate the risk of shortfall in local sales.

Our products are well recognized and known for their superior quality amongst customers.

QUALITY ASSURANCE OF PRODUCTS

Lucky Cement's product portfolio complies with a range of standards, depending upon the geographical territory where these are being sold. We use advance equipment like Distributed Control System (DCS), Programmable Logic Controllers (PLCs) and on-line X-Ray Analyzers to ensure that the product quality is consistent. We also have one of the best equipped laboratories, with facilities for analysis of fuel and raw material which ensures the supply of high quality product to the market.

Lucky Cement has been accredited by the following international bureaus of standards over the years:

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

Furthermore, Lucky Cement's product is also under compliance with EN-197-2:2014 Conformity evaluation, a conformity mark "C E" has been embossed on the packaging of Lucky Cement's international products, which is prerequisite to export cement for European Union markets.

Competitive Edge

GLOBAL PRESENCE

Lucky Cement has been following a business strategy of having its presence not only in the domestic Pakistani market but also in the international market by way of exports. It is the only Pakistani cement manufacturing company having manufacturing facilities outside Pakistan. Our Cement Grinding Plant in Basra, Iraq has been operational since February 2014. Similarly, our fully integrated cement manufacturing plant in the Democratic Republic of Congo (DRC) of 1.18 million tons per annum capacity is under construction. The expected Commercial Operations Date (COD) of DRC plant is October 2016.

DR CONGO PROJECT FINANCING – A CASE STUDY OF SUCCESSFUL PROJECT FINANCING PRESENTED BEFORE THE DONORS OF EMERGING AFRICA INFRASTRUCTURE FUND (EAIF)

Our NYA project financing transaction was presented as a case study at EAIF awareness day held in Bern, Switzerland in December 2015. This case study was presented to the donors of EAIF highlighting some of the major challenges faced during the course of project financing and how effectively the same were handled to make this transaction a success for all the parties. The donors of EAIF are the governments of UK, Netherland, Sweden and Switzerland.

EAIF is one of the lenders which provided project finance for our DRC cement project.

SAP ENTERPRISE SYSTEM

Pursuing its core-values, ‘innovation’ and ‘excellence’, Lucky Cement, in May 2016, implemented SAP S/4 HANA Enterprise (Simple Finance & Simple Logistics) under the name of ‘Project Aspire’. Lucky Cement is the first implementation of SAP S/4 HANA Enterprise in Pakistan.

The Project Aspire is of significant advantage for Lucky Cement over its competition for years to come. SAP S / 4 HANA will support Lucky Cement in its domestic and international expansions in the Cement sector, as well as diversification into other businesses. It will further support Lucky Cement to not only strengthen the integration of its operations and investments but also bring more efficiency in the processes.

ENERGY EFFICIENCY AND REDUCTION OF CO_2

Energy efficiency has proven to be a lucrative and proficient way to guarantee a sustainable future. Lucky Cement pioneered the concept of energy conservation and use of alternate fuel in the cement industry of Pakistan. The Company has taken numerous initiatives for energy saving, starting with fuel conversion of all its power generation units from furnace oil to natural gas which eventually not only condensed the Company’s carbon footprint but also decreased the cost of production. The Company further reduced CO_2 emissions by introducing Waste Heat Recovery systems at its plants. WHR system encapsulates all the wasted heat (which was previously being released in the atmosphere) from the production line and power generators and uses it back to generate electricity which not only conserves energy but also increases process efficiency. Lucky Cement has set up a 20 MW WHR Plant at Karachi and 15 MW WHR Plant at Pezu. In addition to this, the Company is currently in the process of setting up an additional WHR Plant of 10 MW at Pezu Plant in its efforts to further reduce carbon emissions.

Lucky Cement has also taken another step forward with the use of alternate energy by supplementing its manufacturing line with Tyre Derived Fuel (TDF). By allocating resources into TDF project, Lucky Cement is able to curb fossil fuel cost along with paving a greener pathway by drastically curtailing carbon emissions. Burning shredded tyres contains the same amount of energy as oil and 25% more energy than coal. In the long term this implies that for each ton of the utilized TDF we are replacing the deteriorating impact of 1.25 tons of coal and decreasing carbon emissions by 19%.

Besides using shredded tyres as a source of alternative fuel, Lucky Cement is also utilizing fuels from rice husk, chickpea and bagasse through its Refused Derived Fuel (RDF) project.

Through all such energy efficient innovations we are now generating green energy which has surpassed our production needs and available for sale to the National Grid.

LOGISTICS TERMINAL AT KARACHI PORT

Lucky Cement is the first and only cement Company that has its own state-of-the-art infrastructure and logistics terminal at Karachi Port. The Cement Silos at the port have capacity to store 24,000 tons of cement. The Company also runs a fleet of specially designed cement bulkers that carry loose cement from Karachi Plant to the terminal at the port. These bulkers are equipped with a unique compression system and are capable of carrying up to 55 Metric Tons of cement.

ADVANCED QUALITY CONTROL

Our highly advanced quality control system guarantees product dependability, quality, and customer satisfaction. Lucky Cement focuses on manufacturing premium quality cement through highly advanced quality control systems equipped with the latest technology, such as; DCS, PLCs and X-Ray analyzers.

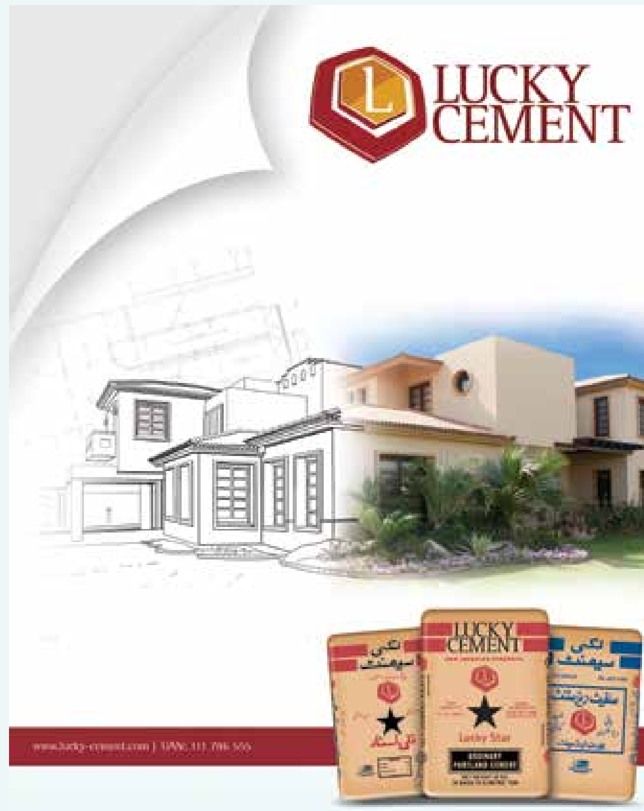
ECONOMIES OF SCALE

Lucky Cement enjoys an edge over its competition and sustains overhead cost due to lower fixed cost per ton. Our operational process cost is constantly reviewed to reduce the same on a sustainable basis and bring in further efficiencies by process improvements.

SMART LOGISTIC SET-UP AND SUPPLY-CHAIN MANAGEMENT

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

A fleet of 50 trailers and 70 bulkers of varying capacities not exceeding 55 Metric Tons is managed expertly by a highly qualified team of professionals to ensure highest levels of service and efficiency, always remaining one step ahead of the competition. There is a special focus on environmental considerations, for the purpose of which vehicle emissions are regularly tested and monitored. Furthermore a lot of emphasis is placed on lead time and road safety, for which all vehicles are monitored using GPS tracking systems. Finally, an unremitting focus on training at all levels supports us to pursue continuous improvement.



LARGEST PORTFOLIO OF INSTITUTIONAL CLIENTELE

Lucky Cement is one of the largest cement producers in Pakistan, which coupled with our trusted quality and efficient transportation network has earned the Company the largest pool of institutional customers. All these customers have been retained due to timely deliveries, excellent customer support and continued supply of premium quality cement.

BRAND EQUITY

Lucky Cement has an edge in selling its products throughout Pakistan, from Karachi to Peshawar. Hence it enjoys the advantage of being the leading cement Company to connect with its local market. Whether we talk about exports, production processes, advertising or brand equity, Lucky Cement has constantly raised the bar for competition.

MUHAMMAD YUNUS TABBA
Chairman

Chairman

Under Mr. Yunus Tabba's leadership, the Group has achieved considerable breakthroughs and has received many awards from local and international institutions.

Mr. Muhammad Yunus Tabba started his over forty-two years long career with Yunus Brothers Group (YBG) as one of its founding members and has seen it progress through manufacturing, sales management, marketing management and general management. With his expertise and diversified experience, he has taken YBG to a level which is appreciated by local and international business communities. Muhammad Yunus Tabba has also been awarded "Businessman of the Year" by the Chambers of Commerce several times during his career.

DIRECTORSHIP

- Aziz Tabba Foundation (Trustee)
- Fashion Textile Mills (Pvt) Limited
- Gadoon Textile Mills Limited
- LCL Holdings Limited
- LCL Investment Holdings Limited
- Lucky Air (Private) Limited
- Lucky Cement Limited
- Lucky Electric Power Company Limited
- Lucky Energy (Private) Limited
- Lucky Textile Mills Limited
- Lucky Wind Power Limited
- Security Electric Power Company Ltd
- Y.B. Holdings (Private) Limited
- Y.B. Pakistan Limited
- Yunus Energy Limited
- Yunus Textile Mills Limited
- Yunus Wind Power Limited

MUHAMMAD ALI TABBA
Chief Executive

Chief Executive

In recognition of his outstanding services and contributions in the social development sector of Pakistan, World Economic Forum (WEF) in 2010 bestowed the title of Young Global Leader (YGL) on Mr. Tabba.

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

He started his career with YBG - a family conglomerate in 1991. YBG is one of the premier business houses in Pakistan with diversified interests in Cement, Chemicals, Energy, Textiles and Real Estate Development.

Mr. Tabba also serves on the Board of Trade Development Authority of Pakistan (TDAP) - the premier trade organization of the country under the Federal Ministry of Commerce.

He is also a Trustee of the Fellowship Fund for Pakistan (FFFP) which sends a top Pakistani Scholar every year to Woodrow Wilson International Center for Scholars, a think tank based in Washington D.C. Additionally, Mr. Tabba is a board member of Pakistan Business Council (PBC), a business advocacy forum comprising of leading private sector businesses. He has been nominated on the board of Pakistan - India Joint Business council (PIJBC) which promotes trade between the two countries.

He is also serving as the Chairman of All Pakistan Cement Manufacturing Association (APCMA), a regulatory body of cement manufacturers in Pakistan since 2013. He has also been appointed by the Government of Pakistan to serve on the Board of Directors of Oil and Gas Development Company (OGDC).

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

In recognition of his outstanding services and contributions in the social development sector of Pakistan, World Economic Forum (WEF) in 2010 bestowed the title of Young Global Leader (YGL) on Mr. Tabba. He is also the recipient of Businessman of the Year gold medal award for 2012-2013 from Karachi Chamber of Commerce.

DIRECTORSHIP

- Al Mabrooka Cement Manufacturing Co Limited
- Aziz Tabba Foundation (Trustee)
- Fashion Textile Mills (Pvt) Limited
- Gadoon Textile Mills Limited
- ICI Pakistan Limited
- LCL Holdings Limited
- LCL Investment Holdings Limited
- Lucky Air (Private) Limited
- Lucky Cement Limited
- Lucky Al Shumookh Holdings Limited
- Lucky Commodities (Private) Limited
- Lucky Electric Power Company Limited
- Lucky Energy (Private) Limited
- Lucky Exim (Private) Limited
- Lucky Entertainment (Private) Limited
- Lucky Foods (Private) Limited
- Lucky Holdings Limited
- Lucky Knits (Private) Limited
- Lucky Landmark (Private) Limited
- Lucky Paragon Readymix Limited
- Lucky Textile Mills Limited
- Luckyone (Private) Limited
- LuckyRawji Holdings Limited
- Lucky Wind Power Limited
- NutriCo Pakistan (Private) Limited
- NutriCo International (Private) Limited
- Nyumba Ya Akiba S.A.
- Oil and Gas Development Company Limited
- Pakistan Business Council
- Security Electric Power Company Ltd
- Trade Development Authority of Pakistan
- Y.B. Holdings (Private) Limited
- Y.B. Pakistan Limited
- Yunus Energy Limited
- Yunus Textile Mills Limited
- Yunus Wind Power Limited

Board of Directors

Muhammad Sohail Tabba

Muhammad Sohail Tabba is a leading business magnate in Pakistan with vast experience in manufacturing, energy, real estate and cement sectors gained during an illustrious career spanning over two decades.

His association with YBG, one of the largest export houses of Pakistan, has successfully transformed the group's textile concerns into leading global players including names such as Gadoon Textile Mills Limited and Lucky Knits (Pvt.) Limited where he serves as the Chief Executive Officer, and Yunus Textile Mills Limited and Lucky Textile Mills where he serves as a Director on the Board.

Muhammad Sohail Tabba is also the Chief Executive Officer of Lucky Energy (Pvt.) Limited and Yunus Energy Limited in addition to Lucky One (Pvt.) Limited. He is the Chairman of Lucky Paragon Readymix Concrete and a Director on the Board of Lucky Cement Limited, the leading cement manufacturer and exporter of Pakistan. He was appointed as a Non-Executive Director on the Board of ICI Pakistan Limited on December 28, 2012, and appointed as the Chairman of the Board of Directors of ICI Pakistan Limited on April 29, 2014.

Mr. Sohail Tabba's philanthropic and social engagements include being the founding member of the Child Life Foundation and the Italian Development Council (IDC). He also serves as a Director for the Tabba Heart Institute and Aziz Tabba Foundation.

Directorship

- Aziz Tabba Foundation (Trustee)
- Childlife Foundation (Trustee)
- Gadoon Textile Mills Limited
- ICI Pakistan Limited
- LCL Holdings Limited
- LCL Investment Holdings Limited
- Lucky Al Shumookh Holdings Limited
- Lucky Air (Private) Limited
- Lucky Cement Limited
- Lucky Commodities (Private) Limited
- Lucky Electric Power Company Limited
- Lucky Energy (Private) Limited
- Lucky Exim (Private) Limited
- Lucky Entertainment (Private) Limited
- Lucky Foods (Private) Limited
- Lucky Holdings Limited
- LuckyRawji Holdings Limited
- Lucky Knits (Private) Limited
- Lucky Landmark (Private) Limited
- Lucky Paragon Readymix Limited
- Lucky Textile Mills Limited
- Luckyone (Private) Limited
- Lucky Wind Power Limited
- Security Electric Power Company Ltd
- Y.B. Holdings (Private) Limited
- Y.B. Pakistan Limited
- Yunus Energy Limited
- Yunus Textile Mills Limited
- Yunus Wind Power Limited

Jawed Yunus Tabba

Jawed Tabba has a rich experience in the textile industry and is currently the Chief Executive and Director of a renowned textile mill. His untiring efforts helped him acquire deep insight and expertise into the export and manufacturing activities. He is also the Chairman of the Shares Transfer Committee of the Board of Lucky Cement Limited.

Directorship

- Aziz Tabba Foundation (Trustee)
- Gadoon Textile Mills Limited
- ICI Pakistan Limited
- Lucky Cement Limited
- Lucky Energy (Private) Limited
- Lucky Entertainment (Private) Limited
- Lucky Landmark (Private) Limited
- Lucky Textile Mills Limited
- Luckyone (Private) Limited
- Lucky Wind Power Limited
- Security Electric Power Company Ltd
- Y.B. Holdings (Private) Limited
- Y.B. Pakistan Limited
- Yunus Energy Limited
- Yunus Textile Mills Limited
- Yunus Wind Power Limited

Mariam Tabba Khan

With a Master's degree in Business Administration, Mrs. Mariam Tabba Khan started her professional career in 2005 and is currently heading one of its kind, not-for-profit cardiac hospital in Karachi as its Chief Executive. Since Mrs. Mariam took over the hospital in 2005, the hospital has seen the best of its times and is now an icon in the cardiac health community.

Directorship

- Aziz Tabba Foundation (Trustee)
- Fashion Textile Mills (Pvt) Limited
- Gadoon Textile Mills Limited
- LCL Holdings Limited
- Lucky Air (Private) Limited
- Lucky Cement Limited
- Lucky Energy (Private) Limited
- Lucky Holdings Limited
- Lucky Paragon Readymix Limited
- Lucky Textile Mills Limited
- Lucky Wind Power Limited
- Security Electric Power Company Ltd
- Y.B. Pakistan Limited
- Y.B. Holdings (Private) Limited
- Yunus Energy Limited
- Yunus Textile Mills Limited
- Yunus Wind Power Limited

Board of Directors

Zulekha Tabba Maskatiya

Having pursued a Bachelor's degree in Management Sciences from the University of Warwick and a Master's degree in Management, Organizations and Governance from the London School of Economics and Political Science, Mrs. Zulekha Tabba Maskatiya has been an indispensable part of the business since its inception. She not only holds a prestigious position within the YBG but her educational background brings the values of business focus, corporate governance and social responsibility to the organization. In addition to this, she is also the Founder and the Creative Director of the luxury jewelry brand, Lazuli, based in Pakistan.

Directorship

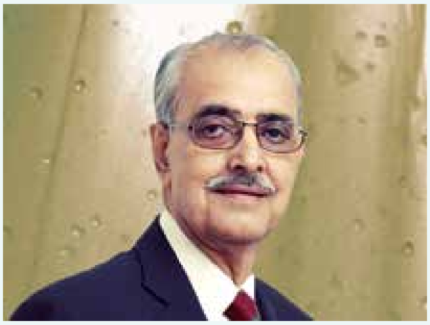
- Aziz Tabba Foundation (Trustee)
- Lucky Cement Limited
- Lucky Textile Mills Limited
- Lucky Wind Power Limited
- Y.B. Holdings (Private) Limited
- Y.B. Pakistan Limited
- Yunus Energy Limited
- Yunus Textile Mills Limited
- Yunus Wind Power Limited

Abid Ganatra

Mr. Abid Ganatra has been associated with the YBG since 1994. He has more than twenty years of diversified experience at senior management positions with emphasis on financial management, operational management, capital restructuring, mergers and acquisitions, corporate and legal affairs as well as taxation. He is a fellow member of the Institute of Chartered Accountants and Institute of Cost Management and Accountants of Pakistan. He has also gained a Master's Degree in Economics and Bachelor's in Law.

Directorship

- ICI Pakistan Limited
- InterGro Life Limited (Trustee)
- Lucky Cement Limited
- NutriCo Pakistan (Private) Limited
- NutriCo Interntaional (Private) Limited



Tariq Iqbal Khan

Tariq Iqbal Khan is a fellow of ICAP, with diversified experience of more than 40 years. He was pivotal in founding the Islamabad Stock Exchange where he subsequently served as President as well. He has also served as the Member Tax Policy & Co-ordination in the FBR, followed by being appointed as Commissioner SECP, where he was instrumental in restructuring the SECP. He also held the charge of Chairman SECP (acting) for a brief period. He has also served on prominent national level committees like Chairman of Committee for formulation of Take Over law, SECP's Committee for review of Security and Exchange Ordinance 1969, Committee for formulation of CDC law and regulations, and Prime Minister's Committee for Revival of Stock Market. He served as the Chairman and MD of NIT for more than 8 years, which played the role of a catalyst in establishing, strengthening and stabilizing the capital markets. Additionally, during this period, he held the office for Chairman and MD of ICP, for almost 5 years. He has served on Boards of many top companies and financial institutions like CDC, Faysal Bank, Bank Al Habib, Askari Bank, GSK, Sanofi Aventis, ICI, BOC, PSO, OGDC, Mari Petroleum, SSGC, Siemens and remained Chairman of SNGPL and ARL etc.

Directorship

- Attock Refinery Limited
- CAS Management (Pvt.) Limited
- FFC Energy Limited
- High Altitude Sustainability Trust
- Human Element Foundation
- International Steels Limited
- Islamic International Medical Trust
- Khyber Pakhtunkhwa Oil & Gas Co. Limited
- Lucky Cement Limited
- National Refinery Limited
- Packages Limited
- Pakistan Engineering Academy Endowment Fund
- Pakistan Oilfields Limited
- Silkbank Limited

MUHAMMAD ALI TABBA
Chief Executive

CEO's Message

Dear stakeholders,

It gives me immense pleasure to announce that by the grace of Almighty Allah, 2015-2016 was yet another successful year in which we grew our business, increased our profitability and advanced further on key strategic initiatives. This enabled us to improve our competitiveness and create value for shareholders. 2015-16 was a top performing year for Lucky Cement during which we recorded a profit after tax of Rs. 12.94 billion, an improvement of 4.1% from previous fiscal year.

We have identified digitalization as a key driver of our business success and made further progress in integrating it into all dimensions of our business and processes. The steadfast commitment of our people ensures that their distinct energies earn an unmatched performance in the whole industry. We continuously evaluate opportunities to expand our footprint and leveraging our strong position in the cement industry, both domestically and internationally.

Our focus on pro-environment innovations stresses key areas of reduction in carbon footprints. We have established our faith in continuous improvement and excellence in the arenas of industrial growth, community development as well as our operational framework.

In the fiscal year 2015-16, we witnessed huge growth in the domestic market that helped the company register a growth of 20.5% to 5.33 million tons, compared to 4.42 million tons achieved in 2014-15. Our exports are experiencing a decline due to import regulations and higher tariff structures on imported cement. Our company is fully geared to take advantage of local growth in the times ahead.

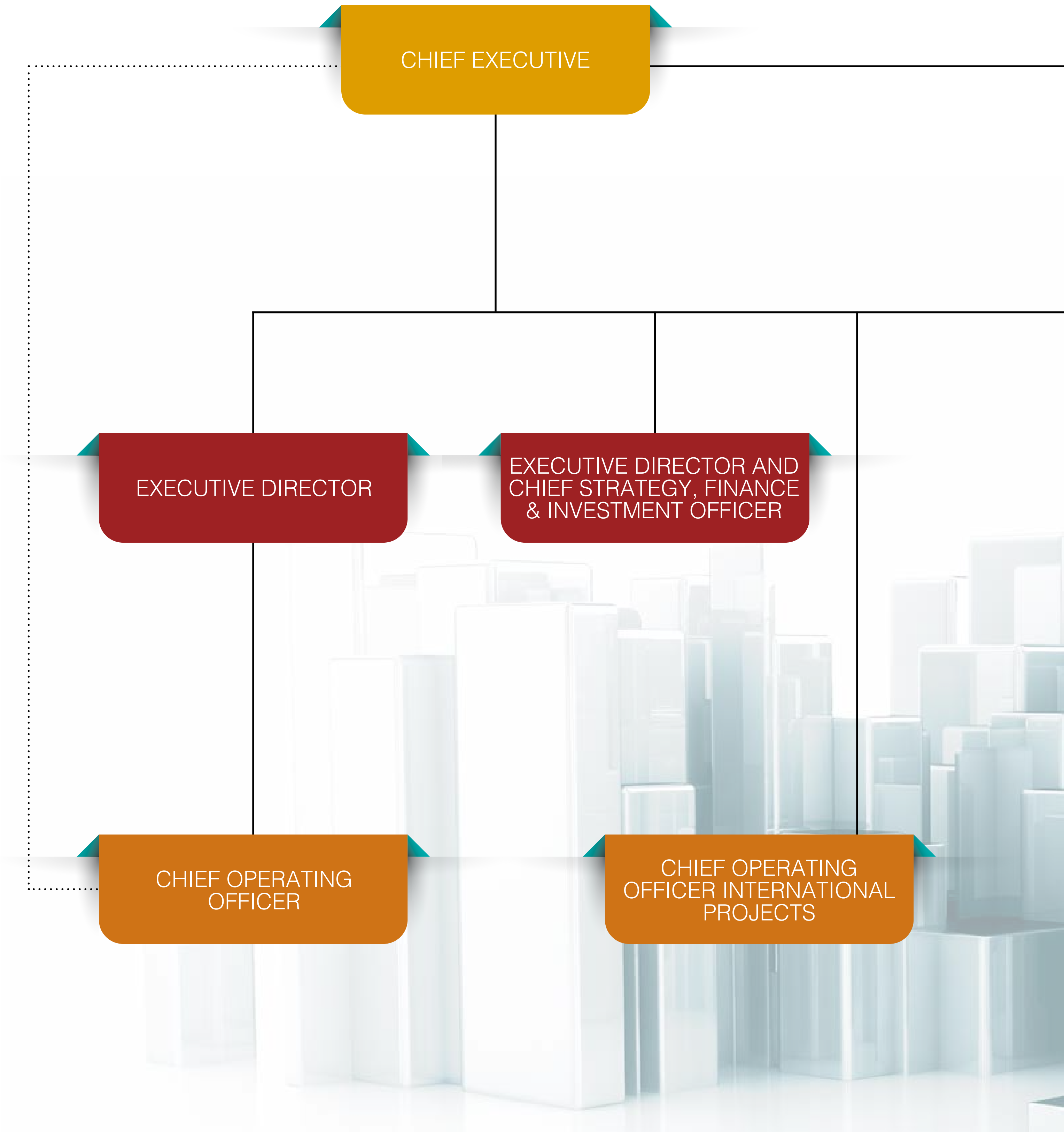
We have continuously maintained our position as a low cost producer through investment in technology and innovation throughout the manufacturing process. Our debt-free financial position and free cash-flow generating ability enables us to smartly invest in the projects and avenues which would continue to bring in growth in our portfolio and increase shareholder value.

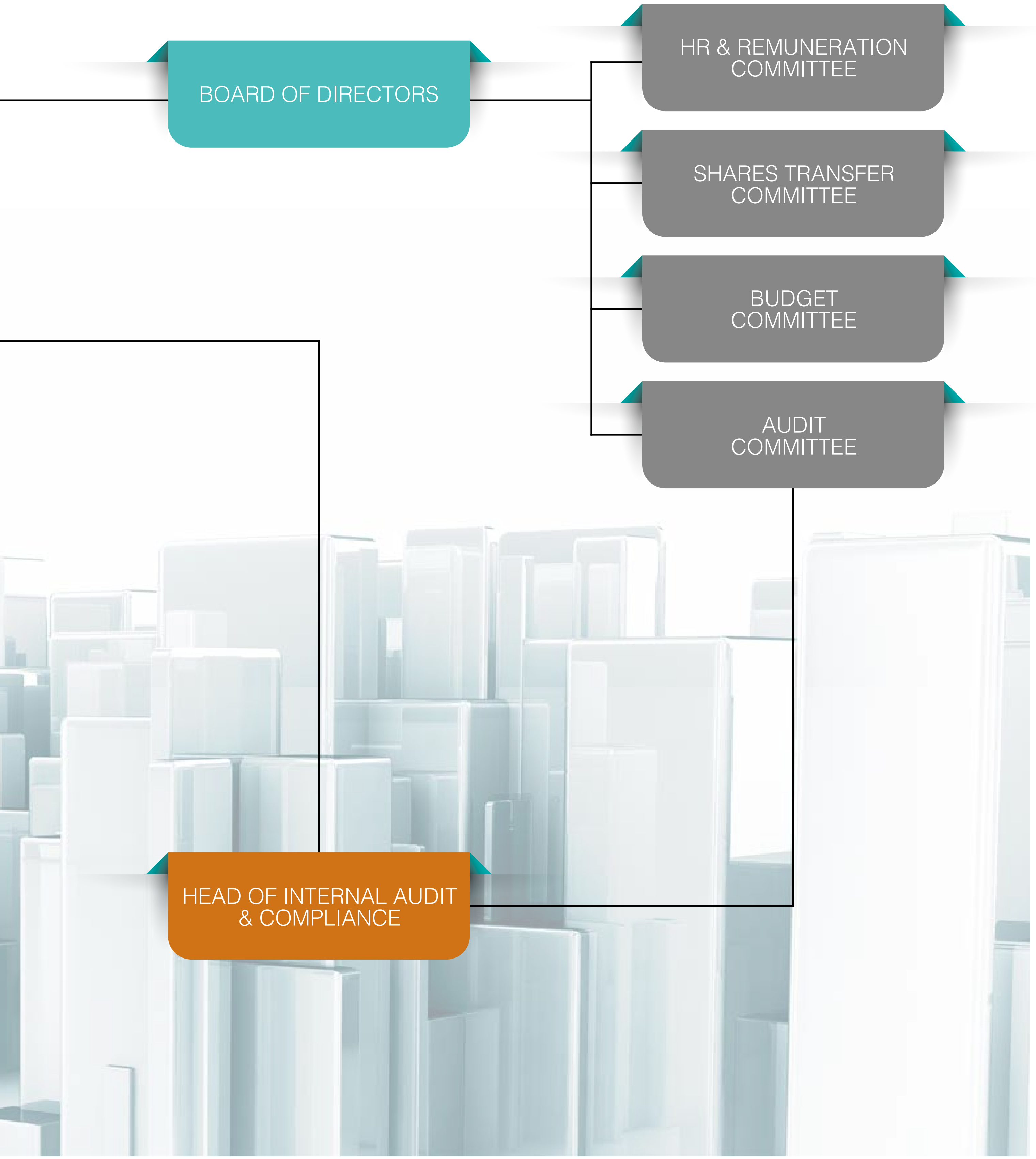
I would like to thank all employees of the Company for their dedication and contribution to our excellent business performance. I would also like to thank our Board members for their valuable advice and to especially thank our shareholders for their continued trust and support.

Everyone at Lucky Cement is fully committed to our strategy and targets and we will continue to implement our strategy and deliver excellent performance.

Muhammad Ali Tabba
Chief Executive

Organogram


CHIEF EXECUTIVE
EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR AND CHIEF STRATEGY, FINANCE & INVESTMENT OFFICER
CHIEF OPERATING OFFICER
CHIEF OPERATING OFFICER INTERNATIONAL PROJECTS


BOARD OF DIRECTORS
HR & REMUNERATION COMMITTEE
SHARES TRANSFER COMMITTEE
BUDGET COMMITTEE
AUDIT COMMITTEE
HEAD OF INTERNAL AUDIT & COMPLIANCE

Senior Management

MUHAMMAD ALI TABBA
Chief Executive

NOMAN HASAN
Executive Director

MUHAMMAD FAISAL
Executive Director and Chief Strategy, Finance & Investment Officer

AMIN GANNY
Chief Operating Officer

KALIM MOBIN
Director Marketing (North)

MASHKOOR AHMED
Director Operations

MUHAMMAD SHABBIR
Director Operations

MAQSOOD AHMED
Chief Operating Officer International Projects

HUMAYUN KHAN
GM Govt. Relations & Administration (Islamabad)

SAIFUDDIN A. KHAN
GM Marketing (South)

SYED NUSRAT ALI
GM Production (Karachi Plant)

IRFAN CHAWALA
Company Secretary / GM Finance

UZMA AMJAD ALI
GM Legal and Corporate Affairs

FAISAL MAHMOOD
Head of Internal Audit & Compliance

AMIN HUSSAIN
GM Supply Chain

ADNAN QAZI
GM Information Technology and Systems

WAQAS ABRAR
GM Human Resource

MUHAMMAD IQBAL
GM Power Plant (Pezu)

SYED HASAN MAZHAR RIZVI
GM Power Plant (Karachi)

MALIK SAFDAR
GM Marketing North

Company Profile

LUCKY CEMENT

Lucky Cement Limited

Lucky Cement is the flagship company of YBG, which has a solid history of exceptional growth performance since its inception in 1993. The shares of the Company are quoted on the Pakistan Stock Exchange (PSX). The Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange.

The Company's manufacturing plants are strategically located in both North and South regions of the country. At present, it has a combined production capacity of 7.75 million tons per annum and is the market leader with almost 17.8 % share of the overall Pakistan's Cement Market (including Exports). Lucky Cement is also the only cement company to have its own loose cement export terminal at Karachi port with storage capacity of 24k tons.

It strives to remain an efficient and low cost producer and was the first company to install Waste Heat Recovery Plant in Pakistan. It also has its own captive power generation facility of 180 MW. Lucky Cement also owns a fleet of Bulkers & Trailers which gives added advantage in terms of logistics and efficient deliveries to its customers.

LUCKY HOLDINGS LIMITED

Lucky Holdings Limited

Lucky Holdings Limited (LHL) is a wholly owned 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. As of June 2015; LHL held 74.70% shares in ICI Pakistan Limited. The main source of earning of LHL is dividend and royalty income.

ICI PAKISTAN

ICI Pakistan Limited

Lucky Cement acquired ICI Pakistan Limited through LHL in the year 2012; the Company is engaged in the manufacturing 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 merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. ICI Pakistan is listed on PSX.

LCL HOLDINGS LIMITED

LCL Holdings Limited

LCL Holdings Limited (LCLHL) was incorporated in Pakistan as a public unlisted company in September 2014 with the objective to invest in the Coal Based Power project to be setup by Lucky Electric Power Company Limited (LEPCL). LCLHL owns 100% ownership interest in LEPCL.

Lucky Electric Power Company

Lucky Electric Power Company Limited

LEPCL is a fully owned subsidiary of LCLHL and was incorporated in Pakistan in the year 2014, as a public unlisted Company. LEPCL has been incorporated with the objective of setting up of 660 MW super critical coal based power project for supplying electricity to the national grid.

LCL Investment Holdings Limited

LCL Investment Holdings Limited (LCLIHL) was incorporated in 2011 in the Republic of Mauritius as a wholly owned subsidiary of Lucky Cement Limited. LCLIHL has concluded joint venture (50:50) agreements with local partners for setting up a cement grinding unit in the Republic of Iraq and an integrated cement manufacturing plant in the Democratic Republic of Congo.

LuckyRawji Holdings Limited

LuckyRawji Holdings Limited 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.

Nyumba Ya Akiba S.A.

Nyumba Ya Akiba S.A. (NYA) was incorporated as a limited liability company in the Democratic Republic of Congo and is a wholly owned subsidiary of LuckyRawji Holdings Limited. NYA is setting up a green field fully integrated cement plant in the Kongo Central Province of DRC with a production capacity of 1.18 million tons per annum. The plant is expected to start commercial production by October 2016.

Lucky Al-Shumookh Holdings Limited

Lucky Al- Shumookh Holdings Limited was incorporated in the year 2012 under a joint venture agreement between LCLIHL and Al-Shumookh Construction Materials Trading FZE, United Arab Emirates, for constructing a cement grinding unit in the Republic of Iraq. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

Al Mabrooka Cement Manufacturing Company Limited

Al Mabrooka Cement Manufacturing Company Limited (AMCMC) was incorporated as a limited liability company in Basra, Republic of Iraq and is a wholly owned subsidiary of Lucky Al Shumookh Holdings Limited. AMCMC has set up a green field cement grinding unit of 0.871 million tons per annum capacity in Basra, Iraq which started commercial production in 2014.

Group Profile

The Yunus Brothers Group (YBG) is one of the biggest conglomerates in Pakistan with diversified interests in textiles, cement and power generation. The group was established in 1962 as a trading house and then grew rapidly over the years. Currently, YBG is one of the largest export houses as well as the largest cement manufacturer in Pakistan. The Group's annual turnover is approximately USD 1.65 billion and the annual export turnover is around USD 669 million. Apart from Lucky Cement and ICI Pakistan, the group is also proud owner of the following companies.

YB Holdings (Private) Limited

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

Yunus Textile Mill Limited (YTML)

Yunus Textile Mills, is a vertically integrated home textile unit established in 1998, consisting of spinning, weaving, printing, dyeing, finishing and cut & sews with a workforce of 7,500 employees. In a span of 10 years it became the no. 1 home textile exporter of Pakistan with 10% share (approx.) of all Home Textiles exported. The company has its international warehousing, distribution and design development offices in USA, UK and France.

Gadoon Textile Mills Limited (GTML)

Gadoon Textile Mills Limited was established in 1988 and started production in the year 1990. Initially it started its operations with only 14,400 spindles, however, with the advent of installation of state-of-the-art automatic machinery it has gradually increased its installed spindles. GTML has 2 manufacturing facilities located at Gadoon Amazai – Khyber Pakhtunkhwa and Karachi – Sindh.

Recently by virtue of merger of Fazal Textile Mills Limited into Gadoon Textile Mills Limited, it has become one of the largest Textile Spinning units of Pakistan with around 321,000 installed spindles. The Company also has a captive power plant with a generation capacity of around 56 MW. GTML is listed on the Pakistan Stock Exchange (PSX).

Lucky Textile Mills Limited (LTM)

Lucky Textile Mills 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 state-of-the-art equipment to cater to the international market.

It has the capacity to process 72 million meters per annum of fabric. LTM has its own captive power generation facility of 6 MW.

Lucky Commodities Private Limited

Lucky Commodities, a trading arm of the YBG formed in 2013, is the largest supplier of South African coal in Pakistan.

Pakistan currently is facing a severe shortage of electricity. Many other developing countries of the world have shifted towards coal as a cheaper and more efficient energy resource. With the government 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 / steam generation. As the largest supplier of coal in Pakistan, LCPL makes an important contribution to the cement, textile and other manufacturing industries by fulfilling their coal requirements. LCPL takes pride in providing the following:

- One window solution for a customer's coal requirements
- Competitive prices with quality guaranteed
- High calorific value coal for maximum plant/machinery efficiency
- Customer satisfaction founded on integrity, quality and reliability
- Maintaining long-standing client relationships through unparalleled service and professionalism
- Group credibility and reliability

Yunus Energy Limited

Yunus Energy Limited is a wholly owned subsidiary of YBG and was incorporated as a public unlisted company in the year 2011. It has initiated a project of national importance in Pakistan which is a 50 MW wind power project. The company has just initiated commercial operations with the supply of power to the national grid in September 2016.

Aziz Tabba Foundation (ATF)

Aziz Tabba Foundation is a not for profit organization, started in 1983. It is a platform of social activities engaged in serving humanity in some crucial areas of life. The Foundation renders its services to fulfill the need of underprivileged people by providing them Shelter, Education, Marriage and Health Care facilities to bring prosperity and change to unleash the potential to transform the Society.

The Foundation has also successfully launched the Vocational training program to polish and bring about a valuable change in the upbringing and creation of excellence in the area of its operations. The Foundation has two State of the Art Cardiac and Kidney hospitals known as Tabba Heart Institute and Tabba Kidney Institute which support in fulfilling the gap of specialized and modern treatment of Kidney and Heart related diseases in the country.

Tabba Kidney Institute

Tabba Kidney Institute started its services as Aziz Tabba Kidney Centre (ATKC) in 1995 as a Hemodialysis unit with four dialysis machines. Over the years, it grew into one of the largest Hemodialysis centre in the country. In 2001, it was transformed into a complete nephrology care set-up with both inpatient and out-patient facilities. In 2010, it became an ISO certified institution, and achieved the privilege to be the only ISO 9001:2008 Certified renal care facility in Pakistan Going forward, in the year 2012, Urology services and an Intensive Care Unit were also added to the Centre.

Tabba Kidney Institute also serves as an excellent teaching, research and continuing educational institution for nephrology, urology and related fields. At present it is providing comprehensive care for all types of Kidney diseases of highest standard to more than 4500 patients per month on a not-for-profit basis.

Tabba Heart Institute
A state-of-the-art Cardiac Hospital
WHERE YOU MEET CARING, FRIENDLY PEOPLE

Tabba Heart Institute (THI)

Tabba Heart Institute (THI) is a specialty care cardiac hospital established in the year 2005 with a vision to provide quality services and compassionate care at an affordable price. Its prime objective is to promote excellence in the field of cardiovascular health. The hospital is equipped with the state-of-the-art equipment and highly qualified professionals with a proven track record, sharing the vision, passion and commitment that led to the establishment of this institution.

At present, it is a 170-bed hospital supported by Cardiac Emergency Room, Consultant Clinics, Clinical Laboratory, Pharmacy and one of its kinds Preventive Cardiology and Rehabilitation Department. With an aim to attain a trend setting image in the field of cardiac health care, the hospital has innovatively designed several preventive, rehabilitation and fitness programs so as to promote a culture of healthy life-style.

Lucky Foods (Pvt.) Limited

Incorporated in 2015, Lucky Foods has a strategic aim to be one of the leading corporate dairy farms in Pakistan. The company is currently focusing on local animals and plans to venture into agriculture, meat, and value added dairy products. Farm is located at Super Highway, Karachi. Lucky Foods aims to be a leading player in food related products, across Pakistan and in the export market.

Lucky Exim (Pvt.) Ltd

At Lucky Exim, we are the preferred supplier of our customers by conducting business with integrity, unparalleled service and professionalism. Therefore, our customers are provided with premium coal that offers the best value for money without compromise on quality. With an initial focus on coal trading, we plan to diversify our trade activities to various other energy and dry bulk commodities.

Y.B. Pakistan Limited

Yunus brothers started business in 1962 as partnership by Mr. Abdul Razzak Tabba and Mr. Yunus Tabba. Initially, trading of grey cloth was the main business. However, with the time the firm started in other commodity items e.g. wheat, rice, corn and other pulse items.

In order to encourage corporate culture, the management decided in 2012 to convert the partnership firm into a public limited company with name and style of Y.B. Pakistan Limited.

Lucky Energy (Pvt.) Limited (LEPL)

Lucky Energy (Pvt.) Limited was established in 1993. It is a notified subsidiary of the Company having valid NEPRA License to Generate Electric Power for its customers (within the Group Companies). LEPL is a Gas-Powered, thermal Power Generation Facility, with a total production capacity of 46 MW. It is equipped with world's one of the most sophisticated and highly-efficient Generator Sets.

Directors' Report

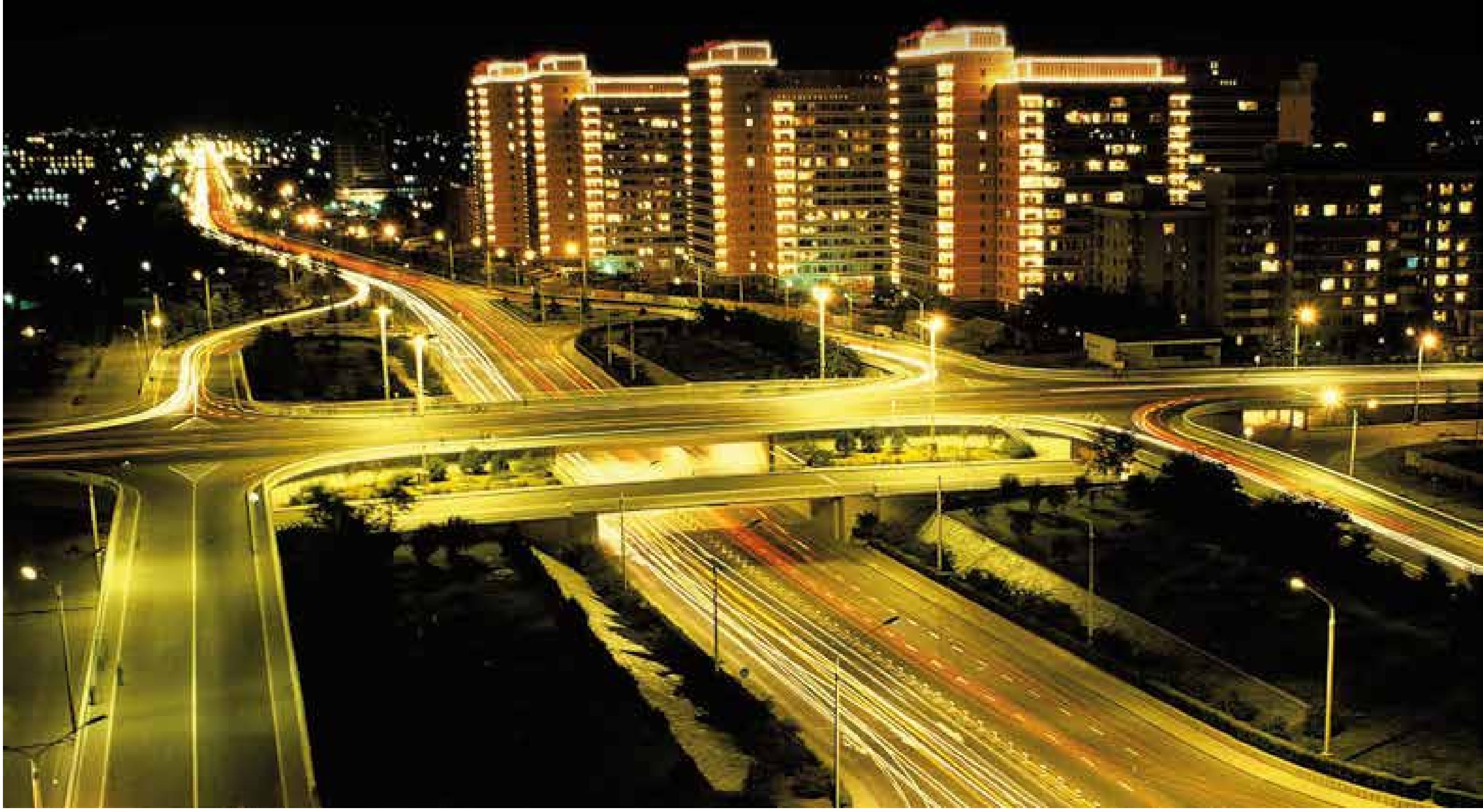
The Directors of your Company have the pleasure in presenting to you the financial results of your Company which include both, the stand-alone and consolidated audited financial statements for the fiscal year ended June 30, 2016.

Overview

Cement industry in Pakistan grew by 9.8% to 38.87 million tons during the fiscal year ended June 30, 2016 compared to 35.40 million tons during last year. While local sales volume registered a growth of 17.0% to 33.00 million tons during the fiscal year compared to 28.21 million tons during last year; export sales volume registered a decline of 18.4% to 5.87 million tons during the year under review compared to 7.19 million tons of last year.

Your Company achieved an overall growth of 2.1% to 6.93 million tons during the fiscal year 2015-16 compared to 6.79 million tons sold last year. While local sales volume of your Company registered a growth of 20.5% to 5.33 million tons during the fiscal year 2015-16 compared to 4.42 million tons last year; export sales volume declined by 32.2% to 1.61 million tons during the fiscal year 2015-16 compared to 2.37 million tons of last year.

The Earnings Per Share (EPS) for the fiscal year ended June 30, 2016 was recorded at PKR 40.03 which is 4.1% higher than the last year's EPS of PKR 38.44.



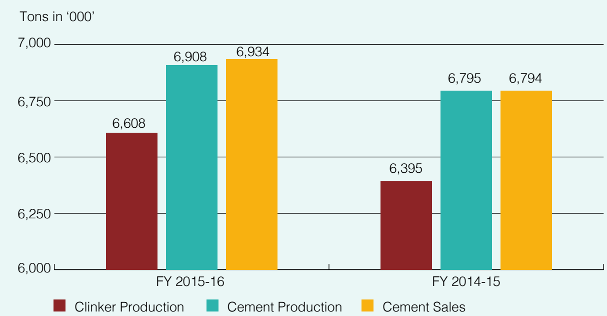
Business Performance

a. Production & Sales Volume Performance

The production and sales statistics of your Company for the fiscal year 2015-16 compared to last year are as follows:

Particulars	FY 2015-16	FY 2014-15	Increase/ (Decrease) %
	Tons in '000'		
Clinker Production	6,608	6,395	3.3%
Cement Production	6,908	6,795	1.7%
Cement Sales	6,934	6,794	2.1%

The production and sales volume data is graphically presented as under:



A comparison of the dispatches of the industry and your Company for the fiscal year ended 2015-16 with last year is presented below:

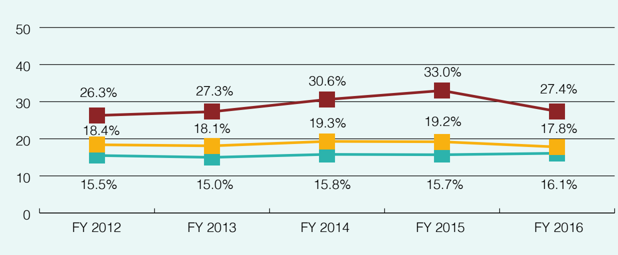
(Tons in '000')

Particulars	FY 2015-16	FY 2014-15	Growth / (Decline)	
Cement Industry				
Local Sales	33,000	28,206	4,794	17.0%
Export Sales				
- Bagged	5,728	6,904	(1,176)	(17.0%)
- Loose	145	291	(146)	(50.1%)
Total Exports	5,873	7,195	(1,322)	(18.4%)
Grand Total	38,873	35,401	3,472	9.8%
Lucky Cement				
Local Sales	5,327	4,421	906	20.5%
Export Sales				
- Bagged	1,462	2,082	(620)	(29.8%)
- Loose	145	291	(146)	(50.1%)
Total Exports	1,607	2,373	(766)	(32.3%)
Grand Total	6,934	6,794	140	2.1%

Market Share	FY 2015-16	FY 2014-15	Growth / (Decline)%
Local Sales	16.1%	15.7%	2.5%
Export Sales			
- Bagged	25.5%	30.2%	(15.6%)
- Loose	100.0%	100.0%	0.0%
Total Export	27.4%	33.0%	(17.0%)
Grand Total	17.8%	19.2%	(7.3%)

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

YEARWISE LUCKY CEMENT MARKET SHARE



Directors' Report

b. Financial Performance

The financial performance of your Company for fiscal year 2015-16 compared to the last year is presented below:

(PKR in million except EPS)

Particulars	FY 2015-16	FY 2014-15	% Change
Revenue	45,222	44,761	1.0%
GP	21,801	20,183	8.0%
OP	18,632	16,138	15.5%
EBITDA	21,201	18,428	15.0%
NP	12,944	12,432	4.1%
EPS	40.03 / Share	38.44 / Share	4.1%

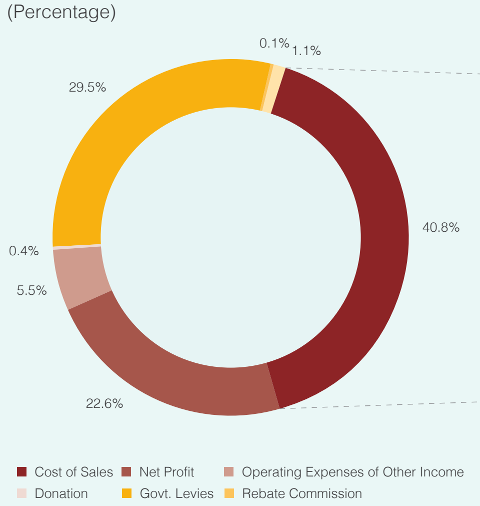
Revenue

During the fiscal year under review, your Company achieved an overall net sales revenue growth of 1.0% compared to last year. This was mainly attributable to increase in sales volume.

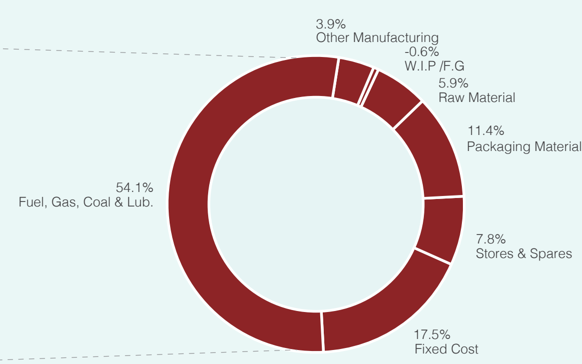
Cost of Sales

Per ton cost of sales of your Company during the fiscal year under review decreased by 6.6% compared to last year. The decrease was mainly attributable to decrease in coal and other fuel prices as well as positive contribution of WHR plants in Pezu and Karachi.

DISTRIBUTION OF REVENUE
(Percentage)



Distribution of Cost of Sales
(Percentage)



Gross Profit

Your Company was able to improve its gross profit margin to 48.2% for the year under review compared to 45.1% reported last year.

Net Profit

Your Company was able to improve its before tax profitability by 15.6% to PKR 18,400 million during the year under review compared to PKR 15,912 million reported last year. Similarly, after tax profit improved by 4.1% to PKR 12,944 million for the year under review compared to PKR 12,432 million reported last year.

Earnings per share

The earnings per share of your Company for the year ended June 30, 2016 was PKR 40.03 compared to PKR 38.44 reported last year.

Taxation

Your Company provided for an amount of PKR 5.02 billion on account of income taxes as compared to PKR 2.94 billion last year. Deferred Tax provision of PKR 440.19 million has been made in the accounts during the year, making the cumulative deferred tax liability of PKR 5.77 Billion as on June 30, 2016.

Contribution to National Exchequer

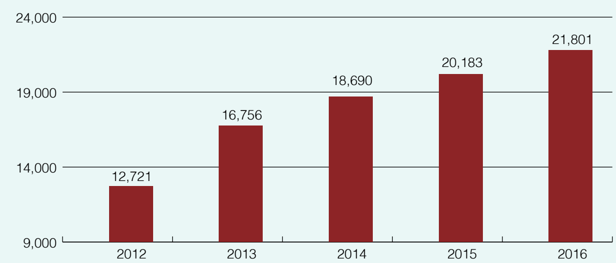
Your company contributed PKR 17 billion (2015: PKR 13 billion) into the Government Treasury on account of Income taxes, excise duty, sales tax and other government levies. Moreover, valuable foreign exchange to the tune of USD 83 million was generated by your Company for the Country from export of cement during the year under review.

Dividend & Appropriation

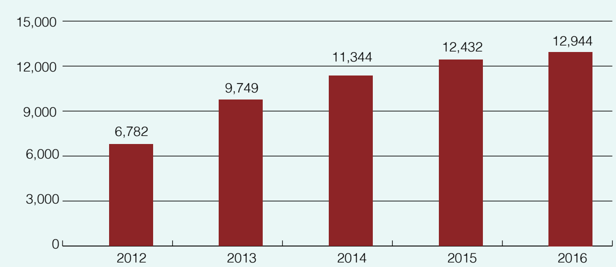
Taking into account the current capital and equity investment plans; the board has proposed the final dividend of PKR 10/- per share for the financial year ended June 30, 2016.

This approach remains in line with your Company's commitment to consistently provide sustainable returns to the shareholders. Movement in un-appropriated profit is as follows:

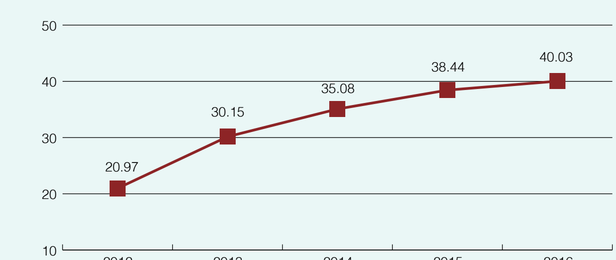
GROSS PROFIT
PKR in million



NET PROFIT
PKR in million



EPS Trend
PKR



Lucky Cement Limited	PKR in '000
Net Profit for the Year	
Un-appropriated profit at the beginning of the year	-
Profit available for appropriation	12,974,443
	12,974,443
Appropriations	
Proposed dividend for the Financial Year 2015-16 @ PKR 10	(3,233,750)
Proposed transfer to General Reserves	(9,740,693)
Un-appropriated profit at the end of the year	-
Basic and diluted earnings per share – PKR	40.03

Directors' Report

National Cause Donations

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

CAUSES SUPPORTED	FY 2015-16	FY 2014-15
Health Initiative and Financial Assistance To Patients etc.	154,200	170,300
Education (Scholarships etc.)	36,117	36,341
General Donation	52,963	37,529
Total Amount Donated	243,280	244,170

Tax Refunds Due from the Government

This refers to the emphasis of a matter paragraph by the auditors in the audit report and as referred to in the notes to the audited financial statements of the company for the year ended June 30, 2016, FBR filed representation, before the President of Pakistan against the recommendations of the FTO which was in the favor of the company under section 32 of Federal Tax Ombudsman Ordinance, 2000. President of Pakistan (the President) through its order has also endorsed the recommendations of FTO. Subsequently, FBR filed a writ petition before the Peshawar High Court challenging the decision of the FTO and the President. The Peshawar High Court suspended the operations of the orders of FTO and the President on July 14, 2015 till further orders. The Company has filed a counter affidavit in response to FBR's writ petition; which is pending adjudication in the Peshawar High Court.

Receivables from Hyderabad Electricity Supply Company (HESCO)

This refers to the emphasis of a matter paragraph by the auditors in the audit report and as referred to in the notes to the audited financial statements of the company for the year ended June 30, 2016; the balance represents receivables from HESCO which is overdue but not impaired and pertains to electricity supplied from February 2015 to January 2016. The Company has filed a suit for injunction in the High Court of Sindh against HESCO for non-payment of its dues; which is currently pending adjudication. Further, Company has also filed an appeal in the Supreme Court of Pakistan against NEPRA, challenging the order dated September 2, 2015, passed by the Sindh High Court with regards to NEPRA's decision to revise tariff vide its impugned determination dated January 9, 2013. During the year the Company suspended its supply of electricity to HESCO with effect from January 9, 2016 in accordance with the terms of Power Purchase Agreement executed between HESCO and the Company.

Projects – New and Ongoing

Brownfield Expansion (Installation of additional Line) at Karachi Plant

Keeping in view the expected growth in cement demand on the back of public and private sector construction projects as well as mega infrastructure development projects primarily driven by China Pakistan Economic Corridor (CPEC) initiative, your Company has decided to increase cement production capacity with the instalation of new cement production line at Karachi Plant of 1.25 million tons per annum at a total project cost of around USD 30 million. This additonal line will become operational by the end of the calendar year 2017.

Fully integrated green field Cement Plant in Punjab Province of Pakistan

Your Company is engaged with the Government of Punjab for acquisition of land for the project. Similarly, it is also in the process of negotiating and finalizing contract with the equipment supplier. Both these activities are likely to be completed by the end of September 2016.

Electricity Supply to PESCO

NEPRA re-determined the tariff in July 2016; however, since the re-determined tariff was not commercially viable; therefore, your Company decided not to pursue this matter any further.

10 MW WHR at PEZU Plant - Kiln

Shipments from the supplier of Project equipment is in progress and the required civil work has already been initiated at the site. The project is expected to be completed by December 2016.

Investments

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

On the advice of the government, the management of your Company is currently engaged with relevant authorities to explore the possibility of using both imported as well as local (Thar) coal as fuel. Use of Thar coal in the power project will require some changes to be made in the design of the equipment which was originally finalized with the EPC contractor(s). The target to finalize the EPC contract with the revised scope is October 2016. This project will be put up on the original site at Port Qasim, Karachi.

The consolidated audited financial statements of the Company for the fiscal year ended June 30, 2016 include the net assets of Lucky Electric Power Company Limited which is a 100% indirectly owned subsidiary of the Company.

Joint Venture Investment in Cement Plant in DR Congo

The construction work at project site is in the final stages to achieve planned Commercial Operations Date (COD) of October 2016.

The effect of 50% share of the net assets of the DR Congo plant has been reflected in the consolidated audited financial statements of the Company for the fiscal year ended June 30, 2016.

Equity Investment in Associated Company in 50 MW Wind Farm

By the grace of Almighty the Project achieved COD in the month of September with the supply of Power to the National Grid.

Segmental Review of Business Performance

The acquisition of ICI Pakistan was part of the Company's strategy to diversify the business of Lucky Cement into five well-established business segments which are tabulated below:

Entity's Significant Cash Flow Resources

Cash Flow Strategy

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

During the year under review, an amount of PKR 21.75 billion was generated from operations of the Company which was mainly allocated towards payment of income tax of PKR 5 billion, capital expenditure amounting to PKR 1.54 billion, long term investments of PKR 1.50 billion and distribution of dividend to shareholders of PKR 2.89 billion.

The Board is satisfied that due to the financial management system in place, there are no short or long term financial constraints in the foreseeable near future. The available surplus liquidity has therefore been effectively channelized to generate further revenues.

Capital Structure and Financial position

Your company continued to remain equity financed in this financial year and has zero debt on its balance sheet on standalone basis. Your company's self-generated liquidity and debt-free balance sheet is one of its biggest strength. This provides your management a possibility to capitalize on further cost-saving ventures and also gives our creditors confidence in doing business with us. Our reserves increased by 18 % during the year and now stand at PKR 66 Billion. The increase is mainly attributable to improved margins and profits of the Company. There is no significant change in our capital structure and financing strategies.

Segment	Revenue Growth	GP Margin	OP Margin	Segment Assets (PKR Bn.)	Segment Liabilities (PKR Bn.)
Cement	1.03%	48.21%	41.20%	41.30	9.53
Polyester	-15.41%	-3.63%	-6.62%	9.08	13.03
Soda Ash	6.97%	29.40%	25.15%	19.01	2.81
Life Sciences	12.63%	28.26%	11.02%	10.39	2.19
Chemicals	5.11%	21.31%	10.40%	3.92	0.92

Directors' Report

Financing arrangements

Your company has working capital as well as short and long term debt facilities available from various banks in Pakistan. Currently the financing facilities are unutilized due to surplus liquidity available. In future, such financing lines, if need be, can be utilized to fulfill cash flow requirements. Since Lucky Cement is well regarded in the market as credible and consistent player; all our creditors have full faith in our financial management.

Human resource development

As we continue our journey of growth the role and the development of human resources becomes all the more critical. Talented people are at the heart of our efficiency driven culture, therefore we actively recognize their abilities and provide wholesome and continuous opportunities for learning and growth.

Having a focus on the qualitative side of our business is critical for the long-term sustainability of the organization. However, equal importance is given to the quantitative side that drives our business today. We have set clear goals and KPIs (key performance indicators) for our Teams which in turn generates a clear focus towards building a result-driven organization. We are proud of the empowerment culture at Lucky Cement which gives our team both the responsibility as well as accountability to be the best that they can be.

Management Objective and Strategies

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

Your company today has a global foot print and the management is set to achieve further milestones through creation of enabling environment by developing a highly competent & professional team, investing in state-of-the-art technology, striving for customer satisfaction and loyalty, identifying supply chain synergies, and contributing to the environment and communities it operates in.

The company has successfully inaugurated 2 WHR (Waste Heat Recovery) plants of 5MW capacity each at Karachi and Pezu respectively in 2015, as part of its ongoing cost reduction and sustainability objective. Another such plant of 10MW is expected to be operational by December 2016, at our Pezu site. To further improve upon the quality of cement produced; two state-of-the-art vertical grinding mills at Karachi Plant were installed and are now successfully operational since February 2015.

To achieve the given corporate goals; your company has taken organization-wide steps involving all the employees from top to bottom in formalizing SOPs (Standard Operating Procedures) and have set individual KPIs (Key Performance Indicators) aligned with these broader corporate goals, making every employee a self-assessor with defined yearly targets and transparent measuring criteria. During the year, the company has accomplished SAP S / 4 HANA implementation (Pakistan's 1st implementation) which is expected to further increase efficiency, simplify processes, eliminate redundancies and reduce communication gaps and information processing time. Furthermore, we have also refined and improved our human resource policies and have also successfully launched a structured management trainee program in collaboration with the leading educational institutes of the Country.

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

Critical Performance Indicators

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

- Ensure sustainable & profitable growth in both domestic and export markets.
- Strive to remain lowest-cost producer in the Industry
- Improve corporate and brand image
- Attract, retain and develop Human Resources Talent
- Strengthen Safety, Health & Environment culture
- Increase footprint beyond Pakistan and diversify
- Improve IT systems & strengthen infrastructure
- Structured Risk Management program
- Embed Corporate Social Responsibility into Company's operations.

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

Performance on Financial & Non-Financial Measures

Sustainable & Profitable Growth

MARKET SHARE	LOW COST PRODUCER	SALES VOLUME	EPS	COST REDUCTION INITIATIVES
Maintained the market leadership with share of 17.8% in financial year 2015-16.	The cost of production per ton remains the lowest in the industry.	Year on year, overall revenue grew by 2.1%.	EPS is PKR 40.03 which is 4.1% higher compared to last year.	Implemented new cost savings initiatives worth PKR 57 Million during the year. Started operations of another 5MW WHR Project in Pezu.

Corporate & Brand Image

AWARDS	BRAND AWARENESS	CORPORATE COMMUNICATION	INTERNATIONAL CONFERENCES
• HSE Award 2016 by The Professional Network • 31st Corporate Excellence Award 2014 by MAP (Management Association of Pakistan) • Quality Standard Award 2015 • South Asian Federation of Accountants (SAFA) Award • 5th Corporate Social Responsibility Award • 12th Annual Environment Excellence Award • Green Supply Chain Award 2015 • Award of Excellence by Marketing Association of Pakistan at Marketing Congress (MARCON) 2016	• Sponsorship of Pakistan Vs Sri Lanka Series • Sponsorship for 20 years celebration at Institute of Business Management • Sponsorship for 11th CEO Summit Asia 2015 • Sponsorship for Pakistan Green Build Expo • Sponsorship for DICE Energy Conference held at NED University Karachi	Continued reaching out to customers through print medium and published various articles in International Cement Review, World Cement Review and other local magazines.	Active participation in the INTERCEM conference, and investors' conferences / road shows held in Pakistan as well as in New York, London and Dubai.

Human Resource Development

Succession planning	Performance management	Gender Diversity	Talent Management
Incorporated 9 box (Performance & Potential) matrix approach to identify the best talent available internally and to train them for important strategic positions for the future.	HR Committee conducted joint review sessions for Performance Management to ensure department's and individual's alignment with the defined Corporate objectives.	Working towards improving gender diversity and becoming a well-known equal opportunity employer. Female employee friendly policies have also been implemented.	Identification and distinct management of high potential resources for development of Company's Talent Pool.

HSE (Health, Safety and Environment)

Zero Loss Work Day Injury	Compliance with NEQ Standards	WHR (Waste Heat Recovery) Plant
Successfully achieved loss work day injury target for the year (60% reduction as compared to last year)	Positioned almost 50% above the permissible limit of NEQ standards due to use of advanced technology and WHR plants.	Achieved carbon emissions reduction of further 7% with the start of 5MW plant at Karachi plant, compared to emissions before this installation.

Directors' Report

Business Growth & Diversification

Coal Based Power Project	50 MW Wind Farm	DR Congo Project	Cement Plant in Punjab Province	Installation of Additional Line at Karachi Plant
Project is under discussion with Government authorities to explore the possibility of using both imported as well local (Thar) coal. The revised scope is expected to be finalized by October 2016.	Achieved commercial operations of 50 MW Wind Farm project in September 2016.	The construction work at project site is in full swing to achieve planned Commercial Operations Date (COD) of October 2016.	The Company is engaged with the Government of Punjab for acquisition of land for the project. Similarly, it is also in the process of negotiating and finalizing contract with the equipment supplier. Both these activities are likely to be completed by the end of September 2016.	The Company has decided to increase cement production capacity with the installation of new cement production line at Karachi Plant of 1.25 million tons per annum at a total project cost of around USD 30 million. This additional line will become operational by the end of the calendar year 2017.

IT Infrastructure

SAP Enterprise System
Achieved Go-live of SAP S/4 HANA in May 2016 which was Pakistan's first implementation.

Risk Management

Strategic Risks	Financial Risks	Operational Risks	Compliance Risks
The strategic risks such as dealing with the Government agencies and authorities as a customer or supplier; critical availability of gas and alternate fuels for power generation as well as significant increase in gas / fuel prices making cost of production substantially higher were considered and incorporated into the risk register. The change in domestic competitive scenario is being continuously monitored. The Company's expansion plans and growth targets are revisited with changing market situation. Appropriate measures are taken to counter these risks.	Debt free balance sheet and natural hedge against foreign currency transactions safeguarded the company from any significant financial risks.	Business continuity and disaster recovery plans are in place to ensure that company's production and sales operations are not disrupted. Raw material sourcing, manpower availability, self- sufficiency in power generation at both the plants and efficient supply chain and logistic operations both in-house and outsourced have enabled us to mitigate operational risk to an acceptable level.	Due to effective compliance with laws and regulations and transparent financial reporting framework there was 'zero' compliance risk posed to the Company. Litigation risk involving significant cases against the Company are handled through reputable Law firms with specialized expertise wherever required.

Corporate Social Responsibility

Charity and Donations	Educational Scholarships	Medical Assistance and Poverty Alleviation	Causes we care about
Continued extending donations to both individuals and institutions providing welfare.	Continued its committed support to students at IBA, LUMS, KSBL, IoBM, IVS and various other institutions.	Continued to support initiatives of health and economic upgradation through patronization of Aziz Tabba Foundation.	Celebrated International Literacy Day, World Environment Day and World Health Day.

Corporate Social Responsibility

Your Company is fully committed to elevate the livelihood of the society it operates in. Corporate social responsibility is not just a core-value but it also forms an integral part of your Company's business model. Your Company endures its commitment by staying true to its cause in supporting the best avenues of education, health and environment.

In its resolve to provide quality education to the less-privileged class of the society, your Company continued to offer merit based scholarships to the deserving students across the country enrolled with leading institutions throughout the year. Playing its part in promoting literacy amongst the masses, your Company supplemented the book reading habits in children by celebrating 'International Literacy Day' at under-privileged schools in Karachi and Pezu during the year. Your Company also generously donated to various not-for-profit organizations providing education through public schools nationwide. Your Company also provided school books for blind students registered with Pakistan Welfare Association of Blind.

In its efforts to sustain the environment, your Company celebrated Green Office Week on account of World Environment Day (5th June) through awareness building sessions amongst employees, tree plantation drives at Karachi and Pezu Plants, and continuous efforts to reduce the carbon footprint of its business operations.

Sustaining its core value of social development, your Company has devotedly participated in numerous health projects across Pakistan. This includes patronage of Aziz Tabba Foundation, a welfare entity dedicated to raising the standards of health, education, and economic wellbeing of humanity by operating a leading cardiac hospital and a leading kidney center in the country. Your Company is also supporting Karachi Relief Trust in Disaster Management and rehabilitation of IDPs, as well as the Special Olympics Pakistan in organizing healthy athletic activities in the country. In addition, your Company continued its support

to numerous social improvement initiatives in the country and provided support to various non-governmental organizations.

Code of Corporate Governance

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of Pakistan Stock Exchange (PSX) under instructions from the Securities & Exchange Commission of Pakistan. Your Company has taken all necessary steps to ensure Good Corporate Governance and full compliance of the Code.

As part of compliance of the code, 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.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

Directors' Report

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- As required by the Code of Corporate Governance, we have included the following information in this report:
    - Statement of pattern of shareholding has been given separately. (Page 189)
    - Statement of shares held by associated undertakings and related persons has been given separately. (Page 192)
    - Statement of the Board meetings held during the year and attendance by each director.
    - Key operating and financial statistics for last six years have been given separately. (Page 50)

Board of Directors

BOARD OF DIRECTORS - 5 MEETINGS		
S. No.	**NAME OF DIRECTORS**	**NO. OF MEETINGS ATTENDED**
1	Muhammad Yunus Tabba (Chairman) *Non-Executive Director*	4
2	Muhammad Ali Tabba *Executive Director*	3
3	Muhammad Sohail Tabba *Non-Executive Director*	5
4	Jawed Yunus Tabba *Non-Executive Director*	5
5	Mariam Tabba Khan *Non-Executive Director*	4
6	Zulekha Tabba Maskatiya *Non-Executive Director*	4
7	Muhammad Abid Ganatra *Non-Executive Director*	5
8	Tariq Iqbal Khan *Independent Director*	5

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

BOARD COMPOSITION

Company's Board comprises of 1 independent, 6 non-executive directors (including chairman) and 1 executive director. 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.

TRAINING OF THE BOARD

The Company takes keen interest in the professional development of its Board members and has carried out necessary trainings of its Board members as per the requirements of the Code of Corporate Governance. All the Directors of the Board are trained directors and have completed Directors' Training Program as per the criteria specified by SECP.

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. The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The Board is also effective in formulating the corporate goals for the company.

The area where the processes are satisfactory but could be further improved going forward is involvement of employees in Health Safety and Environment.

The Board members were aligned with the results of the evaluation and agreed to improve upon the highlighted areas.

Board Committees and Meetings

AUDIT COMMITTEE

AUDIT COMMITTEE - 4 MEETINGS		
S. No.	NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
1	Tariq Iqbal Khan (Chairman) *Independent Director*	4
2	Muhammad Sohail Tabba *Non-Executive Director*	4
3	Jawed Yunus Tabba *Non-Executive Director*	4
4	Mariam Tabba Khan *Non-Executive Director*	1
5	Zulekha Tabba Maskatiya *Non-Executive Director*	2
6	Muhammad Abid Ganatra *Non-Executive Director*	4

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

TERMS OF REFERENCE

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

(a) determination of appropriate measures to safeguard the Company's assets;

(b) review of quarterly, half-yearly and annual financial statements of the Company prior to their approval by the Board of Directors, focusing on:

- major judgmental areas;
- significant adjustments resulting from the audit;
- going concern assumption;
- any changes in accounting policies and practices;
- compliance with applicable accounting standards;
- compliance with listing regulations and other statutory and regulatory requirements; and
- significant related party transactions.

(c) review of preliminary announcements of results prior to publication;

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

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

(f) ensuring coordination between internal and external auditors of the Company;

(g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;

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

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

(i) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

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

(l) determination of compliance with relevant statutory requirements;

(m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

(n) consideration of any other issue or matter as may be assigned by the Board of Directors.

Directors' Report

BUDGET COMMITTEE

BUDGET COMMITTEE - 1 MEETING		
S. No.	NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
1	Muhammad Sohail Tabba (Chairman) *Non-Executive Director*	1
2	Muhammed Ali Tabba *Executive Director*	-
3	Jawed Yunus Tabba *Non-Executive Director*	1
4	Muhammad Abid Ganatra *Non-Executive Director*	1

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

TERMS OF REFERENCE

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

a. To review and analyze the annual financial budgets for revenue and capital expenditures as prepared by the Company and recommend the same to the Board for its approval.

b. To review and analyze any revision in the financial budget and suggest such revision to the Board of Directors for its approval.

c. To review and analyze the comparison of the financial budget with actual results on an annual basis and give appropriate direction for any corrective action in case of major variances.

d. To recommend any matter of significance to the Board of Directors.

HR AND RENUMERATION COMMITTEE

HR AND RENUMERATION COMMITTEE - 3 MEETINGS		
S. No.	NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
1	Mariam Tabba Khan (Chairperson) *Non-Executive Director*	3
2	Muhammed Ali Tabba *Executive Director*	3
3	Muhammad Sohail Tabba *Non-Executive Director*	-
4	Jawed Yunus Tabba *Non-Executive Director*	3
5	Zulekha Tabba Maskatiya *Non-Executive Director*	1

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

TERMS OF REFERENCE

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

a. recommending human resource management policies to the board;

b. recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;

c. recommending to the board the selection, evaluation, compensation (including retirement benefits) of CFO, COO, Company Secretary and Head of Internal Audit;

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

e. Reviewing and evaluating the HR appraisal, development and succession planning process implemented across the company; and

f. Reviewing the audit observations, if any, raised by the internal and external auditors of the company relating to the HR function.

SHARES TRANSFER COMMITTEE

The Shares Transfer Committee is constituted and comprises of the following members of the board:

S. No.	NAME OF DIRECTORS
1	Jawed Yunus Tabba Chairman *Non-Executive Director*
2	Mariam Tabba Khan Member *Non-Executive Director*
3	Muhammad Abid Ganatra Member *Non-Executive Director*

The Company Secretary has been appointed as the Secretary to the Shares Transfer Committee.

Terms of Reference

The terms of reference of the Shares Transfer Committee includes the following:

a. To consider and accept/reject, with or without conditions, as it may deem fit, any applications filed for the registration of share transfers and all documents accompanying in connection with such applications, including, share transfer deeds, share certificates, succession certificates, powers of attorney and all other documents submitted for the purpose;

b. To approve and register transfers of shares; and to approve and authorize the splitting and consolidation of share certificates, the issuance and cancellation of share certificates, the affixation of the seal of the Company to new shares certified which may be issued, and execution or endorsement of share certificates

CEO Performance Review

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

Vision, Mission and Overall Corporate Strategy Approval by the Board

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

Qualification of CFO and Head of Internal Audit

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

Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the Companies Ordinance, 1984 and Code of Corporate Governance as at June 30, 2016 is annexed on page 189 of the report

Auditors

The financial statements of the company for the current year 2015-16 were audited by M/s EY Ford Rhodes Chartered Accountants. The said auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

Outlook

Your Company is optimistic about its local volumetric growth in the upcoming financial year. Domestic sales are expected to remain strong on the back of public and private sector construction projects as well as mega infrastructure development projects under the China–Pakistan Economic Corridor (CPEC) initiative. Your Company's strong and debt-free financial position and free cash flow generating ability would continue to support investments in projects and avenues which can bring in further operational efficiencies and enhance shareholders' value.

Acknowledgement

The Directors of the Company take this opportunity to express their sincere gratitude for all the stakeholders for their continued encouragement and support.

We would like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Lucky family.

And also our shareholders, who have always shown their confidence and faith in the Company.

On behalf of the Board

MUHAMMAD YUNUS TABBA
Chairman / Director Karachi: September 1, 2016

Six Years at a Glance

Financial Position (PKR in million)	2011	2012	2013	2014	2015	2016
Assets Employed						
Property, plant and equipment	31,705	31,017	31,008	31,937	35,019	33,887
Intangible Assets	2	1	5	28	42	127
Long term investments	–	–	5,619	8,158	10,925	12,422
Long term advance	55	55	554	72	79	76
Long term deposit & deferred cost	3	3	3	3	3	3
Current assets	9,444	9,555	13,007	19,672	27,018	39,408
Total Assets	41,210	40,631	50,196	59,870	73,086	85,922
Financed By						
Shareholders' Equity	27,773	33,262	41,035	49,792	59,259	69,323
Long-term liabilities						
Long term finance	658	393	127	–	–	–
Current portion of long term finance	265	265	265	127	–	–
	923	658	393	127	–	–
Long term deposits and deferred liabilites	2,082	3,352	5,187	5,521	6,396	6,969
Current liabilities	10,697	3,624	3,846	4,556	7,431	9,631
Current portion of long term finance	(265)	(265)	(265)	(127)	–	–
	10,432	3,359	3,580	4,428	7,431	9,631
Total Funds Invested	41,210	40,631	50,196	59,870	73,086	85,922
Turnover & Profit						
Turnover (net)	26,018	33,323	37,810	43,083	44,761	45,222
Gross Profit	8,711	12,721	16,756	18,690	20,183	21,801
Operating Profit	5,161	9,010	12,412	14,548	16,138	18,632
Profit before taxation	4,321	8,324	11,746	14,456	15,912	18,400
Total comprehensive income	3,970	6,782	9,714	11,344	12,377	12,974
Cash Dividends	1,294	1,294	1,940	2,587	2,910	2,910
General Reserve	2,500	2,500	5,000	7,871	8,433	9,467
Profit carried forward	4,696	7,685	10,459	11,344	12,377	12,974
Earning per share (Rupees)	12.28	20.97	30.15	35.08	38.44	40.03
Cash Flow Summary						
Net Cash from Operating Activities	4,074	9,375	12,246	13,566	19,003	16,638
Net Cash used in Investing Activities	(1,895)	(1,030)	(8,094)	(4,949)	(8,130)	(3,388)
Net Cash Outflow from Financing Activities	(2,161)	(7,851)	(2,191)	(2,833)	(3,019)	(2,889)
Increase in Cash and Cash Equivalents	18	493	1,961	5,785	7,854	10,361
Cash and Cash Equivalents at beginning of the Year	334	351	844	2,806	8,591	16,445
Cash and Cash Equivalents at end of the Year	351	844	2,806	8,591	16,445	26,806

Analyses of Balance Sheet

PKR in '000	2011	2012	2013	2014	2015	2016
Share Capital & Reserves	27,772,829	33,261,745	41,035,443	49,792,183	59,258,770	69,322,838
Non Current Liabilities	2,740,237	3,745,172	5,314,888	5,521,483	6,396,392	6,968,744
Current Liabilities	10,696,789	3,624,324	3,845,844	4,555,965	7,430,703	9,630,824
Total Equity & Liabilities	41,209,855	40,631,241	50,196,175	59,869,631	73,085,865	85,922,406
Non Current Assets	31,765,389	31,076,594	37,189,583	40,198,033	46,067,916	46,514,689
Current Assets	9,444,466	9,554,647	13,006,592	19,671,598	27,017,949	39,407,717
Total Assets	41,209,855	40,631,241	50,196,175	59,869,631	73,085,865	85,922,406
Vertical Analysis - %						
Share Capital & Reserves	67.39	81.86	81.75	83.17	81.08	80.68
Non Current Liabilities	6.65	9.22	10.59	9.22	8.75	8.11
Current Liabilities	25.96	8.92	7.66	7.61	10.17	11.21
Total Equity & Liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non Current Assets	77.08	76.48	74.09	67.14	63.03	54.14
Current Assets	22.92	23.52	25.91	32.86	36.97	45.86
Total Assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal Analysis (i) Cumulative Growth %						
Share Capital & Reserves	100.00	19.76	47.75	79.28	113.37	149.61
Non Current Liabilities	100.00	36.67	93.96	101.50	133.42	154.31
Current Liabilities	100.00	(66.12)	(64.05)	(57.41)	(30.53)	(9.97)
Total Equity & Liabilities	100.00	(1.40)	21.81	45.28	77.35	108.50
Non Current Assets	100.00	(2.17)	17.08	26.55	45.03	46.43
Current Assets	100.00	1.17	37.72	108.29	186.07	317.26
Total Assets	100.00	(1.40)	21.81	45.28	77.35	108.50

Horizontal Analysis (ii) Year on Year Growth %	2011 vs 2010	2012 vs 2011	2013 vs 2012	2014 vs 2013	2015 vs 2014	2016 vs 2015
Share Capital & Reserves	100.00	19.76	23.37	21.34	19.01	16.98
Non Current Liabilities	100.00	36.67	41.91	3.89	15.85	8.95
Current Liabilities	100.00	(66.12)	6.11	18.46	63.10	29.61
Total Equity & Liabilities	100.00	(1.40)	23.54	19.27	22.08	17.56
Non Current Assets	100.00	(2.17)	19.67	8.09	14.60	0.97
Current Assets	100.00	1.17	36.13	51.24	37.34	45.86
Total Assets	100.00	(1.40)	23.54	19.27	22.08	17.56

Analyses of Profit & Loss Accounts

PKR in '000	2011	2012	2013	2014	2015	2016
Turnover (Net)	26,017,519	33,322,535	37,810,456	43,083,169	44,761,307	45,222,089
Cost of Sales	17,306,400	20,601,261	21,054,058	24,393,064	24,578,219	23,421,515
Gross Profit	8,711,119	12,721,274	16,756,398	18,690,105	20,183,088	21,800,574
Distribution Cost	3,236,425	3,236,721	3,664,019	3,382,156	3,127,018	2,073,181
Administrative Cost	313,389	474,135	680,347	760,269	917,635	1,095,504
Operating Profit	5,161,305	9,010,418	12,412,032	14,547,680	16,138,435	18,631,889
Finance Cost	517,788	253,234	75,829	34,225	25,750	23,884
Other (Income) / (Charges)	322,996	433,207	590,335	57,090	200,891	207,783
Profit before taxation	4,320,521	8,323,977	11,745,868	14,456,365	15,911,794	18,400,222
Taxation	350,121	1,541,561	1,997,106	3,111,962	3,480,196	5,456,037
Profit after taxation	3,970,400	6,782,416	9,748,762	11,344,403	12,431,598	12,944,185
Other Comprehensive Income / (Loss)	–	–	(34,814)	(663)	(54,636)	30,258
Total Comprehensive Income	3,970,400	6,782,416	9,713,948	11,343,740	12,376,962	12,974,443

Vertical Analysis - %	2011	2012	2013	2014	2015	2016
Turnover (Net)	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	66.52	61.82	55.68	56.62	54.91	51.79
Gross Profit	33.48	38.18	44.32	43.38	45.09	48.21
Distribution Cost	12.44	9.71	9.69	7.85	6.99	4.58
Administrative Cost	1.20	1.42	1.80	1.76	2.05	2.42
Operating Profit	19.84	27.04	32.83	33.77	36.05	41.20
Finance Cost	1.99	0.76	0.20	0.08	0.06	0.05
Other (Income) / (Charges)	1.24	1.30	1.56	0.13	0.45	0.46
Profit before taxation	16.61	24.98	31.07	33.55	35.55	40.69
Taxation	1.35	4.63	5.28	7.22	7.78	12.06
Profit after taxation	15.26	20.35	25.78	26.33	27.77	28.62
Other Comprehensive Income / (Loss)	–	–	(0.09)	–	(0.12)	0.07
Total Comprehensive Income	15.26	20.35	25.69	26.33	27.65	28.69

Horizontal Analysis (i) Cumulative Growth %	2011	2012	2013	2014	2015	2016
Turnover (Net)	100.00	28.08	45.33	65.59	72.04	73.81
Cost of Sales	100.00	19.04	21.65	40.95	42.02	35.33
Gross Profit	100.00	46.03	92.36	114.55	131.69	150.26
Distribution Cost	100.00	0.01	13.21	4.50	(3.38)	(35.94)
Administrative Cost	100.00	51.29	117.09	142.60	192.81	249.57
Operating Profit	100.00	74.58	140.48	181.86	212.68	260.99
Finance Cost	100.00	(51.09)	(85.36)	(93.39)	(95.03)	(95.39)
Other (Income) / (Charges)	100.00	34.12	82.77	(82.32)	(37.80)	(35.67)
Profit before taxation	100.00	92.66	171.86	234.60	268.28	325.88
Taxation	100.00	340.29	470.40	788.82	894.00	1,458.33
Profit after taxation	100.00	70.82	145.54	185.72	213.11	226.02
Other Comprehensive Income / (Loss)	100.00	-	(100.00)	(100.00)	(100.00)	100.00
Total Comprehensive Income	100.00	70.82	144.66	185.71	211.73	226.78

Horizontal Analysis (ii) Year on Year Growth %	2011 vs 2010	2012 vs 2011	2013 vs 2012	2014 vs 2013	2015 vs 2014	2016 vs 2015
Turnover (Net)	100.00	28.08	13.47	13.95	3.90	1.03
Cost of Sales	100.00	19.04	2.20	15.86	0.76	(4.71)
Gross Profit	100.00	46.03	31.72	11.54	7.99	8.01
Distribution Cost	100.00	0.01	13.20	(7.69)	(7.54)	(33.70)
Administrative Cost	100.00	51.29	43.49	11.75	20.70	19.38
Operating Profit	100.00	74.58	37.75	17.21	10.93	15.45
Finance Cost	100.00	(51.09)	(70.06)	(54.87)	(24.76)	(7.25)
Other (Income) / (Charges)	100.00	34.12	36.27	(90.33)	251.88	3.43
Profit before taxation	100.00	92.66	41.11	23.08	10.07	15.64
Taxation	100.00	340.29	29.55	55.82	11.83	56.77
Profit after taxation	100.00	70.82	43.74	16.37	9.58	4.12
Other Comprehensive Income / (Loss)	100.00	–	(100.00)	(98.10)	8,140.72	(155.38)
Total Comprehensive Income	100.00	70.82	43.22	16.78	9.11	4.83

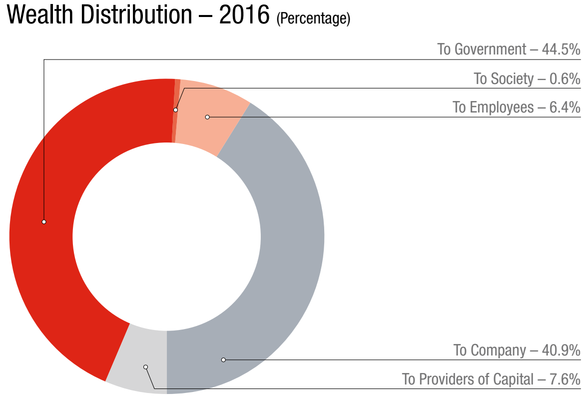
Financial Performance

Financial Ratios	UoM	2011	2012	2013	2014	2015	2016
Profitability Ratios							
Gross profit to sales	percent	33.48%	38.18%	44.32%	43.38%	45.09%	48.21%
Net profit after tax to sales	percent	15.26%	20.35%	25.78%	26.33%	27.77%	28.62%
EBITDA to sales	percent	25.88%	32.21%	37.81%	38.58%	41.17%	46.88%
Operating Leverage	percent	351.78%	265.61%	280.31%	123.39%	280.73%	1500.88%
Return on Equity after tax	percent	14.30%	20.39%	23.67%	22.78%	20.89%	18.72%
Return on Capital Employed	percent	14.39%	21.85%	25.97%	24.94%	22.70%	20.18%
Liquidity Ratios							
Current ratio	times	0.88 : 1	2.64 : 1	3.38 : 1	4.32 : 1	3.64 : 1	4.09 : 1
Quick/Acid test ratio	times	0.18 : 1	0.80 : 1	1.66 : 1	2.62 : 1	2.75 : 1	3.30 : 1
Cash to Current Liabilities	times	0.03 : 1	0.23 : 1	0.73 : 1	1.89 : 1	2.21 : 1	2.78 : 1
Cash flow from Operations to Sales	times	0.16 : 1	0.28 : 1	0.32 : 1	0.31 : 1	0.42 : 1	0.37 : 1
Activity / Turnover Ratios							
Inventory turnover	times	2.84	2.89	3.17	3.40	3.44	3.31
No. of days in Inventory	days	128.52	126.30	115.14	107.35	106.10	110.27
Debtor turnover	times	37.16	39.87	27.81	23.00	21.73	21.41
No. of days in Receivables	days	9.82	9.15	13.12	15.87	16.80	17.05
Creditor turnover	times	4.88	5.58	6.09	6.36	4.69	3.13
No. of days in Payables	days	74.80	65.41	59.93	57.39	77.83	116.61
Operating Cycle	days	63.54	70.04	68.33	65.83	45.07	10.71
Total assets turnover	times	0.63	0.82	0.75	0.72	0.61	0.53
Fixed assets turnover	times	0.82	1.07	1.22	1.35	1.28	1.33
Investment Valuation Ratios							
Earnings per share (after tax)	rupees	12.28	20.97	30.15	35.08	38.44	40.03
Price / Earning ratio (after tax)	times	5.77	5.50	6.96	11.70	13.52	16.20
Dividend Yield	percent	5.65%	5.20%	3.81%	2.19%	1.73%	1.54%
Dividend Payout ratio	percent	32.58%	28.61%	26.54%	25.65%	23.41%	24.98%
Dividend Cover ratio	times	3.07	3.50	3.77	3.90	4.27	4.00
Cash Dividend per share	rupees	4.00	6.00	8.00	9.00	9.00	10.00
Break up value per share	rupees	85.88	102.86	126.90	153.98	183.25	214.37
Market Value Per Share as on 30th June	rupees	70.84	115.39	209.72	410.30	519.62	648.51
Capital Structure Ratios							
Financial leverage ratio	times	0.26 : 1	0.02 : 1	0.01 : 1	0.00 : 1	0.00 : 1	0.00 : 1
Weighted Average Cost of Debt	percent	6.76%	6.42%	14.43%	13.15%	40.39%	–
Debt to Equity ratio	times	0.02 : 1	0.01 : 1	0.00 : 1	0.00 : 1	0.00 : 1	0.00 : 1
Interest Coverage ratio	times	9.97	35.58	163.68	425.06	626.74	780.10

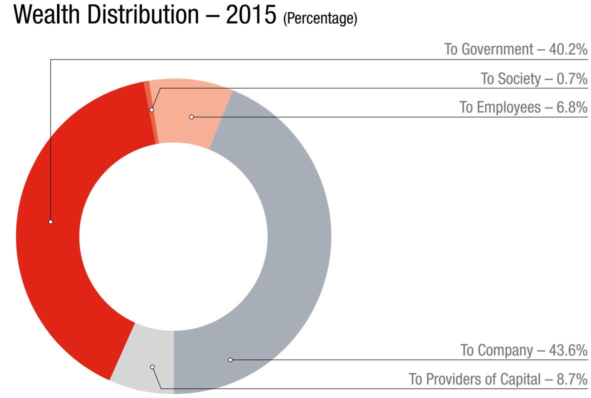
Statement of Value Addition & Wealth Distribution

Financial Position (PKR in million)	2016 PKR	%	2015 PKR	%
WEALTH GENERATED				
Gross Sales/ Revenues	55,923,115		53,919,310	
Bought-in-material and services	(17,874,553)		(20,295,589)	
	38,048,562	100.0%	33,623,721	100.0%
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	2,423,763	6.4%	2,297,999	6.8%
To Government				
Income tax, sales tax, excise duty and others	16,927,624	44.5%	13,502,619	40.2%
To Society				
Donation towards education, health and environment	243,280	0.6%	244,170	0.7%
To Providers of Capital				
Dividend to shareholders	2,910,375	7.6%	2,910,375	8.7%
Markup / Interest expenses on borrowed funds	–	0.0%	1,832	0.0%
To Company				
Depreciation, amortization & retained profit	15,543,520	40.9%	14,666,726	43.6%
	38,048,562	100.0%	33,623,721	100.0%

Wealth Distribution – 2016 (Percentage)



Wealth Distribution – 2015 (Percentage)



Notes on Analyses

Comments on six year Statement of Comprehensive Income analysis

Turnover

Revenues grew from PKR 26 billion in 2011 to PKR 45.2 billion in 2016 with an increase of 73.8%. This is mainly due to increase in domestic sales volume.

Cost of Sales

Cost increased from PKR 17.3 billion in 2011 to PKR 23.4 in 2016 billion with an increase of 35.3%. This is mainly due to increase in volumes and fuel, power and other input costs.

Gross Profit

GP increased from PKR 8.7 billion in 2011 to PKR 21.8 billion in 2016 with an increase of 150.3%. This is mainly attributed to use of efficient and cost effective alternative energy sources as well as additional capacities of Waste Heat Recovery plants.

Finance Cost

Finance cost decreased from PKR 0.5 billion in 2011 to PKR 0.02 billion in 2016 with a decrease of 95.4%. This is mainly due to internally generated cash flows.

Net Profit

Net Profit increased from PKR 3.97 billion in 2011 to 12.94 billion in 2016 with an increase of 226%. This is mainly attributable to increased sales volumes as well as continuous performance improvement, energy efficiency and other cost reduction initiatives.

Comments on six year Statement of Finanical Position analysis

Share Capital & Reserves

The share capital remained the same however, reserves increased due to increase in undistributed profits for continued utilization in new projects / investments.

Non Current Liabilities

There is an increase of 154.3% from 2011 to 2016 mainly because of deferred tax liability.

Non Current Assests

There is an increase of 46.4% from 2011 to 2016 mainly due to capital expenditure on Alternative energy, WHR, Ventometic Packing Plant, Vertical Grinding Mill, SAP Infrastructure and equity investment in ICI and other offshore projects in Iraq & Congo.

Comments on six year Statement of Cash Flows analysis

Lucky Cement has a persuasive cash flow system. The liquidity of the Company improved substantially due to improved margins, cost reductions and reliance on equity reducing finance cost over the period . The company has no borrowings as of June 30, 2016 and all the projects and investments are primarily financed by internally generated cash flows.

Analyses of Variation In Interim Period

Particulars	Qtr-1	Qtr-2	Qtr-3	Qtr-4	FY 2015-16
Sales Volume (in '000 Tons)	1,565	1,754	1,788	1,828	6,934
Sales Revenue	10,342	11,500	11,645	11,735	45,222
Cost of Good Sold	5,589	6,044	5,961	5,828	23,422
Gross Profit	4,753	5,456	5,684	5,907	21,801
Gross Profit Margin	46%	47%	49%	50%	48%
Operating Profit	3,898	4,668	4,957	5,109	18,632
Operating Profit Margin	38%	41%	43%	44%	41%
EBITDA	4,509	5,310	5,609	5,772	21,201
EBITDA Margin	44%	46%	48%	49%	47%
Net Profit Before Tax	3,914	4,588	4,893	5,005	18,400
Taxation	946	1,301	1,534	1,675	5,456
Net Profit After Tax	2,968	3,287	3,359	3,330	12,944
Net Profit After Tax Margin	29%	29%	29%	28%	29%
EPS in PKR	9.18	10.16	10.39	10.30	40.03

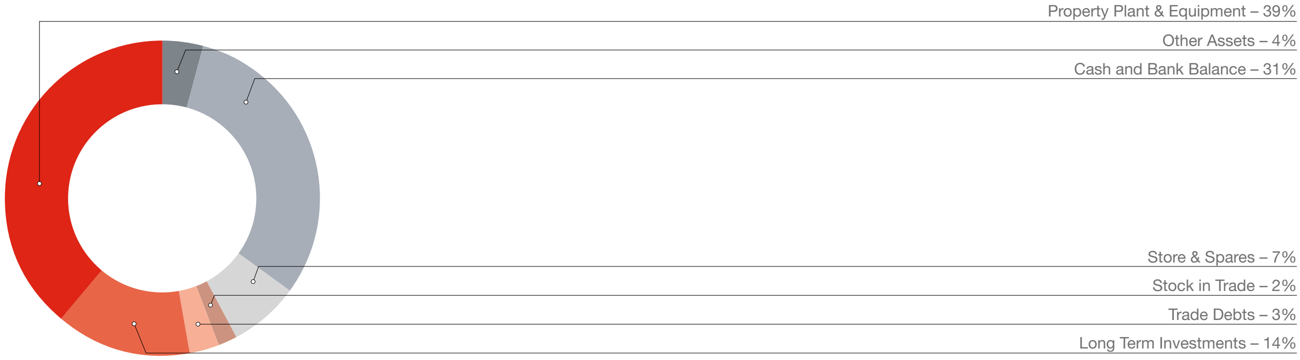
During the FY 15-16, 4th Quarter's performance was the best in terms of the Gross Profit Margin of 50%, Operating Profit (OP) Margin of 44% and EBITDA Margin of 49% mainly on account of lower cost of sales due to decline in prices of coal and other fuels as well as increased utilization of WHR plants. Furthermore, operational costs also decreased owing to cost saving and performance improvement initiatives by the company implemented at the end of 3rd Quarter. However, 3rd Quarter outperformed all the other quarters in terms of bottom-line profitability and Earnings Per Share (EPS); mainly on account of lower effective tax rate as compared to 4th quarter. 3rd Quarter contributed cement sales volumes of 1.79 Million Tons and bottom-line profitability of PKR 3.4 Billion in values and 29% in terms of Net Profit after tax margin.

Composition of Balance Sheet

Equity and Liabilities – 2016 (Percentage)

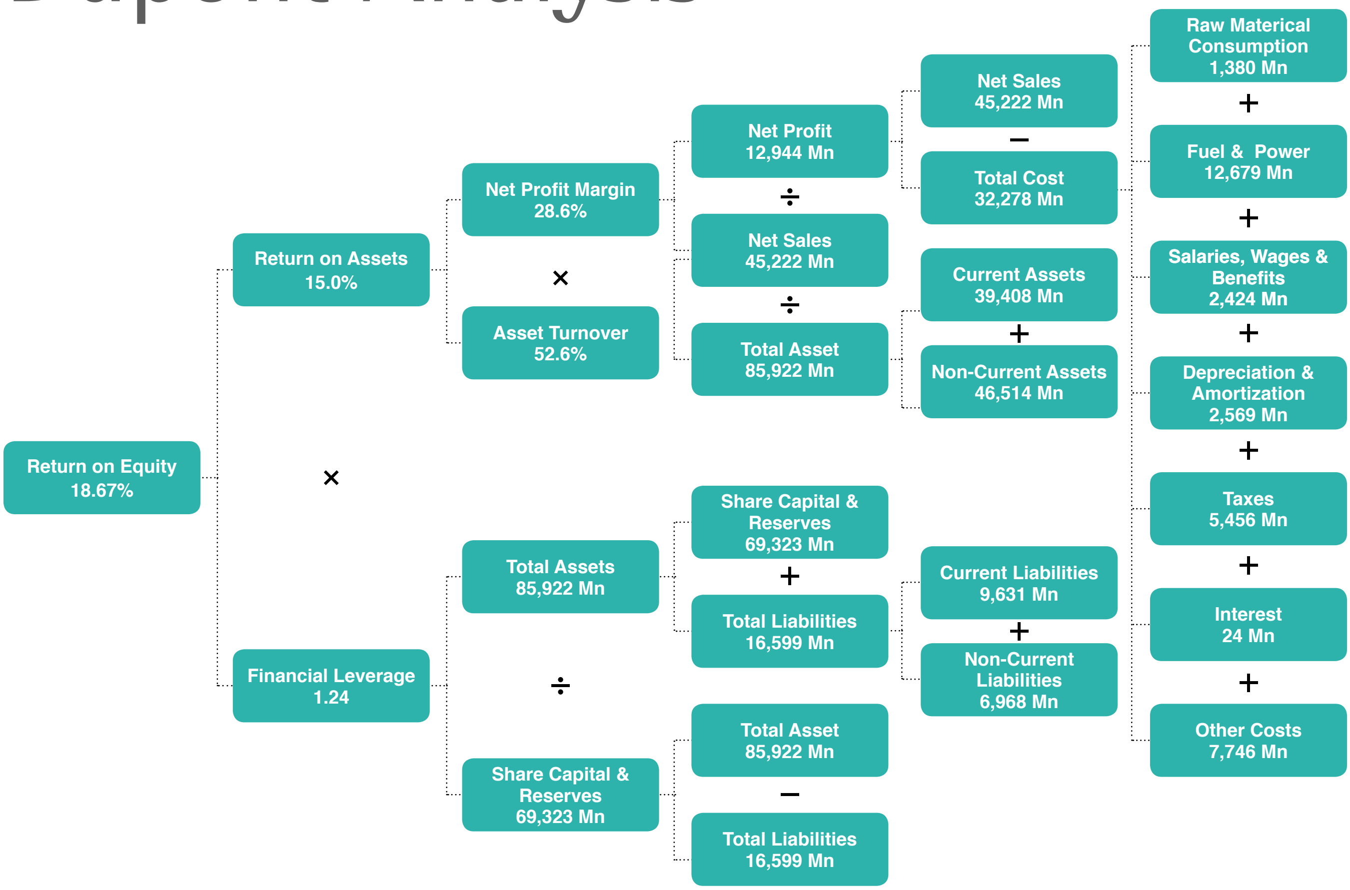
Equity and Liabilities – 2015 (Percentage)

Assets – 2016 (Percentage)



Assets – 2015 (Percentage)

Dupont Analysis



DuPont Analysis				
Year	Profit Margin (Net Profit/Turnover) A	Assets Turnover (Turnover/Total Assets) B	Financial Leverage (Total Assets/Total Equity) C	ROE A x B x C
2016	28.6%	0.53	1.24	18.67%
2015	27.7%	0.61	1.23	20.98%
2014	26.3%	0.72	1.20	22.78%
2013	25.7%	0.75	1.22	23.75%
2012	20.4%	0.82	1.22	20.39%
2011	15.3%	0.63	1.48	14.30%

The main highlights of DuPont analysis are as follows:

1. The profit margins for the company continued to improve during current year mainly on account of decline in prices for coal and other fuels and various cost saving and performance improvement measures taken by the Company to reduce production and administration related costs.

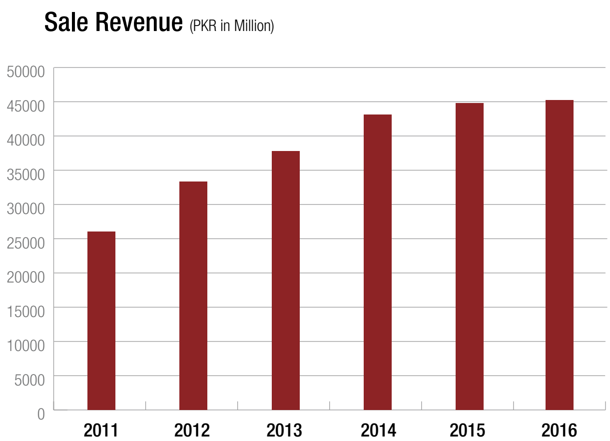
2. The Asset base of the company has improved during the current year mainly on account of cost saving and performance improvement projects.

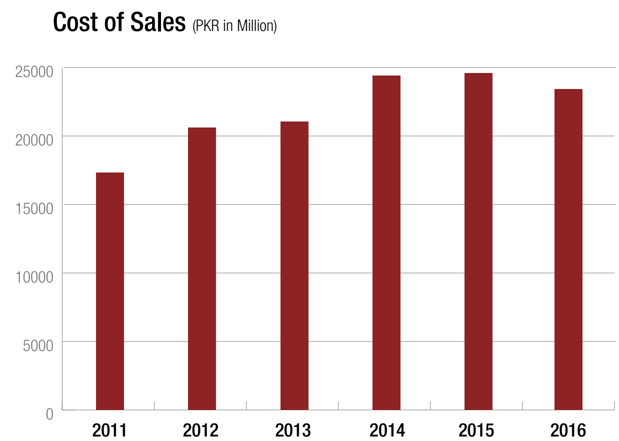
3. The Financial Leverage for the Company has improved due to incremental Assets base and Equity strength, as the Company remains debt free and the Assets base is financed by Equity. The Equity strengthened further due to improved bottom-line profitability of the company.

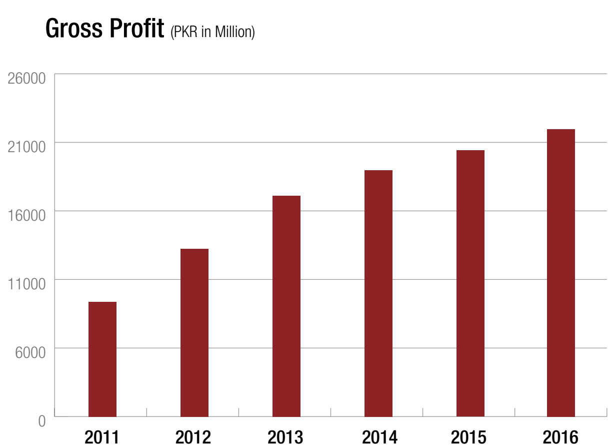
Conclusion

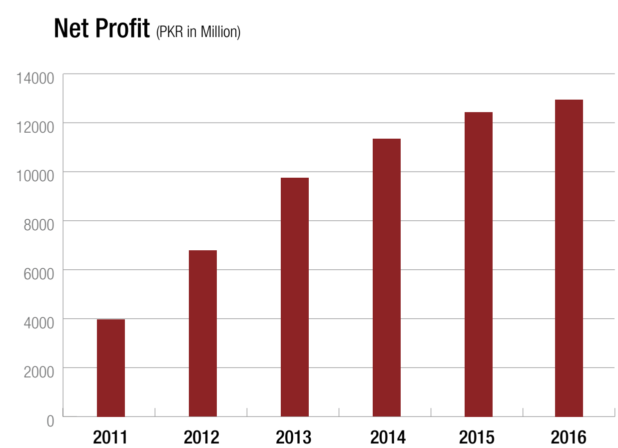
Overall, the operational & assets efficiency and Equity Multipliers are monitored on a regular basis to remain aware of the financial health of the Company. The DuPont analysis for the last 6 years depicts a positive trend in Return on Equity (ROE) of the Company. The ROE showed a remarkable increase from year 2011 to 2013, and declined during the year due to high reserve base.

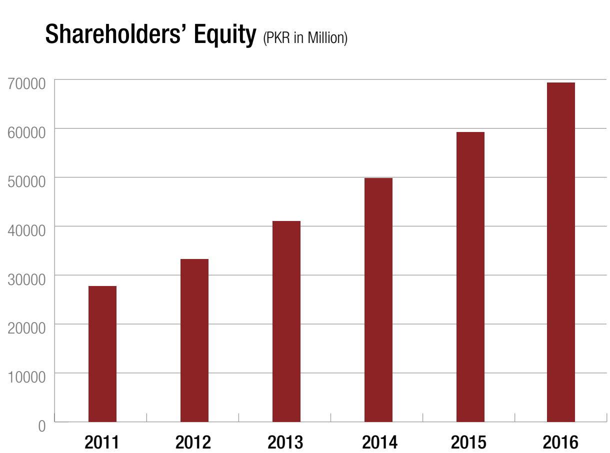
Financials at A Glance

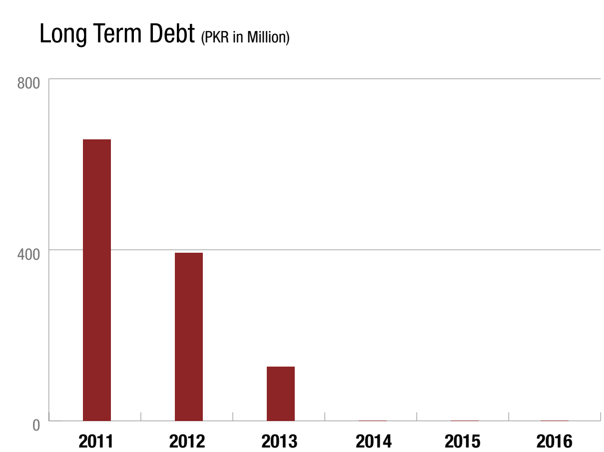






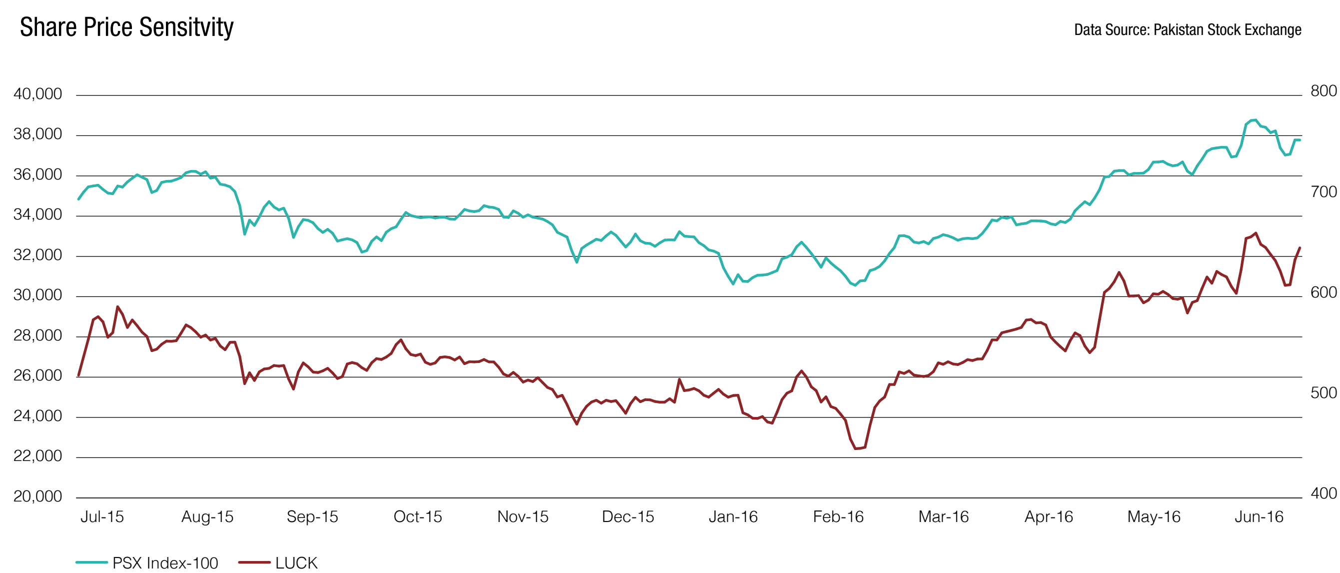






Share Price Sensitivity Analysis

Share Price Sensitivity



Lucky Cement Shares (LUCK) are traded on Pakistan and London Stock Exchanges. Our free float is 36.26% and market capitalization at the end of day of fiscal year was PKR 210 Billion. There are many factors which can affect the share price of our Company, few of which are listed below.

Profitability

Improved margins on account of lower production costs can contribute towards improved profitability and EPS which may increase the market share price.

Commodity Prices

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

Regulations and Government Policies

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

Currency Risk

The volatility in currency exchange rates can also affect the market share prices as Lucky Cement is involved in both export and import (exports of cement and import of coal) so the margins can be affected positively or adversely.

Market Risk

Apart from systematic risk, the market share price is also exposed to all the risks of the stock exchanges it is trading on. The Beta of Lucky Cement with respect to market is 1.02*.
*Source: www.reuters.com

Diversification

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

Goodwill

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

Corporate Analysis

Lucky Cement has been growing with the prime objective of maximizing value for all the stakeholders. The company uses it strengths to capitalize on opportunities, overcome its weaknesses and avert threats. Keeping this in perspective, our pursuit consists of diverse strategies having external and internal origins.

Strengths

Lucky Cement is one of the largest cement producers in Pakistan. It is not only the market leader in Pakistan's cement industry but also enjoys premium brand image in the eyes of the customers. The company is the lowest cost producer in the industry while grossing the highest profits and highest EPS. Lucky Cement's capacity utilization is higher than the industry average and its balance sheet is recognized as the most deleveraged one in the cement industry.

The strategic plant locations across the country, gives the company access to a nationwide market and mitigates exposure to any localized risks. The company has an extensive dealership network of more than 175 dealers and distributors. Also, the company's smart logistic setup and management enables it to effectively cater to both the international as well as the domestic markets. Among Pakistan's cement players, Lucky Cement is the largest exporter of cement and has the strongest international presence. It is the only cement company in Pakistan which has silos at the Port thus, is able to export loose cement.

The human capital of Lucky Cement is a key asset of the company. Mr. Muhammad Ali Tabba, the young and dynamic CEO, is well supported by a team of professionals with diverse skills set.

Lucky Cement has world renowned ERP system in place. SAP S / 4 HANA implementation at Lucky Cement is Pakistan's first implementation. Robust ERP is providing cutting edge technological advantage to Lucky Cement over its competition as well as other industrial units in Pakistan.

The company has also successfully demonstrated that it is an environmentally responsible organization by launching eco- friendly projects such as the installation of Waste Heat Recovery and usage of alternate fuels. The carbon emissions by Lucky Cement are well below the country's regulatory limit.

Weaknesses

Although Lucky Cement has a leadership position in Pakistan's cement industry, it has limited presence in some markets. It was, therefore, important for the company to expand into other markets. The Company's capacity expansion announcement for Punjab was aimed at addressing it.

Opportunities

Pakistan has a very low per Capita consumption of cement as compared to its neighboring countries and therefore significant growth opportunities are available to the company. The positive demographic trends like growing population, increasing urbanization and rising income levels are the key demand drivers. Recent launch of China–Pakistan Economic Corridor initiative presents a great opportunity for both medium and long term growth of the industry. On the back of all these developments, the focus is shifting more towards the domestic market.

Threats

Exports remained challenging mainly due to devaluation of currency of key export markets to US dollar as well fiscal measures taken by some countries which are our prime export markets thereby making commercial imports unviable. On the other hand, growing local demand on the back of private housing demand, infrastructure spending by the government as well as CPEC initiative has enabled the company to substitute declining export volumes with domestic thereby helped mitigate the risk of negative growth.

Risk and Management Strategies to Mitigate These Risks

Lucky Cement launched the Lean Enterprise Risk Management framework in 2014 as an on-going process embedded across the organization. Risk management at Lucky Cement is considered vital to the creation and enhancement of shareholder value. The uncertainties and risks that may influence the achievement of our corporate goals and objectives are managed while opportunities are tapped into. Strategic, Operational, Financial and Compliance risks are ranked based on their impact on Lucky Cement and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

STRATEGIC RISKS	
TYPE OF RISKS	**MITIGATING ACTION**
Change in competitive scenario Threat of local and foreign players causing a change in market dynamics	Lucky Cement encourages competition in the industry as it creates pressure for it to be efficient and competitive in the market to capture more market share and at the same time be a profitable company for the shareholders to get good return on investment. The company has no threat from any change of market dynamics due to the fact that the company is the low cost producer and has the strategic plant locations. The company's expansion plans are in line with market growth expectations and future plans with regards to maintaining or rather increasing its market share.
Risk in Dealing with Government/Authorities as Lucky Cement being a Supplier Risk of subsequent policy changes in dealing with Government agencies & authorities as a supplier.	Continuous engagement and regular liaison with the Government authorities to minimize the possibility of significant policy changes and to get desired support in the event of any adverse development.
Export markets Decline in Pakistan's cement export dispatches due to various external challenges	The company is focusing on sustaining its export client base through providing consistent quality and brining in efficiency so that the company is either able to pass the benefit on to the customers or is able to sustain any cost pressures which could result in price hike otherwise. The company is also able to replace export volumes with the local sales due to its product quality, brand recognition, strategic plant locations, strong supply chain and logistic support.
OPERATIONAL RISKS	
TYPE OF RISKS	**MITIGATING ACTION**
Gas Supply Shortfall Fluctuation in gas supply at production sites due to curtailment, gas reserve depletion or revision in gas allocation policy.	Continuous liaison with the gas distribution companies results in minimal curtailment. Moreover, power plants at both the sites are dual fired and sufficient amount of alternative fuel is maintained for use in case of any shortage. On the other hand the Company has also installed additional Waste Heat Recovery units to further reduce its energy requirements.
Gas tariff hike / Fuel Price increase in the international market Increase in gas tariffs, imported coal or furnace oil price resulting in higher cost of production.	Impact of gas tariff hike and fuel price increases in international market are neutralized by the cost reduction initiatives taken by the company. Coal prices in international market are observed very closely by our trade team and orders are placed either in advance or stopped keeping in view the expected pricing patterns. TDF and RDF processes are in place, reducing dependence on coal if coal prices in international market go up.
Talent 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.	Efforts are made to ensure growth and well-being of employees. As we greatly value our intellectual capital; various programs are in place to identify and develop high potential resources. 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 identified potential placements.
Information System Risk Loss of confidential information due to data theft	Loss of confidential information due to data theft, information is transmitted through secure connections and firewalls are in place to prevent malicious activities. Periodic log reviews further ensure that system related controls are in place and working effectively.
Law and Order uncertainty Loss may occur due to terrorism activities and sabotage	Security and surveillance systems are continuously monitored and reinforced to safeguard against such threats. Moreover, Company collaborates with the local law enforcement agencies to counter potential threats. Welfare of employees as well as local communities is ensured, resulting in harmonious and peaceful conditions at all sites and their vicinities.

Corporate Analysis

OPERATIONAL RISKS	
TYPE OF RISKS	**MITIGATING ACTION**
Maintenance Risk Possibility of production loss due to capacity or service factor	Effective technical monitoring programs with regards to preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization.
Production Technology Risk Technological shift rendering the company's production processes inefficient	Major investments are made regularly to continuously improve product quality and process efficiency. Recent addition of Vertical Grinding Mills to produce finer quality of cement is one such example.
FINANCIAL RISKS	
TYPE OF RISKS	**MITIGATING ACTION**
Financial reporting and compliance Risk of reporting issues with regulators and authorities	Lucky Cement complies with the best practices and the code of Corporate Governance as applicable in Pakistan and maintains It's books as required by the Companies Ordinance 1984 and International Financial Reporting Standards.
Interest rate risk Risk of interest rate fluctuation affecting value of interest-bearing assets	Economic indicators are carefully monitored on a regular basis and a diversified portfolio of short term investment of funds is maintained.
Exchange rate risk Exchange rate risk impacting transactions in foreign currency	Lucky Cement has a natural hedge against exchange rate risk due to its exports and imports both in USD. Lucky Cement remains long in USD as its export values are higher than its import bill.
Credit Risk Risk of default in payments by credit customers	Risk is managed through established limits. Credits are selectively given considering the business potential and risk appetite of the Customer.
COMPLIANCE RISKS	
TYPE OF RISKS	**MITIGATING ACTION**
Risk of litigation Risk of having major legal cases initiated against the company	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 compliance of the Company as well as keeping an eye on the progress of all the legal cases of the company.
Environmental Risk Actual or potential threat of adverse effects on environment arising out of the Company's activities.	Various environmental friendly projects such as Waste Heat Recovery units, Tyre Derived Fuel and Refuse Derived Fuel units are implemented, thus reducing environmental de-generation. The company focuses on energy conservation, operational efficiencies and carbon footprint reduction.
Health & Safety Risk Personal health and safety risks at operating sites	HS&E issues are addressed by focusing on safety measures such as conducting appropriate trainings, having appropriate safety gadgets, equipment and safe practices. Periodic review of safety related incidents and internal audits ensure process effectiveness.

Materiality Approach

The management has adopted materiality approach for effective communication with all stakeholders. The management has a responsibility to identify, control and reduce business risks that may affect the entity's ability to achieve its objectives, for which it has defined procedures, assumptions and factual base for identifying and categorizing the materiality base in order to have transparent and detailed disclosures on risks and opportunities. The specific materiality thresholds are defined and approved by the Board, and as part of the Company's policy, the management discloses the transaction and events falling in this materiality threshold to the Board of Directors. In addition to it, the management of Lucky Cement is also responsible for apprising the board members with all unusual items or events.

Key Sources of Estimation Uncertainty

The management and the Board of Directors of your company draw estimates and judgements based on historical experiences and other assumptions that affect reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingencies which as a result has a significant impact on the preparation of financial statements. These estimations however may vary with the actual results of the company as the conditions may differ from the circumstances that were considered reasonable by the Management and the Board.

Key estimates and assumptions concerning future include:

Estimating useful life of fixed assets

The Company has made certain estimation with respect to residual value, depreciation / amortization methods and depreciable lives of assets as also disclosed in notes 4.3 to 4.4 to the standalone & 4.3 to 4.5 to the consolidated financial statements respectively to determine the useful lives based on usage, maintenance, rate of technical and commercial obsolescence. These useful lives are reviewed annually.

Valuation of current assets

The management has made estimation with respect to provisions for slow moving, damaged and obsolete items and their net realizable values as disclosed in notes 4.8 and 4.9 to standalone and consolidated financial statements respectively. With respect to recoverability of Trade debts and other receivables provisions are made and deducted against such Trade debts and receivables based on management's assessment of customer's outstanding balances and credit worthiness as disclosed in notes 4.10 to standalone and consolidated financial statements.

Taxation

Determining income tax provisions involves judgment on the tax treatment of certain transactions. In making these estimates for income taxes payable by the Company; the management has considered recent Income tax laws and the decisions of appellate authorities on certain cases issued in the past. Deferred tax is recognized in full using the balance sheet liability method on all temporary differences arising at the balance sheet date between tax base of the assets and liabilities and their carrying amounts.

Staff retirement benefits

The defined benefit obligations are based on actuarial assumptions such as discount rate, expected rate of return on plan assets, expected rate of growth in salaries and expected average remaining working life of employees which are extensively detailed in notes 22.1 and 24.1 of standalone and consolidated financial statements respectively.

Contingencies

The management of the Company assesses contingencies based on the availability of the latest information and estimates such values for contingent assets and liabilities which may differ on the occurrence / non-occurrence of the given uncertain future events.

Business Continuity Plan

The Board of Directors ensures that the Company has an updated Business Continuity and Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances.

The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system backups at remote sites. The key highlights and actions of Lucky Cements' Business Continuity Plan are as follows:

- Management is responsible for the development and execution of an effective Business Continuity Plan.
- The development of the plan is done keeping in mind the on-going business needs and the environment it is operating in.
- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extra ordinary event.
- The Company has separated its production units geographically, as well as its individuals and groups with core skills, to reduce the exposure to localized risks and likelihood of losing all resources assigned to a specific role.
- A company-wide and detailed Process Documentation Activity has been done whereby all the processes are mapped and serve as an SOP for all practices.
- Employees are imparted with multi-skill training which helps in the continuity of business activities.
- To ensure protection of employees and asset, fire alarm systems are installed in the premises of all of our offices.
- The Company has also deployed adequate security staff at both plants to ensure uninterrupted cement production regardless of the political situation and other external factors.
- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance whereas backup of virtual asset and data is created on a routine basis.

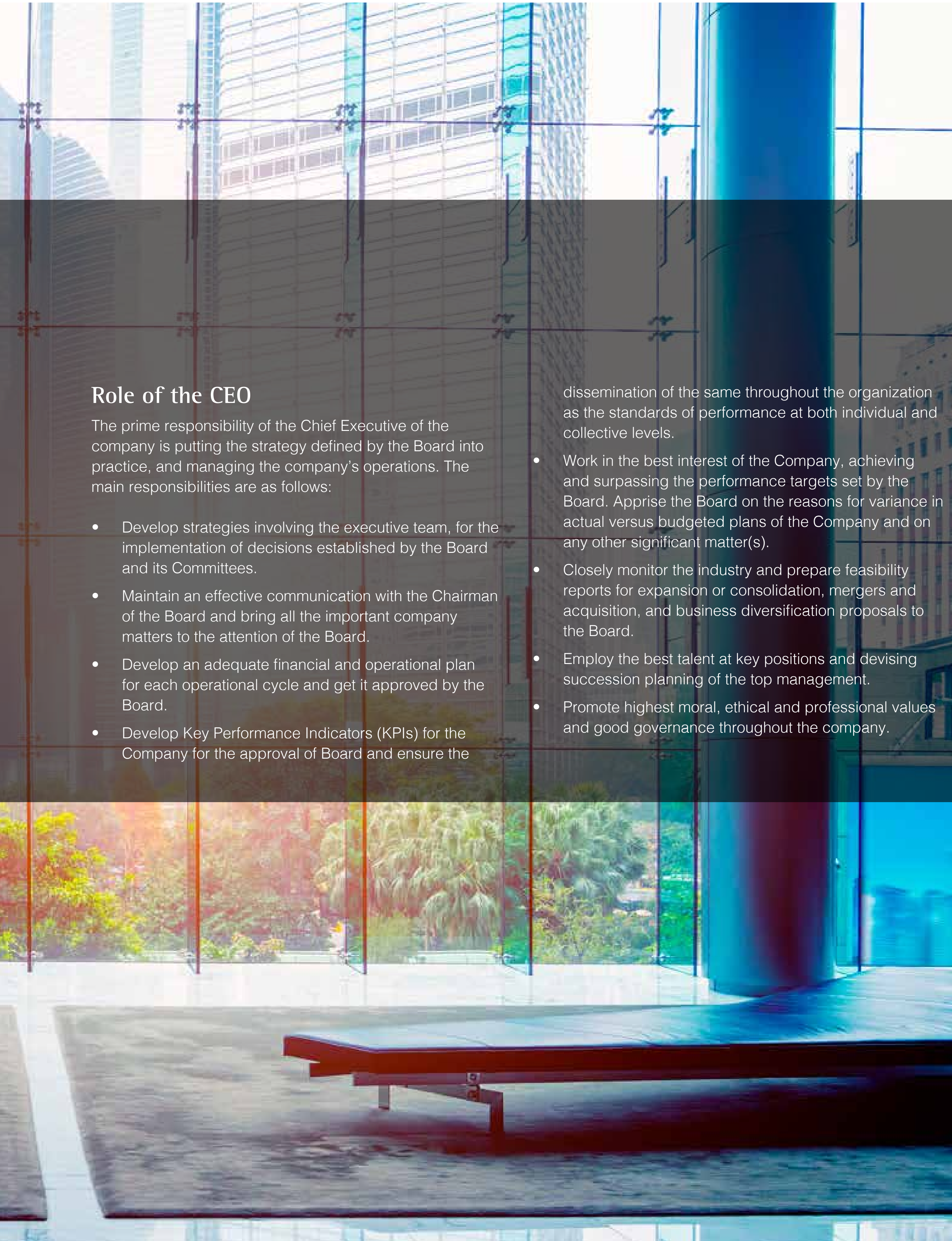
It is also regularly ensured that Data Recovery processes are operating effectively.

Roles of The Chairman and The CEO

Role of the Chairman

The prime responsibility of the Chairman is the management of the Board in all respects in the most efficient and competent manner. This involves (but not limited to) the responsibility to:

- Ensure that the Board plays its role effectively, in setting up company's direction and corporate strategy.
- Ensure that the Board only directs the company and does not manage it.
- Take care of the board composition and structure; ensuring diversity of talent, skills and philosophical perspectives and balance of age, experience and personality amongst Board members.
- Ensure integrity, credibility, trustworthiness and active participation of Board members in key matters of the Company.
- Manage conflict (if any) amongst the Board members and ensure freedom of opinion.
- Review the Board performance and suggest the training and development of Board members on individual and collective basis.
- Receive from the management and sharing relevant and up-to-date information with the Board members and Shareholders.
- Promote highest moral, ethical and professional values and good governance throughout the company.



Role of the CEO

The prime responsibility of the Chief Executive of the company is putting the strategy defined by the Board into practice, and managing the company's operations. The main responsibilities are as follows:

- Develop strategies involving the executive team, for the implementation of decisions established by the Board and its Committees.
- Maintain an effective communication with the Chairman of the Board and bring all the important company matters to the attention of the Board.
- Develop an adequate financial and operational plan for each operational cycle and get it approved by the Board.
- Develop Key Performance Indicators (KPIs) for the Company for the approval of Board and ensure the dissemination of the same throughout the organization as the standards of performance at both individual and collective levels.
- Work in the best interest of the Company, achieving and surpassing the performance targets set by the Board. Apprise the Board on the reasons for variance in actual versus budgeted plans of the Company and on any other significant matter(s).
- Closely monitor the industry and prepare feasibility reports for expansion or consolidation, mergers and acquisition, and business diversification proposals to the Board.
- Employ the best talent at key positions and devising succession planning of the top management.
- Promote highest moral, ethical and professional values and good governance throughout the company.

Policies

We have a comprehensive policy manual in place for the purpose of systemizing the various practices in the organization and we continuously benchmark it against some of the best standards globally. A lot of our policies have been upgraded recently to keep abreast with market best practices.

Business Ethics and Anti-Corruption

'Ethics and Integrity' is one of our core values; Lucky Cement adopts zero tolerance policy against corruption. We strongly believe in and practice highest standards of ethical behavior, both within the organization as well as with our external relationships. The Company has a well versed Code of Conduct which defines the acceptable behavior for Board and other Executives. Furthermore, the Board takes appropriate steps to disseminate the Code of Conduct throughout the Company at all levels. The introduction of Outside Interest Disclosure policy by the employees is another step taken in the same direction. The Members of the Audit Committee meet at regular intervals during the year to review the adequacy and effectiveness of the internal controls, including those relating to the strengthening of the Company's risk management policies and systems. There have been no significant incidents of corruption during the year ended June 30, 2016 which is evident of the Top Management's commitment to running this Organization in the most transparent and bias-freeway.

Whistle Blowing Policy

This policy is designed to enable Directors, officers and employees of the company, including temporary staff to raise complaints internally and at appropriate level. The company is committed to achieving and maintaining the highest standards of openness, integrity, ethical values and accountability. Hence it expects all of its employees to do the same. In the interest of the Company, it is the responsibility of every employee to ensure that any inappropriate event does not occur.

An inappropriate event could be any behavior, action or incident that compromises the interests of shareholders, investors, customers or any other stakeholder. It is also mission-critical to maintain a good corporate image, thus raising standards of corporate governance.

IT Governance Policy

At Lucky Cement, IT governance forms an integral part of the governance structure, policies and the procedures. The Company has formed an IT Steering Committee that provides strategic leadership, establishes Company-wide IT priorities and oversees the 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 IT Strategy with Business Strategy;
- Ensuring Adequate Information Security; and
- Business Continuity Management including Disaster Recovery.

Policy for Safety of Records

The Company makes a conscious effort for the safety of its records.

The objective of the Policy for Safety of Records is:

- To safeguard company's record by taking effective actions pertaining to the creation, confidentiality, maintenance and disposal of the documents.
- To develop a systematic management system of Company's record to assist in a smooth and synchronized Record Managing Process.
- To hold company records for as long as legally required and to dispose off as per the record retention policy.
- Records and company information are the legal property of the Company alone, and not of any team or individual.

The policy for Safety of Records consists of the following points:

- The creation, maintenance, confidentiality and disposal of any official document should adhere to SOPs mentioned in the departmental manuals.
- Lucky Cement has purpose built record rooms at its Head Office and at the Karachi and Pezu Plants for maintenance of official documents and records.
- Maintenance of a fire-proof vault for the safekeeping of legal documents and conduct trainings to deal with fire hazards.

- To ensure back-up of all the relevant Legal, Administrative, Operational and other documents, intellectual property and records in case of any hazard.
- Ensure and Maintain Digital backup of all the records, wherever deemed necessary.

Investors Grievance Policy

At Lucky Cement, we value our relationships the most and believe in nurturing the bonds formed at all levels. We have earned the trust of our investors and are fully committed to sustain it. Thus to set guidelines for handling & addressing Investors'/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 the investors/shareholders while ensuring that their grievances are resolved quickly and efficiently. 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 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 secretarial) to resolve issues of the investors.

The salient features are as follows:

- Complaints are initially lodged with the Share Registrar of the Company who takes necessary actions under intimation to the Company and forwards them to the company in case they fall outside their domain.
- A designated email address 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 at the Company's website in line with directives of SECP. Other options of registering complaints like phone or fax are also available.
- The Corporate Secretarial Department 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 investors' complaints within Ten (10) working days of the receipt thereof.
- A letter/ email in this regard is sent to the investor with intimation to the Shares Registrar/ SECP/ Stock Exchanges if required, as the case may be, duly signed by the Company Secretary.
- The Shares Section maintains record of all the complaints received through email, fax, post, Share Registrar, SECP, and / or Stock Exchanges and relevant replies.

Calendar of Major Events

Annual General Meeting	Oct 2016
1st Quarterly Board of Directors' Meeting	Oct 2016
2nd Quarterly Board of Directors' Meeting	Feb 2017
3rd Quarterly Board of Directors' Meeting	Apr 2017
Budget Committee Meeting	Jun 2017

Report of the Audit Committee

The Audit Committee of Lucky Cement has one (1) independent director who is also the Chairman of the Committee and five(5) non-executive directors. The Chairman of the Committee, Mr. Tariq Iqbal Khan is a Fellow Member of Institute of Chartered Accountants of Pakistan (ICAP). Four meetings of the Audit Committee were held during the year 2015-16 which were also attended by CFO and Head of Internal Audit. The external auditor of the company also attended two of the meetings by invitation.

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2016 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, Code of Corporate Governance, the Company's Code of Conduct and Values and the international best practices of governance throughout the year.

2. 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.

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

4. Appropriate accounting policies have been consistently applied. Applicable International Financial Reporting Standards were followed in the preparation of financial statements for the financial year ended June 30, 2016, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.

5. Accounting estimates are based on reasonable and prudent judgment. Proper accounting records have been maintained by the Company in accordance with the Companies Ordinance, 1984 and the financial reporting is consistent.

6. The financial statements comply with the requirements of the Fourth Schedule to the Companies Ordinance, 1984 and applicable International Accounting Standards and International Financial Reporting Standards notified by the SECP.

7. The CEO and the CFO have endorsed the standalone as well as consolidated financial statements of the Company and the 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.

8. The Audit Committee has reviewed the related party transactions and recommended the same for approval of the Board of Directors.

9. Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company 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 share market price of the Company.

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

11. No cases of material complaints regarding accounting, internal accounting controls or audit matters, or Whistle Blowing were received by the Committee.

Internal Audit Function

12. The Board 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.

13. 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 financial, operational and compliance controls and risk management at all levels within the Company.

14. 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.

15. 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.

16. 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

17. The external auditors of the Company, M/s EY Ford Rhodes, Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2016 and review of the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended June 30, 2016.

18. The Board Audit Committee had reviewed the Management Letter of 2015 issued by the external auditors and managements response to the same.

19. The Audit firm has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP. The auditors have indicated their willingness to continue as auditors.

20. The performance and independence of the external auditor was accordingly reviewed by the Board Audit Committee.

AWARDS AND ACCOLADES

Award of Excellence Marcon 16

Mr. Muhammad Ali Tabba, CEO Lucky Cement has been bestowed with 'Award of Excellence' by the President of Marketing Association of Pakistan at the Marketing Congress 2016 (MARCON). The Marketing Association of Pakistan (MAP) organizes MARCON in efforts to continue its legacy of enhancing and cultivating a learning culture for marketing professionals from various industries across Pakistan.

HSE Award 2016

Lucky Cement received the Environment, Health, Safety and Security Award 2016 held by The Professionals Network (TPN) and supported by the Fire Protection Agency of Pakistan (FPAP) to encourage the inculcation of HSE best practices amongst organizations in Pakistan.

5th Corporate Social Responsibility Award

Lucky Cement is honored with the 5th Corporate Social Responsibility Award for its CSR engagement and communications during 2015 by The Professional Network. Each year, these awards are given to companies that play active role in fulfilling their corporate social responsibility.

South Asian Federation of Accountants (SAFA) Award

Lucky Cement was awarded South Asian Federation of Accountants (SAFA) Award under the category 'Manufacturing' (Runner Up) for the best presented annual report 2014.

31st Corporate Excellence Award 2015 by Management Association of Pakistan

Lucky Cement was ranked first in the category of Construction and Materials (cement) sector in 31st Corporate Excellence Awards held by the Management Association of Pakistan (MAP).

Executive Green Supply Chain Awards 2015

Lucky Cement has been awarded with the Green Supply Chain Award by virtue of its sustainable operations and logistics. The award was conferred by the Publicity Channel in the acknowledgment of companies that are making sustainability a core part of their supply chain strategy.

12th Annual Environment Excellence Award

For the 6th Year in running, Lucky Cement won the '12th Annual Environment Excellence Award' for its pro-environment initiatives including the installation of the Waste Heat Recovery Plant, Refused Derived Fuel and Tyre Derived Fuel projects at its production facilities. The National Forum for Environment & Health awarded Lucky Cement for its extensive participation in various community based environmental programs including the association with the President of Pakistan's Forestation Program.

Quality Standard Award 2015

Pakistan's leading cement manufacturer, Lucky Cement has received the Quality Standard Award 2015. The awards were held by The Consumers Eye Pakistan (TCEP) to encourage local manufacturers that are maintaining quality standard and have ISO/PSQCA certification in manufacturing standardized products.

Human Resource Excellence

As we continue our journey of growth, the role and the development of human resources becomes all the more critical. Talented people are at the heart of our efficiency driven culture, therefore we actively recognize their abilities and provide wholesome and continuous opportunities for learning and growth.

Having a focus on the qualitative side of our business is critical for the long-term sustainability of the organization. However, equal importance is given to the quantitative side that drives our business today. We have set clear goals and KPIs (key performance indicators) for our Teams which in turn generates a clear focus towards building a result-driven organization. We are proud of the empowerment culture at Lucky Cement which gives our team both the responsibility as well as accountability to be the best that they can be.

Hiring & Retaining Talent

With a growth-driven strategy in both the local and international market, Lucky Cement is fully committed to achieving the pinnacles of success. To continue our legacy of being unparalleled leaders of the cement industry we target in hiring the best to achieve optimum performance and excellence. We strongly believe that our people are the most essential and valuable asset of the company. Our objective is to cultivate and retain talent in the best possible manner by providing them with challenging and learning opportunities.

We strive to retain and develop our employees and ensure that we maintain a pipeline of an engaged and talented workforce. We have a robust system of internal identification of top performers. Differentiated pay ensures that we recognize performers within the boundaries of given targets. We have an internal talent assessment tool which identifies high-potential employees and takes them through both extensive on-the-job trainings and classroom-based workshops.

We have also been very active in recruiting for our international operations in Iraq & DR Congo.

Performance Management

Our objective is to collectively align the performance of our teams and individuals towards organizational goals. This year we witnessed further improvement in our performance management process by introducing effective and result-oriented measures and practices. We have designed our systems to deliver transparency and fairness at all levels. Our managers were introduced to new tools and processes to have fair appraisals which diminish the chances of organizational bias and prejudice.

We reward our employees not only for their performance but also for their behaviors that are aligned with the organization's core values.

Salary Surveys

Lucky Cement has participated in multiple salary surveys. Salary Survey benchmarks help us in aligning our remuneration packages and ensuring that we offer market competitive salaries while maintaining internal equity of the organization.

Industrial Relations

Lucky Cement recognize the importance of good industrial relations management and appreciate the hard work of our labor, for they are the key force behind the execution of our day-to-day operations. There are dedicated IR managers in the organization, whose principal responsibility is to ensure industrial peace and well-being by ensuring fair labor practices, effective and efficient grievance handling and safeguarding labor related statutory compliances. The Conflict Resolution Department at the Plants and HR department in the Head Office plays a very critical part

in harmonizing labor and employee relations. There is a tribunal committee that conciliates and arbitrates all the issues and ensures win-win situations.

Management Training and Internship Programs

At Lucky Cement, we run an extensive management training program, where we engage with business and engineering students by offering them meaningful opportunities to learn and grow. We seek bright and energetic trainees from all the leading universities in Pakistan. This develops a pipeline of competent resources for our organization.

Succession Planning

Lucky Cement believes in the development of its employees and diligently focuses on the development of its existing talent. With this focus, Lucky Cement has formulated a well-defined strategy on succession planning. We have incorporated the 9 box (Performance & Potential) matrix approach for identifying the best talent available internally and to train them for important strategic positions in the future. The approach has helped the top management in assessing employee performance as well as potential for effective succession planning.

Learning & Development

We have a strong belief and focus on Learning & Development. We design and run tailor made programs to develop required skills and competencies of our team.

Human Capital Management Module / SAP implementation

With the implementation of SAP S4 HANA; The HCM (Human Capital Management) Module has now been implemented to strengthen our database and streamline information generation, which will further enable us to make improved, efficient and quality decision Making.

Employee benefit policies

Lucky Cement recently upgraded its employee benefits policies to ensure relevance and implementation of market best practices. A new employee handbook has also been developed so that new employees have easy access to all policies and procedures.

Human Resource Strategy

We have firmed up our HR strategy for the midterm with the HR Committee approving the implementation of the following broad pillars:

Preferred Employer: We plan to attract top talent at all levels. We aspire to be a Destination of choice by providing market competitive compensation and a conducive professional environment.

We promise ourselves to be the best in class in industry performance, sustainable growth and employee attraction.

Build People Capability: We aim at filling key positions from within the company bench. We provide a culture that is conducive to the growth and development of talent. We have a strong focus on training and development of our people. Job rotations will ensure that we can develop quality resources who have broad exposure to the business.

Systemize, Measure, Reward: We will have a strong focus on systemizing our business through clearly defined authority matrices, policies, procedures and systems. Reward and recognition will be tied into transparent performance management systems.

Health, Safety & Environment

Lucky Cement is committed to cultivate an environment which ensures HSE embedded at its core. By fortifying our HSE goals with the pillars of perpetual progress, we are in pursuit of a 100% safe & secure workplace for our employees & all stakeholders engaged in our business operations.

Lucky Cement efficiently implements its HSE policies & procedures mitigating the accidental rate at its vicinities and reducing the risks of injury or health-hazards at the workplace. Lucky Cement also fosters a tradition of training and capacity-building of its employees with the best procedures and workshops. We envision a hazard-free setting and frequently invest in various tools & techniques to ensure that our employees are equipped with contemporary safety skills in their daily operations.

OCCUPATIONAL HEALTH AND SAFETY

Being an OHSAS 18001 certified organization, we continuously implement practices that offer health and safety development of our workforce & take pride in being compliant with all applicable health & safety regulations. In this year's OHSAS surveillance audit we have had zero major non-conformities at our plant.

Lucky Cement has taken safety measures according to the differences in the nature of the work environment at our Plants and Corporate Offices. At both the Plants, there is a dedicated HSE department which ensures necessary compliance with all health and safety related matters. The Operations teams at all locations fully collaborate in implementation of OH&S policies & procedures.

We keep educating our workforce with the prevailing health issues along with equipping them with modern-day safety skills at both Karachi and Pezu plants.

The workforce is provided with appropriate safety gear & personal protective equipment in line with the work zone & nature of job being performed. The safety gear requirement for each zone has been visibly displayed at prominent locations & no one is allowed to enter without the safety prerequisites.

Great emphasis is given to training staff on health and safety; topics such as defensive driving, risk assessment, hazards of moving machinery, use of PPE & ISO version 2015 were covered this year.

FIRE FIGHTING & MOCK DRILLS

Safety of our employees lies at the core of our operational frameworks. At Lucky Cement, we have made considerable efforts to equip our employees with fire- fighting skills to enable them to handle unforeseen emergencies. Practical demonstrations along with theoretical explanations are conducted bi-annually by skilled instructors at our Plants and Head Office, so that our employees get the knowledge and confidence required to cope with such situations.

Regular mock drills are also carried out to familiarize everyone with the steps & procedures to follow in emergency situations; such knowledge & practice turns out to be lifesaving during a real situation.

ENVIRONMENTAL COMPLIANCE & ACTIVITIES

Being an ISO 14001 certified organization, Lucky cement is fully aware of its obligations towards protection of the environment & strives to achieve legal compliance. All of our process emissions are tested by external EPA approved laboratories and results are openly shared with EPA on a monthly basis. Throughout the year all legal parameters remained within NEQS limits due to use of efficient technology and stringent process control.

Apart from legal obligations, Lucky Cement goes the extra mile & focusses on environmental friendly activities such as trees plantation within factory premises and continuous sharing of environmental impact reducing ideas and tips with employees.

CONSUMER PROTECTION MEASURE

Lucky Cement is committed to provide topnotch quality cement and is extremely concerned about the safety of its customers and consumers. The manufacturing units have cutting-edge technology and quality management systems which enable the Company to deliver products that are safe and which follow international standards. We also have the services of independent parties which serve as an additional quality check point to ensure that the cement pertains to international benchmarks of safety and quality. In compliance with EN 197- II standard, a Conformity mark is imprinted on the packaging material of cement sold in the European Union markets. This informs the customers about certificate of consistency of the performance of the product and the safety measures to be taken such as suitable safety clothing, dust masks, etc. Along with this, we also provide Safety Data Sheet to our consumers and users to ensure that they have all the necessary information about the product usage and any additional safety precautions that need to be taken.

Sustainability

Lucky Cement is committed to save human beings, flora, fauna, soil and vegetation against environmental aspects generated through its products, activities and services.

ENVIRONMENT

Reduction in CO2 Emissions

Implementation of sustainability into its core business operations has always been one of the major aims of Lucky Cement. We have been successful in establishing a leadership position in the market by completely achieving this target in its strategic orientations.

Lucky Cement is the pioneer of bringing evolution in corporate social responsibility via the implementation of the Dual-Fuel Conversion Project, which has helped in the conversion of energy generation from furnace oil to environment-friendly alternative sources. The successful implementation of this project has enabled Lucky Cement to reduce emission of CO_2 by 29,000 metric tons per annum.

We have taken another lead by making arrangement for alternative fuels to Coal like Tyre Derived Fuel (TDF), generated by burning shredded tyres and have installed TDF plant at our Karachi Plant.

Our Duel Fuel Project also qualifies for the Clean Development Mechanism (CDM) under the Kyoto Protocol which creates emissions reduction credits through emissions reduction projects in developing countries. Under this protocol pro- environment organizations can earn Certified Emission Reduction (CER) credits.

The Company is also active in other practices of alternative fuel projects for achieving sustainability of the environment, which includes: Refuse Derived Fuel (RDF) that is making use of Municipal Solid Waste (MSW) and Rice Husk. Lucky Cement prides itself in transforming from a fossil-fuel based energy to alternative-energy structure. This highlights Lucky Cement's vital position in preserving the ecosystem.

Acquiring Green Technology

Lucky Cement pioneered the use of Waste Heat management projects in the Pakistani cement industry. The company has installed a number of Waste Heat Recovery (WHR) projects at its cement-manufacturing and power-generation sites further reinforcing its eco-friendly operations. The design of WHR plant hinges around the idea of encapsulating all the waste heat from production system and using it to co-generate electricity.

Recently the company installed two WHR projects at its Karachi and Pezu power generation plants. Both these projects produce 5 MW each of additional energy. This will not only help the country in curtailing the fuel cost but will further reduce its carbon footprint.

Moreover, the Company is in the process of installing another 10MW WHR project at its Pezu Plant which is expected to be operational by December 2016.

Tree Plantation at Karachi and Pezu Plant

Lucky Cement has always displayed front-line demeanor in sustaining eco-friendly practices. The company held various plantation drives over the years in the surrounding area of our Karachi and Pezu Plants. Lucky Cement has planted over 30,000 tree saplings over the years near the vicinity of both the plants.

Recently, a green belt has been developed across the old mine areas of Karachi Plant in order to implement sustainable mining practices at Lucky Cement.

Green Office Initiative

With a focus on advocating a culture of environmental responsibility, Lucky Cement launched its first ever Green Office Week 'Green @ Lucky Cement' on account of World Environment Day celebrated on June 5, 2016. The purpose of the week was to engage the employees in company-wide efforts to enhance efficiency and reduce their carbon footprint while reinstating the importance of social responsibility as a primary core value of the Company.

The Green @ Lucky Cement Week consisted of a number of eco-friendly tips and awareness information as to how the employees can play an individual role in reducing the environment burden. The email themes highlighted the importance of water conservation, tree plantation and eco-friendly practices of recycling, reusing and reducing.

MITIGATING EFFORTS TO CONTROL INDUSTRY EFFLUENTS

We have a comprehensive air quality measurement program so as to identify the limits of pollution parameters in the ambient air in and around the Lucky Cement plant.

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) Rules, 2001.

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. The supplier of the generators has 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 by the supplier of the generators, to remain within the NEQS. Moreover, the company has 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 keptas minimum as permissible during material transfer thereby reducing emissions of particulate matters.

Limestone is the major raw material used in the cement production process. 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 sea 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 have been done while taking into account that the noise levels remain

Sustainability

within the acceptable limits of the NEQS. Regular repair and maintenance of the plant guarantees compliance of noise levels with the NEQS.

The plant site at Pezu is surrounded by high hills in a semi-circle on its North-East side. These hills are additionally good barrier for noise cut off in the environment.

Monitoring for noise levels was carried out at different points at Karachi and Pezu plant site and limestone and clay quarries. Similarly, monitoring for noise levels was carried out at different points on the boundary walls of the plant site where minimal instances of excursions were witnessed.

Sewage

Approximately 18,000 gallons/day of sewage is generated from the Pezu plant. It is treated to bring its pollution load within the specified values of the NEQS, Pakistan for the applicable parameters before its end use for irrigation of vegetation and trees within the plant boundaries. Resultantly, ambient environment is not affected in any way due to sewage.

Solid waste

Solid waste is generated from the plant operations at various points. Bag houses are among the major collectors of solid wastes in the form of Particulate Matter. This is used as a useful additive in the cement.

Raw Materials

Raw materials/raw mix and reject of preheater is recycled by putting them on limestone piles. The small quantity of this raw material, rich in limestone, does not affect the quality of limestone piles.

Used oil and lubricants

Used oil, lubricants and very small quantity of greases are transferred to the furnace oil decanting point where they are mixed with furnace oil and used as fuel of calciner / burner.

Furnace oil sludge

Furnace oil sludge generated from the power house and cement plant is sold to the contractors for appropriate disposal.

Paper bags

Bursted paper bags from cement packing process are sold in the market where they are reused either for paper pulp manufacture or other packing materials.

Bricks waste

Brick waste from the lining of the kiln is also sold to the contractors for reuse in small scale kilns for ceramic , acid proof bricks and such other refractory materials manufacture.

Waste from Quality Control

Cement cubes (broken by strength determination), cement, pieces of cement pellets, daily analyzed samples of limestone, shale, iron ore, sand, gypsum, raw mix, kiln feed and clinker is transferred to clinker storage yard. The quantity of these materials is very low thus there is no impact on the quality of clinker.

Empty drums and containers

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

Grinding media

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

Miscellaneous waste

Miscellaneous solid waste includes tyres, tubes, batteries, belts, nylon strips, filters and scrap wood. These are sold in the market through contractors.

EMPLOYEE VOLUNTEERISM

Lend a Helping Hand Campaign

Lucky Cement takes pride in its employees and wants to develop a corporate culture that promotes social responsibility and welfare. At Lucky Cement, employees are a key component of our CSR initiatives and their participation enhances what the company contributes to its communities. In efforts to ignite the spirit of volunteerism, Lucky Cement held its 4th Employee Volunteer Day under the ambit of ‘Lend a Helping Hand’ theme, with the objective of awakening the fervor for social responsibility among the employees by improving the educational facilities and renovating the infrastructure of Govt. Girls Primary School located in Korangi, Karachi. Lucky Cement also donated cement for the construction of a new classroom within the premises of the Govt. Girls Primary School and Lucky Cement’s employees participated wholeheartedly in its decoration. It was an overwhelming experience as Lucky Cement employees participated in activities such as wall art

and painting, cleaning, tree plantation and engaging with the students through various fun-filled activities.

Education

Lucky Cement actively pursues CSR as a core-value and has sustained its goal of promoting quality education in the country by granting several merit-based scholarships to students of different institutes of Pakistan.

Scholarships/ Financial Assistance

Lucky Cement 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 has joined hands with the Creek High School & Creek College (IoBM Campus) for providing scholarships to the deserving and bright students. Lucky Cement has awarded 58 scholarships to the students at Creek High School, taking forward its mission of making quality education accessible to the bright minds of Pakistan irrespective of their financial status.

Indus Valley School of Arts and Architecture

Lucky Cement lays strong emphasis over the promotion of Arts and Architecture in our society. In this connection, Lucky Cement is providing a helping hand to the students striving to choose Arts or Architecture as a profession by providing them with merit cum need based scholarships from the start till the culmination of their degree program.

Lahore University of Management Sciences

Lucky Cement strongly believes that the youth of today are the leaders of tomorrow. Sowing the seeds of a brighter future, Lucky Cement generously granted 17 annual scholarships to deserving students with an aim of improving the standard of education provided to them.

Institute of Business Administration

Lucky Cement has partnered with Institute of Business Administration (IBA), to provide educational assistance to 44 students in pursuit of quality education from IBA.

Foreign Scholarships

Lucky Cement also provides scholarships to the meritorious students of Pakistan seeking further education in world-class foreign universities. In this context, Lucky Cement has granted sponsorships to the students of St. John's College, Cambridge – UK and various other universities.

International Literacy Day

Literacy is one of the fundamental elements needed to promote sustainable development in our society. In efforts to empower the local community, Lucky Cement played its role in celebrating International Literacy Day, globally held by UNESCO, to sow the seeds of a prosperous society.

Sustainability

Lucky Cement has always recognized its social responsibility as a leading corporate citizen and has been pursuing an active role in educational development in Pakistan through its patronage to leading universities and educational initiatives.

For the last two years on International Literacy Day, Lucky Cement has been donating school library books to local schools around our Pezu and Karachi Plant, with the aim to strengthen and support literacy programs at the grassroots.

Being a corporate advocate of social responsibility, we believe that Pakistan's youth is the catalyst for a positive social change. Thus, on September 8, 2016, 'International Literacy Day' Lucky Cement organized a Reading Competition in collaboration with the school management of the Higher Secondary Schools in Pezu to ensure school children read the books we are donating and develop a culture of reading.

Furthermore, Lucky Cement conducted a book distribution drive in efforts to empower local communities on the account of International Literacy Day. The books were donated to three underprivileged schools namely, Hilal Public School, Nooriabad and Higher Secondary School, Yarak and Secondary School, Shehbaz khel (Dist. Lakki Marwat).

Reef Cleaning Drive

Lucky Cement has made monumental contributions in fostering a sustainable environment. As part of Lucky Cement's sustainability interventions, for the second time we have associated ourselves with the global environment movement 'Dive Against Debris' run by Project Aware, Australia.

In response to the onslaught of marine debris, Lucky Cement sponsored scuba divers associated with the Professional Association of Diving Instructors (PADI) who went underwater to remove the debris at Charna Island, a soft coral reef off Karachi Coast, while also collecting important data to paint an accurate picture of the marine debris issue. This unique ocean conservation project embodied the spirit of responsible corporate citizenship of our Company.

Health and Other Community Projects

Health Projects

Lucky Cement actively partnered with various healthcare institutions for better, efficient and accessible medical treatments to general public.

Tabba Heart Institute

Tabba Heart Institute, a state-of-the-art, yet not-for-profit cardiac hospital, was established with the aim to provide quality services and compassionate care at an affordable cost. Devoted to the cause of community welfare development, The Company has generously contributed to Tabba Heart Institute in its struggle to make health care more accessible to the masses.

Pakistan Association of the Blind

Pakistan Association of the Blind is an NGO providing services of Education and Rehabilitation for the Blind People in Sindh. The Company generously offered financial assistance to alleviate needy patients.

Child Life Foundation

Child Life Foundation (CLF) is one of the largest non-profit organizations in Pakistan dedicated to saving pediatric lives. The Company donated generous amount with an aim of providing medical facilities and treatments for the needy children.

Special Olympics Pakistan

The Company firmly advocates the belief that the key to longevity lies in an active lifestyle. For this purpose, Lucky Cement co-sponsored an Annual Event of Special Olympics Pakistan, a non-profit organization, working with people of intellectual disabilities to develop their skills and capabilities through sports training.

Tabba Kidney Institute

The Company fervently supports organizations that are dedicated to patient care without any discrimination. Tabba Kidney Institute 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 efforts, Lucky Cement has generously donated funds to support their humble cause.

RURAL DEVELOPMENT PROGRAMS

The Company realizes that we are under an obligation to give back to the local community that helped us reach the pinnacle of success.

The Company is running the ‘Lucky Welfare Dispensary’ located in Pezu, Khyber Pakhtunkhwa with an aim to provide medical facilities and treatments for the underprivileged patients at subsidized rates. The dispensary has been equipped with advanced facilities and provides accessible quality healthcare to the local employees and residents.

The Company firmly advocates the belief that key to longevity lies in an active lifestyle. A number of sports activities were held at Pezu where district-level teams were seen participating enthusiastically. The promotion of sports events educates the local masses about the health benefits associated with engaging in physical activities.

On account of improving the livelihood of the community around its plant, Lucky Cement embarked on a journey of developing a model village near its Karachi Plant. In this regard, Yamin Goth, a small shanty village on the outskirts of Karachi was granted a renovated mosque, renovated public toilets and primary schools in the first phase of the program

COMMUNITY INVESTMENT AND WELFARE SCHEME

The company staunchly believes in fulfilling its obligation of giving something back to the people who helped it in establishing an unparalleled leadership position. As an acknowledgment of this responsibility, Lucky Cement is engaged in various community development projects with strategic focus on education and health.

ACTIVITY	DESCRIPTION	FREQUENCY
Regular meetings with Pezu Welfare and Peace Committee	In order to engage with the residents of Pezu, we regularly meet the representatives of Pezu Panchaiyat which consists of opinion leaders of the community. This committee passes on the concerns of the locals.	Continuous
Site Visits	Our management regularly visits its surroundings to identify opportunities for community development work and evaluate the impacts of completed projects.	Continuous
Partnership with Charity Organizations	We have made alliances with few renowned charity organizations such as Concern for Children Trust, Family Education Services Foundation, SIUT, Chippa Welfare, Pakistan Welfare Organization and Aziz Tabba Foundation. The benefit of having partnership with these specialized set-ups is that they conduct thorough stakeholder analysis and monitoring of the charity work. This helps in proper channelizing of funds into educating and uplifting the lives of the underprivileged.	Continuous
Sponsoring charity event	We sponsor various charity and professional events during the year to ensure our support and patronage to notable causes in the country. During the current year, Lucky Cement sponsored the Special Olympics Pakistan annual fund raiser in 2015. Apart from these, we also sponsored the fund raiser organized by the Behbud Association Karachi, a non-Government organization.	
Co-ordination Department	We have a formally dedicated department to handle community concerns, initiate activities etc.	Continuous

Stakeholders Engagement

Our unbelievable progress is the result of our strong bonds with our key stakeholders. The guiding force behind our strong relationship with our stakeholders has been the principle that tough time may come and go, but relationships properly nurtured, lead to creation of value for the company year after year.

Customers and Dealers

With customer focus as one of our values, we are always coming up with new ways to interact with our customers and dealers.

ACTIVITY	DESCRIPTION	FREQUENCY
Dealers, Retailers, Block-Makers Get Together	As a token of appreciation for our dealers and retailers, an annual get together was organized in Hyderabad in the month of April 2016. More than 1,000 cement dealers, retailers and block makers attended the event and appreciated our efforts to engage with our customers.	Annual
Market Visits by our sales force	To get the firsthand knowledge of market and develop closer intimacy with its customers, our sales force is always in the field. Information gathered by them is analyzed to create further value for customers.	Continuous
Customer Services and Support Desk	We are proud to be the first cement company to have developed a customer hotline to discuss any problem being experienced by them in the use of cement. A dedicated technical expert maybe reached just by dropping an email or a telephone call.	Continuous
Customer Satisfaction Survey	To keep abreast of the changing demands of its customers, Customer Satisfaction Survey is conducted among all dealers, retailers and block-makers.	Annual
Customer Satisfaction Feedback	To help improve the product and service; feedback from customers is sought by circulating customer feedback form at the time of transactions with them. This ensures continuous customer engagement with the product and helps meet the new trends emerging in the market.	Continuous

Media

We recognize that being the leader of cement industry, we should engage more frequently with the external world. Thus, we are making all possible efforts to disseminate our news and happenings to external stakeholders through active interaction with the media. We continuously engage with media through:

- Issuing press releases, briefings and presentations
- Corporate communications department which is staffed with highly qualified professionals

Investors and Shareholders

Having acquired the status of being the first Pakistani company with global presence, the importance of satisfying our investors cannot be over-emphasized. We employ the following techniques to engage with shareholders:

ACTIVITY	DESCRIPTION	FREQUENCY
Annual General Meeting	The Company convenes AGM in accordance with the Companies Ordinance, 1984. The AGM serves as an interactive platform to engage with the shareholders and listen to their views and valuable suggestions	Annual
Quarterly, Half-yearly and Annual Reports	The company, in compliance with applicable laws, periodically sends out its quarterly, half-yearly and annual reports to its shareholders as well as uploads them on its website. The Company being, listed, also communicates its results to all the stock exchanges where the company is listed.	As per applicable laws
Press Releases	The company updates its shareholders on various issues of potential interests through press releases.	As and when need arises
Investors Relations	The Company ensures its presence in road shows and investors' conferences held in Pakistan and abroad. In the financial year 2015-16, the Company has participated in the following: • MENA & Frontier Market Conference – November, 2015 in Dubai organized by Bank of America Merrill Lynch. • Asia Frontier Markets Conference – February, 2016 in London and New York organized by Credit Suisse • Pakistan Investment Conference – May, 2016 in London organized by JS Global, The Privatization Commission, Ministry of Finance, Government of Pakistan along with the Pakistan Stock Exchange. • Pakistan Day 2016 – July, 2016 in New York organized by Bank of America Merrill Lynch	As and when need arises

We are continuously exploring new opportunities to create further value for our shareholders and investors to give them a better return on their investments.

Regulators

We believe in strict compliance of applicable laws and regulations. To maintain this compliance, we promptly and regularly file all the applicable statutory returns and forms with various regulatory bodies. We have an open-door policy towards all the regulators.

Proceeding of the Last Annual General Meeting held on October 31, 2015

The AGM started with the brief by the Chairman of the meeting about the company's performance for the last financial year and update on the progress of on-going local and international projects, and the Company's more focused sales efforts in high-retention markets.

One of the member raised the query about the capacity utilization of cement plant during the year. Chairman responded that during the year the capacity utilization of cement plant was 104% and 82% in the case of Karachi and Pezu Plants, respectively.

Another member raised the query about changes in the Articles of Association. Chairman replied that since the last amendments in Articles of Association of the Company; there were many changes to the Companies Ordinance, 1984 and other relevant legislations; like meetings by way of electronic communication, formation of central depository company and purchase of own shares by the company; so the Company has updated its Articles of Association to incorporate all such necessary changes.

After deliberations and necessary discussions on all the agenda items; meeting was concluded with a vote of thanks to the Chairman.

Unconsolidated Financial Statements

For the year ended June 30, 2016

Statement of Compliance

with the Code of Corporate Governance for the year ended June 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 (Chapter XI) of listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board. At present the board includes:

   Non-Executive Directors:
   Muhammad Yunus Tabba
   Muhammad Sohail Tabba
   Jawed Yunus Tabba
   Mariam Tabba Khan
   Zulekha Tabba Maskatiya
   Muhammad Abid Ganatra

   Executive Director:
   Muhammad Ali Tabba

   Independent Director:
   Tariq Iqbal Khan

   The independent director meets the criteria of independence under clause i (b) of the CCG.

2. 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.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The three years term of office of the previous Board of Directors was completed and new board comprising of eight directors were elected unopposed for next term of three years during this financial year.

5. 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.

6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, and non-executive directors, have been taken by the board.

8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. During the year two directors have acquired the certification under the director's training program as required by the Code and now all 8 directors are compliant with necessary requirements of Directors Training Certification.

10. The board had already approved the appointment of CFO and Head of Internal Audit including their remuneration and terms and conditions of employment. Further, during the year the board also approved the appointment of Company Secretary including terms and conditions of his employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. During the year the board has reconstituted the Audit Committee. It now comprises of 6 members, of whom 5 are non-executive directors and chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. During the year the terms of reference of the committee have been formed and advised to the committee for compliance.

17. During the year the board has reconstituted the Human Resource and Remuneration Committee. It comprises of 5 members, of whom 4 are non-executive directors including the chairperson of the committee.

18. The board has set up an effective internal audit function managed by qualified and experienced professionals who are conversant with the policies and procedures of the company and industry best practices. They are involved in the internal audit function on a full time basis. The head of Internal Audit department functionally reports to the Audit Committee.

19. 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, CEO, CFO, Head of Internal Audit, other Executives and stock exchange.

22. Material or price sensitive information has been disseminated among all market participants at once through stock exchange.

23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

MUHAMMAD YUNUS TABBA
Chairman/Director

MUHAMMAD ALI TABBA
Chief Executive/Director

EY
Building a better working world

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Mall View Building, 4-Bank Square
P. O. Box No. 104, Lahore 54000
Pakistan

Tel: +9242 3721 1531-38
Fax: +9242 3721 1530 & 39
eyfrsh.lhr@pk.ey.com
ey.com/pk

Review Report to the Members

on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Lucky Cement Limited (the Company) for the year ended June 30, 2016 to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.23 (b) of the Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As part of our audit of 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2016.

EY Ford Rhodes

Chartered Accountants
Date: September 01, 2016
Place: Karachi

EY
Building a better working world

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Mall View Building, 4-Bank Square
P. O. Box No. 104, Lahore 54000
Pakistan

Tel: +9242 3721 1531-38
Fax: +9242 3721 1530 & 39
eyfrsh.lhr@pk.ey.com
ey.com/pk

Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of Lucky Cement Limited (the Company) as at June 30, 2016 and the related unconsolidated profit and loss account, unconsolidated cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

   i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 4.2 to the accompanying unconsolidated financial statements, with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2016 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

e) We draw attention to note 15.2 and note 16 of the unconsolidated financial statements in respect of other receivable from Hyderabad Electricity Supply Company (HESCO) amounting to PKR 1,176.723 million and tax refunds due from the Government amounting to PKR 538.812 million, respectively. Our report is not qualified in respect of the above mentioned matters.

EY Ford Rhodes

Chartered Accountants
Audit Engagement Partner: Riaz A. Rehman Chamdia
Date: September 01, 2016
Place: Karachi

Balance Sheet
as at June 30, 2016

	Note	2016	2015
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	33,887,375	35,018,819
Intangible assets	6	126,549	41,921
		34,013,924	35,060,740
Long-term investments	7	12,422,020	10,925,020
Long-term loans and advances	8	75,570	78,981
Long-term deposits	9	3,175	3,175
		46,514,689	46,067,916
CURRENT ASSETS			
Stores and spares	10	5,993,969	4,995,423
Stock-in-trade	11	1,588,469	1,580,745
Trade debts	12	2,181,788	2,042,199
Loans and advances	13	447,049	253,350
Trade deposits and short-term prepayments	14	52,038	50,688
Accrued mark-up		125,984	79,257
Other receivables	15	1,274,026	1,032,853
Tax refunds due from the Government	16	538,812	538,812
Short term investments	17	400,000	–
Cash and bank balances	18	26,805,582	16,444,622
		39,407,717	27,017,949
TOTAL ASSETS		85,922,406	73,085,865
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	19	3,233,750	3,233,750
Reserves	20	66,089,088	56,025,020
		69,322,838	59,258,770
NON-CURRENT LIABILITIES			
Long-term deposits	21	70,666	69,246
Deferred liabilities	22	6,898,078	6,327,146
		6,968,744	6,396,392
CURRENT LIABILITIES			
Trade and other payables	23	8,563,850	6,382,372
Taxation - net		1,066,974	1,048,331
		9,630,824	7,430,703
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		85,922,406	73,085,865

The annexed notes from 1 to 41 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Profit and Loss Account

For the year ended June 30, 2016

	Note	2016	2015
		(PKR in '000')	
Gross sales	25	55,923,115	53,919,310
Less: Sales tax and federal excise duty		10,086,623	8,487,245
Rebates and commission		614,403	670,758
		10,701,026	9,158,003
Net sales		45,222,089	44,761,307
Cost of sales	26	(23,421,515)	(24,578,219)
Gross profit		21,800,574	20,183,088
Distribution costs	27	(2,073,181)	(3,127,018)
Administrative expenses	28	(1,095,504)	(917,635)
Finance costs	29	(23,884)	(25,750)
Other expenses	30	(1,628,244)	(1,442,341)
Other income	31	1,420,461	1,241,450
Profit before taxation		18,400,222	15,911,794
Taxation			
- current		(5,015,844)	(2,942,130)
- deferred		(440,193)	(538,066)
	32	(5,456,037)	(3,480,196)
Profit after taxation		12,944,185	12,431,598
Other comprehensive income :			
Other comprehensive income not to be reclassified to profit and loss account in subsequent periods			
Gain/(Loss) on remeasurements of post retirement benefit obligations		40,508	(71,594)
Deferred taxation		(10,250)	16,958
		30,258	(54,636)
Total comprehensive income for the year		12,974,443	12,376,962
		(PKR)	
Earnings per share - basic and diluted	33	40.03	38.44

The annexed notes from 1 to 41 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Cash Flow Statement

For the year ended June 30, 2016

	Note	2016	2015
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	21,750,709	21,234,242
Finance costs paid		(23,884)	(28,801)
Income tax paid		(4,997,212)	(2,151,235)
Gratuity paid		(96,688)	(45,996)
		(5,117,784)	(2,226,032)
Long-term deposits		1,420	1,275
Long-term loans and advances		3,411	(6,536)
Net cash generated from operating activities	34.1	16,637,756	19,002,949
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,536,390)	(5,427,225)
Sale proceeds on disposal of property, plant and equipment		45,281	64,415
Long-term investments	7	(1,497,000)	(2,767,470)
Short term investments		(400,000)	–
Net cash used in investing activities		(3,388,109)	(8,130,280)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		–	(127,498)
Dividends paid		(2,888,687)	(2,891,346)
Net cash used in financing activities		(2,888,687)	(3,018,844)
Net increase in cash and cash equivalents		10,360,960	7,853,825
Cash and cash equivalents at the beginning of the year		16,444,622	8,590,797
Cash and cash equivalents at the end of the year	18	26,805,582	16,444,622

The annexed notes from 1 to 41 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Statement of Changes in Equity

For the year ended June 30, 2016

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves		Total reserves	Total equity
		Share premium	General reserves	Unappropriated profit		
	(PKR in '000')					
Balance as at July 01, 2014	3,233,750	7,343,422	27,871,271	11,343,740	46,558,433	49,792,183
Transfer to general reserve	–	–	8,433,365	(8,433,365)	–	–
Final dividend at the rate of PKR 9/- per ordinary share of PKR 10/- each for the year ended June 30, 2014	–	–	–	(2,910,375)	(2,910,375)	(2,910,375)
Profit after taxation	–	–	–	12,431,598	12,431,598	12,431,598
Other comprehensive income for the year	–	–	–	(54,636)	(54,636)	(54,636)
Total comprehensive income for the year	–	–	–	12,376,962	12,376,962	12,376,962
Balance as at June 30, 2015	3,233,750	7,343,422	36,304,636	12,376,962	56,025,020	59,258,770
Transfer to general reserve	–	–	9,466,587	(9,466,587)	–	–
Final dividend at the rate of PKR 9/- per ordinary share of PKR 10/- each for the year ended June 30, 2015	–	–	–	(2,910,375)	(2,910,375)	(2,910,375)
Profit after taxation	–	–	–	12,944,185	12,944,185	12,944,185
Other comprehensive income for the year	–	–	–	30,258	30,258	30,258
Total comprehensive income for the year	–	–	–	12,974,443	12,974,443	12,974,443
Balance as at June 30, 2016	3,233,750	7,343,422	45,771,223	12,974,443	66,089,088	69,322,838

The annexed notes from 1 to 41 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Notes to the Financial Statements
For the year ended June 30, 2016

1 THE COMPANY AND ITS OPERATION

1.1 Lucky Cement Limited (the Company) was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance) and is listed on the Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Company is manufacturing and marketing of cement. The registered office of the Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. The Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

1.2 These unconsolidated financial statements are the separate financial statements of the Company in which investment in subsidiaries has 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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of unconsolidated financial statements in conformity with approved accounting 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 financial statements:

Property, plant and equipment

The Company has made certain estimations with respect to residual value, depreciation method and depreciable lives of property, plant and equipments as diclosed in note 4.3 to these unconsolidated financial statements. Further, the Company reviews the value of assets for possible impairment on each reporting period.

Impairment of financial and non-financial assets

The Company has made estimation with respect to impairment of financial and non-financial assets as disclosed in note 4.23 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

Provision for stores and spares and stock-in-trade

The Company has made estimation with respect to provision for slow moving, damaged and obsolete items and their net realizable value as diclosed in 4.8 and 4.9 to these unconsolidated financial statements.

Provision for doubtful debts and other receivables

The Company reviews the recoverability of its trade debts and other receivables, to assess the amount required for provision for doubtful debts as diclosed in note 4.10 to these unconsolidated financial statements. The Company considers the amount due from HESCO and tax refunds due from the government as good debts in view of the reasons given in note 15.2 and 16 ,respectively, to the unconsolidated financial statements.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 22.1.5 to these unconsolidated financial statements for valuation of present value of defined benefit obligations.

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 has been 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for:

- Investments which are carried at fair value in accordance with IAS 39 “Financial Instruments: Recognition and measurement”, as disclosed in note 17; and

- Defined benefit obligations which are stated at present value in accordance with the requirements of IAS 19 “Employee Benefits”, as disclosed in note 22.1.

4.2 Standards, interpretations and amendments to approved accounting standards that became effective during the year:

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except as described below:

New Standards, Interpretations and Amendments

The Company has adopted the following revised standards, amendments and interpretations of IFRSs which became effective for the current year:

IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement

Notes to the Financial Statements

For the year ended June 30, 2016

Improvements to Accounting Standards Issued by the IASB

IFRS 10	–	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 10	–	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)
IFRS 11	–	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1	–	Presentation of Financial Statements - Disclosure Initiative (Amendment)
IAS 16	–	Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 27	–	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on these unconsolidated financial statements.

4.3 Property, plant and equipment

These are stated at cost less accumulated depreciation / amortization 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 operating fixed assets, including capital work-in-progress, signifies historical cost and financial charges on borrowings as stated in note 4.19 to these unconsolidated financial statements.

Except for plant and machinery, depreciation / amortization is charged to profit and loss account applying the straight line method at the rates mentioned in note 5.1 to these financial statements. On plant and machinery depreciation is charged on units of production method (UPM) based on higher of estimated life or production. Depreciation on additions is charged from the date of acquisition / transfer of asset, whereas depreciation on disposals is charged till the date of disposal.

Assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

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

4.4 Intangible assets

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

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

4.5 Investments in subsidiaries

Investments in subsidiaries are stated at cost less impairment losses, if any.

4.6 Investments in associates

Associates are all entities over which the company has significant influence but not control. Investments in associates are carried at cost less accomulted impairment losses, if any.

4.7 Investments at fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are classified as held for trading if they are acquired for the purpose of selling and repurchasing in near term. These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes sales and purchase decision based on their fair value in accordance with the Company's investment strategy.

All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. All transaction costs are recognised directly in profit and loss account. At subsequent dates these investments are measured at fair value with any resulting gain or loss recognised directly in the profit and loss account.

4.8 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 profit and loss account. Value of items is reviewed at each balance sheet date to record provision for any slow moving items, damaged and obsolete items.

Net realizable value signifies the selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale, which is generally equivalent to the estimated replacement cost.

4.9 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 of 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 costs necessary to make the sale.

4.10 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.11 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and cheques in hand and current and deposit accounts with commercial banks.

4.12 Long-term and short-term borrowings

Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount remaining unpaid.

Notes to the Financial Statements

For the year ended June 30, 2016

4.13 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering all permanent employees. Contribution is made to this scheme on the basis of actuarial recommendations. The actuarial valuation is carried out using the Projected Unit Credit Method.

Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

4.14 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 mangement considers that the financial impact is not material.

4.15 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.

4.16 Provisions

Provisions are recognized in the balance sheet 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 balance sheet date and adjusted to reflect current best estimate.

4.17 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet 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 the balance sheet date.

4.18 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be measured reliably. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

4.18.1 Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods to customers.

4.18.2 Other income

Revenue from the sale of electricity is recorded based on the output delivered and capacity available at the rates as specified under Power Purchase Agreement.

Interest on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Dividend income is recognized when the right to receive such payment is established.

4.19 Borrowing costs

Borrowing 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 recognized as an expense in the period in which they are incurred.

4.20 Foreign currency translations

Foreign currency transactions are translated into Pakistani Rupee using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupee using the exchange rate ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.21 Financial assets and liabilities

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Financial liabilities are removed from the balance sheet when the obligation is extinguished, discharged, cancelled or expired.

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.

4.22 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the balance sheet when there is a legal enforceable right to set-off the transactions is available and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Notes to the Financial Statements
For the year ended June 30, 2016

4.23 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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.

All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised.

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 and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.24 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4.25 Functional and presentation currency

These financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

4.26 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation			Effective date (annual periods beginning on or after)
IFRS 2	–	Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10	–	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10	–	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11	–	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1	–	Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7	–	Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12	–	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16	–	Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16	–	Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27	–	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Company expects that the adoption of the above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard or Interpretation			Effective date (annual periods beginning on or after)
IFRS 9	–	Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14	–	Regulatory Deferral Accounts	January 01, 2016
IFRS 15	–	Revenue from Contracts with Customers	January 01, 2018
IFRS 16	–	Leases	January 01, 2019

Notes to the Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
5	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets - tangible	5.1	33,261,489	33,734,793
	Capital work-in-progress	5.4	625,886	1,284,026
			33,887,375	35,018,819

5.1 Operating fixed assets - tangible

Particulars	Cost			Accumulated Depreciation / Amortization			Net Book Value	Rate of depreciation
	At July 01, 2015	Addition / *transfers / ***(disposals)	At June 30, 2016	At July 01, 2015	Charge for the year / (disposals)	At June 30, 2016	At June 30, 2016	(%)
	(PKR in '000')							
Land - leasehold	1,393,802		1,394,929	74,139	21,331	95,470	1,299,459	1.01 - 2.63
	*	1,127						
Land - Freehold	301,277	–	301,277	–	–	–	301,277	–
	*							
Building on leasehold land	7,106,061	4,336	7,124,447	3,052,773	351,635	3,404,408	3,720,039	5
	*	14,050						
Building on freehold land	93,685	–	255,401	2,038	12,464	14,502	240,899	5
	*	161,716						
Plant and machinery	24,369,457	1,751	24,570,935	6,977,267	1,051,176	8,028,443	16,542,492	3.33 - 20
	*	199,727						
Generators **	12,228,141	–	13,619,014	3,919,219	651,686	4,570,905	9,048,109	5
	*	1,390,873						
Quarry equipment	1,537,305	6,583	1,570,139	606,108	148,146	749,179	820,960	10
	*	32,401						
		(6,150)			(5,075)			
Vehicles including cement bulkers	1,121,368	127,892	1,236,456	563,671	151,505	673,465	562,991	10 - 20
	*	41,054						
		(53,858)			(41,711)			
Aircraft	744,664	–	744,664	176,988	70,960	247,948	496,716	10
Furniture and fixtures	69,830	5,293	74,523	45,570	11,521	48,683	25,840	20
	*	8,011						
		(8,611)			(8,408)			
Office equipment	163,873	6,609	181,423	118,790	32,522	147,347	34,076	33
	*	14,985						
		(4,044)			(3,965)			
Computer and accessories	111,467	10,051	123,328	83,667	19,778	93,966	29,362	33
	*	11,501						
		(9,691)			(9,479)			
Other assets (Laboratory	279,844	2,591	326,719	165,751	22,345	187,450	139,269	10 - 33
equipment etc.)	*	45,343						
		(1,059)			(646)			
June 30, 2016	49,520,774	165,106	51,523,255	15,785,981	2,545,069	18,261,766	33,261,489	
	*	1,920,788						
		(83,413)			(69,284)			

Particulars	Cost			Accumulated Depreciation / Amortization			Net Book Value	Rate of depreciation
	At July 01, 2014	Addition / *transfers / (disposals)	At June 30, 2015	At July 01, 2014	Charge for the year / (disposals)	At June 30, 2015	At June 30, 2015	(%)
	(PKR in '000')							
Land - leasehold	963,364	150	1,393,802	57,876	16,263	74,139	1,319,663	1.01 - 2.63
	*	430,288						
Land - Freehold	5,716	–	301,277	–	–	–	301,277	–
	*	295,561						
Building on leasehold land	6,587,764	4,461	7,106,061	2,715,113	337,660	3,052,773	4,053,288	5
	*	513,836						
Building on freehold land	–	–	93,685	–	2,038	2,038	91,647	5
	*	93,685						
Plant and machinery	21,182,259	–	24,369,457	6,090,975	886,292	6,977,267	17,392,190	3.33 - 20
	*	3,187,198						
Generators **	10,703,351	–	12,228,141	3,356,693	562,526	3,919,219	8,308,922	5
	*	1,524,790						
Quarry equipment	1,361,326	–	1,537,305	521,468	125,481	606,108	931,197	10
	*	228,979						
		(53,000)			(40,841)			
Vehicles including cement bulkers	1,050,266	94,181	1,121,368	466,857	132,664	563,671	557,697	10 - 20
	*	36,892						
		(59,971)			(35,850)			
Aircraft	744,664	–	744,664	106,029	70,959	176,988	567,676	10
Furniture and fixtures	62,429	3,311	69,830	36,396	9,503	45,570	24,260	20
	*	4,547						
		(457)			(329)			
Office equipment	140,781	10,280	163,873	92,564	26,366	118,790	45,083	33
	*	12,967						
		(155)			(140)			
Computer and accessories	100,461	7,314	111,467	66,094	20,703	83,667	27,800	33
	*	7,213						
		(3,521)			(3,130)			
Other assets (Laboratory	209,834	2,130	279,844	94,069	78,782	165,751	114,093	10 - 33
equipment etc.)	*	79,750						
		(11,870)			(7,100)			
June 30, 2015	43,112,215	121,827	49,520,774	13,604,134	2,269,237	15,785,981	33,734,793	
	*	6,415,706						
		(128,974)			(87,390)			

** The carrying value of major spare parts and stand by equipment included in generators amount to PKR 401.882 million (2015: PKR 452.744 million).

*** Disposals include write off with the carrying value amounting to PKR 0.375 million (2015: Nil).

Notes to the Financial Statements

For the year ended June 30, 2016

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

	Note	2016	2015
		(PKR in '000')	
Cost of sales	26	2,250,787	1,929,062
Distribution costs	27	88,716	80,693
Administrative expenses	28	169,576	156,105
Cost of sale of electricity		35,990	103,377
Total		2,545,069	2,269,237

5.3 The details of operating fixed assets disposed off during the year are as follows:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds / Fair value	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
	(PKR in '000')						
JEEP - BF-4386	6,002	2,612	3,390	4,200	810	Donation	M/s. Aziz Tabba Foundation - Karachi
HONDA CIVIC AZD-0622	2,506	1,529	977	2,000	1,023	Negotiation	Mr. Muhammad Faisal (Employee) - Karachi
CAR - AVE-881	2,009	1,913	96	1,000	904	Negotiation	Mr. Intisur ul haqi (Employee) - Karachi
HONDA CIVIC AUV-759	1,978	1,699	279	1,460	1,181	Tender	Mr. Riaz Ahmed - Karachi
HONDA CIVIC-NS-946	1,547	1,443	104	1,138	1,034	Tender	Mr. Shahid Baig - Rawalpindi
HONDA CITY AYU-979	1,527	977	550	1,250	700	Tender	M/s. Lucky Electric - Karachi
TOYOTA COROLLA NS-409	1,435	1,376	59	1,000	941	Tender	Mr. Sagheer Ahsan Farooqi - Karachi
HONDA CITY AVX-674	1,371	1,272	99	950	851	Negotiation	Mr. Furqan Aftab (Ex Employee) - Karachi
CAR - AVX-675	1,371	1,272	99	1,131	1,032	Tender	Mr. Humair Uddin - Karachi
SUZUKI SWIFT BCY-863	1,315	254	1,061	1,270	209	Insurance Claim	M/s. Efu General Insurance Ltd - Karachi
HONDA CITY AUD-515	1,286	1,116	170	1,150	980	Insurance Claim	M/s. Efu General Insurance Ltd - Karachi
SUZUKI CULTUS AZW-957	1,033	554	479	802	323	Tender	Mr. Usman Shah - Karachi
SUZUKI CULTUS AZW-945	1,033	554	479	810	331	Negotiation	Mr. Amir Baig (Employee) - Karachi
SUZUKI CULTUS ZX-205	1,032	507	525	779	254	Tender	Mr. Hasan Akhter Abbassi - Karachi
CAR - AB-705	1,027	531	496	856	360	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS AYY-201	1,004	636	368	802	434	Insurance Claim	M/s. Efu General Insurance Ltd - Karachi
SUZUKI CULTUS YG-476	1,003	589	414	866	452	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS YG-478	997	602	395	872	477	Tender	Mr. Sagheer Ahsan Farooqi - Karachi
SUZUKI CULTUS YG-481	997	586	411	852	441	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS - UT-230	981	784	197	723	526	Tender	Mr. Shahid Baig - Rawalpindi
SUZUKI CULTUS UG-915	976	801	175	736	561	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS AWK-561	956	806	150	736	586	Tender	Mr. Noman Hassan Khan - Karachi
SUZUKI CULTUS - UA-338	954	803	151	729	578	Tender	Mr. Shahid Baig - Rawalpindi
CAR - AWF-694	951	869	82	706	624	Tender	Mr. Naoman Hassan Khan - Karachi
HONDA CITY UA-328	949	770	179	837	658	Tender	Ch. Javed Akhter - Karachi
SUZUKI CULTUS AVZ-277	929	817	112	736	624	Tender	Mr. Noman Hassan Khan - Karachi
SUZUKI CULTUS - SK-168	908	826	82	783	701	Tender	Mr. Shahid Baig - Rawalpindi
SUZUKI CULTUS AUL-708	890	826	64	475	411	Negotiation	Mr. Shahid Allahaditta (Employee) - Karachi
HONDA CITY NK-729	871	812	59	984	925	Tender	Mr. Shafiq ur Rehman - Karachi
SUZUKI CULTUS - ATH-602	863	768	95	690	595	Tender	Mr. Muhammad Yaseen - Karachi
Wheel Loader	6,150	5,075	1,075	3,500	2,425	Tender	M/s Zam traders - Pezu
Laptop	154	61	93	154	61	Tender	M/s. Lucky Electric - Karachi
Items having book value less							
than Rs.50,000 each	36,408	35,244	1,164	10,304	9,140	–	Various
Total	83,413	69,284	14,129	45,281	31,152		
2015	128,974	87,390	41,584	64,415	22,831		

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

	Opening balance	Additions	Transferred to operating fixed assets	Closing balance 2016	Closing balance 2015
	(PKR in '000')				
Land - leasehold	–	1,127	1,127	–	–
Building on leasehold land	131,316	14,865	14,050	132,131	131,316
Building on freehold land	–	228,688	161,716	66,972	–
Plant and machinery	2,065	248,280	199,727	50,618	2,065
Generators	1,134,738	625,533	1,390,873	369,398	1,134,738
Quarry equipment	–	32,459	32,401	58	–
Vehicles including cement bulkers	–	44,917	41,054	3,863	–
Furniture and fixtures	–	8,011	8,011	–	–
Office equipment	–	14,985	14,985	–	–
Computer and accessories	–	11,501	11,501	–	–
Intangible Assets	–	105,303	105,303	–	–
Other assets	15,907	32,282	45,343	2,846	15,907
	1,284,026	1,367,951	2,026,091	625,886	1,284,026

6 INTANGIBLE ASSETS

Represents various computer softwares amortized on straight line basis over a period of 36 months. Movement during the year is as follows:

	Note	2016	2015
		(PKR in '000')	
Balance as at July 01		41,921	27,652
Add: Additions during the year		3,333	34,796
Transfer from capital work-in-progress	5.4	105,303	–
		108,636	34,796
		150,557	62,448
Less: Amortization charge for the year	28	(24,008)	(20,527)
		126,549	41,921

7 LONG-TERM INVESTMENTS - at cost

	Note	2016	2015
Subsidiaries			
Lucky Holdings Limited	7.1	5,619,000	5,619,000
LCL Investment Holdings Limited	7.2	4,580,500	4,580,500
LCL Holdings Limited	7.3	1,611,155	521,155
		11,810,655	10,720,655
Associate			
Yunus Energy Limited	7.4	611,365	204,365
		12,422,020	10,925,020

Notes to the Financial Statements
For the year ended June 30, 2016

7.1 Lucky Holdings Limited (LHL) is a public unlisted company incorporated in Pakistan. As of the balance sheet date, the Company owns 75 percent (2015: 75 percent) shareholding of LHL.

As of the balance sheet date, LHL held 74.70 percent (2015: 74.75 percent) shares of ICI Pakistan Limited. The said acquisition was made as per the share purchase agreement with ICI Omicron B.V. a wholly owned subsidiary of Akzo Noble N.V. Netherlands.

7.2 The Company has made an investment in LCL Investment Holdings Limited (LCLIHL), a wholly owned subsidiary of the Company, incorporated and domiciled in Mauritius. In the financial year 2014-2015, the Company has subscribed 20,000,000 ordinary shares of LCLIHL @ US$1/-. and concluded a joint venture agreement with Al-Shumookh Construction Materials Trading FZE, United Arab Emirates for establishing Lucky Al-Shumookh Holdings Limited for constructing a cement grinding unit in the Republic of Iraq. LCLIHL holds 50 percent ownership interest in the aforementioned Joint Venture.

LCLIHL has also entered into a joint venture agreement with Rawsons Investments Limited (registered in Cayman Islands) for establishing LuckyRawji Holdings Limited for constructing a fully integrated cement manufacturing unit in the Democratic Republic of Congo. LCLIHL holds 50 percent ownership interest in the aforesaid Joint Venture.

7.3 The Company has an equity investment in LCL Holdings Limited (LCLHL), a wholly owned subsidiary of the Company, incorporated in Pakistan, of 6,063,536 ordinary shares at PKR 10/- each out of which 4,037,036 (2015: 2,026,500) shares were issued at a premium, during the year, of PKR 260/- each (2015: PKR 260/- each). As of the balance sheet date, LCLHL owns 100 percent shares in Lucky Electric Power Company Limited.

7.4 Represents 20% equity investment in Yunus Energy Limited comprising 40,700,000 (2015: 20,361,500) shares @10/- each made during the year.

		Note	2016	2015
			(PKR in '000')	
8	**LONG-TERM LOANS AND ADVANCES - secured, considered good**			
	Long term loans			
	Due from :			
	- Employees	8.1	31,289	31,975
	- Executives	8.1 & 8.2	37,872	30,138
			69,161	62,113
	Less: Recoverable within one year	13	(48,964)	(38,505)
			20,197	23,608
	Other advances	8.3	55,373	55,373
			75,570	78,981

8.1 Loans given to executives and employees are in accordance with the Company policy. These loans are interest free and are secured against the gratuity of respective employees. These loans are carried at cost due to practicality and materiality of the amounts involved. The maximum aggregate balance due from executives at the end of any month during the year was PKR 37.872 million (2015: PKR 30.138 million).

		2016	2015
		(PKR in '000')	
8.2	**Reconciliation of carrying amount of loan to executives (key management personnel)**		
	Balance as of July 01	30,138	26,578
	Disbursements during the year	42,686	26,111
	Repayments during the year	(34,952)	(22,551)
		37,872	30,138

8.3 This represents interest free advance 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

Represents interest free deposits to WAPDA and Central Depository Company (CDC).

		Note	2016	2015
			(PKR in '000')	
10	**STORES AND SPARES**			
	Stores	10.1	2,137,987	1,521,539
	Spares	10.2	4,086,055	3,703,957
			6,224,042	5,225,496
	Less: Provision for slow moving spares	10.3	230,073	230,073
			5,993,969	4,995,423

10.1 This includes stores in transit mainly coal amounting to PKR Nil (2015: PKR 171.216 million) as of the balance sheet date.

10.2 This includes spares in transit of PKR Nil (2015: PKR 60.186 million) as of the balance sheet date.

		Note	2016	2015
			(PKR in '000')	
10.3	**Movement in provision for slow moving spares:**			
	Balance as of July 01		230,073	205,073
	Provision during the year	26	–	25,000
	Closing balance		230,073	230,073
11	**STOCK-IN-TRADE**			
	Raw and packing materials		414,702	556,766
	Work-in-process		886,973	614,096
	Finished goods		316,794	439,883
			1,618,469	1,610,745
	Less: Provision for slow moving packing material	26	30,000	30,000
			1,588,469	1,580,745

Notes to the Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
12	**TRADE DEBTS - considered good**			
	Bills receivable - secured		232,788	1,093,858
	Others - unsecured		1,961,498	956,633
			2,194,286	2,050,491
	Less: Provision for doubtful debts	12.2	(12,498)	(8,292)
			2,181,788	2,042,199
12.1	**The ageing of trade debts as at June 30 is as follows:**			
	Neither past due nor impaired		2,181,788	2,042,199
12.2	**Movement in provision for doubtful debts:**			
	Balance as of July 01		8,292	–
	Provision during the year	27	4,206	8,292
	Closing balance		12,498	8,292
13	**LOANS AND ADVANCES - secured, considered good**			
	Current portion of long term loan and advances to employees & executives	8	48,964	38,505
	Advances to suppliers and others - interest free		398,085	214,845
			447,049	253,350
14	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Trade deposits - interest free			
	Containers		105	420
	Supplier		–	1,000
	Karachi Port Trust		13,090	12,600
	Utilities		1,005	905
	Others		15,814	8,517
			30,014	23,442
	Prepayments			
	Insurance		11,712	12,423
	Rent		7,320	2,944
	Others		2,992	11,879
			22,024	27,246
			52,038	50,688
15	**OTHER RECEIVABLES - unsecured, considered good**			
	Rebate on export sales		65,191	79,869
	Due from Collector of Customs	15.1	19,444	19,444
	Sales Tax adjustable		–	103,644
	Hyderabad Electricity Supply Company (HESCO)	15.2	1,176,723	753,792
	Insurance claim receivable		683	22,900
	Others		11,985	53,204
			1,274,026	1,032,853

15.1 The Company had imported cement bulkers during October 19, 2006 to December 05, 2006 under SRO 575(1) of 2006 dated June 05, 2006 for export of loose cement which provided concessionary rate of import duty to an industrial concern. The Company claimed exemption of duty at the time of port clearance, however, the Collector of Customs passed an order allowing provisional release of consignment subject to final approval from the Federal Board of Revenue (FBR) and deposit of post dated cheques for the differential amount of duty. The Company deposited three post dated cheques aggregating to Rs.19.444 million for three different consignments of cement bulkers and simultaneously approached to 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 on January 07, 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 given to the Company with retrospective effect despite the fact that the said clarification was issued on the representation of the Company.

The Company filed a writ petition before the High Court of Sindh at Karachi in 2007 challenging the illegal and malafide act of encashment of post dated cheques. The High Court of Sindh passed the order in favour of the Company and has ordered the Collector of Customs to refund the amount collected within one month from the date of judgement. The judgement has been challenged by FBR in the Supreme Court of Pakistan which is pending.

15.2 The balance represent receivable from HESCO which are overdue but not impaired and pertaining to electricity supplied from February 2015 to January 2016. The Company has filed a suit for injunction in the High Court of Sindh against HESCO for non-payment of its dues; which is currently pending adjudication.

Further, Company has filed an appeal in the Supreme Court of Pakistan against NEPRA, challenging the order dated September 2, 2015, passed by the Sindh High Court with regards to NEPRA's decision to revise tariff vide its impugned determination dated January 9, 2013.

The Company has suspended its supply of electricity to HESCO with effect from January 9, 2016 in accordance with the terms of the Power Purchase Agreement executed between HESCO and the Company.

The management is confident on the advise of its legal adviser that the ultimate outcome of the case would be in its favor and full amount would be recovered in due course, therefore no provision for the above receivable has been made in these unconsolidated financial statements.

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 Federal Board of Revenue (FBR) from the very first day the Company started sales of cement in 1996. The FBR's point of view was that excise duty 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 Peshawar High Court seeking judgment on this matter. The dispute related to the period from June 26, 1996 to April 19, 1999 after which the FBR changed the mechanism of levying excise duty from percentage of retail price to a fixed amount of duty at the rate of 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."

Notes to the Financial Statements
For the year ended June 30, 2016

Simultaneously, a similar nature of dispute arose between various beverage companies operating in the provinces of Sindh and Punjab and accordingly they also filed petitions before the Honourable High Courts of Sindh and Lahore respectively. Both the 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 Honourable Supreme Court of Pakistan against the judgments of all three High Courts of the country. A full bench of the Honourable 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 Honourable Supreme Court of Pakistan, the Company filed a refund claim of Rs.538.812 million on May 08, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Company on the basis of legal opinions obtained, recognised this refund claim in the unconsolidated financial statements for the year ended June 30, 2007.

A review petition was also filed by the Federal Board of Revenue (FBR) in the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan vide its order dated January 27, 2009 dismissed the review petition filed by the FBR and upheld its earlier decision which was in favour of the Company.

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued show cause notice to the Company, raising certain objections against the release of said 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 in the Honourable Peshawar High Court and took the stance that this matter has already been dealt with at the Honourable Supreme Court of Pakistan level, based on the doctrine of res judicata. The Honourable Peshawar High Court granted a stay order to the Company against any adverse proceeding by the FBR in this case.

During the year ended June 30,2013, the Company filed a complaint before the Federal Tax Ombudsman (FTO) with a request that the FBR may be directed for early issuance of refund 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 audit conducted submitted a report to the FTO. However, the Company did not agree to the findings of the department and argued before the FTO that the report submitted by the department is not based on the facts of the case.

After hearing the arguments of both the parties, the FTO forwarded its recommendations/findings to the Secretary, Revenue Division, Islamabad through its order dated November 22, 2013.

The FBR filed representation, before the President of Pakistan against the recommendations of the FTO under Section 32 of Federal Tax Ombudsman Ordinance, 2000. However, the President of Pakistan endorsed the recommendations of the FTO of having an audit conducted by independent firms. The FBR filed a Writ Petition in the Peshawar High Court against the findings of the FTO as recommended by the President which suspended the operations of the orders of FTO and President of Pakistan on July 14, 2015 till further orders. The Company has filed a counter affidavit in response to the FBR's Writ Petition; which is pending adjudication in the Peshawar High Court.

The management is confident of the advice of its legal advisor that the ultimate outcome of the case would be in its favor and full amount would be recovered in due course, therefore no provision for the above receivable has been made in these unconsolidated financial statments.

17 SHORT TERM INVESTMENTS

These represent investments made in Term Finance Certificates amounting to PKR 400 million (June 30, 2015: Nil) carrying mark-up at the rate of six months KIBOR plus 0.5% per annum.

		Note	2016	2015
			(PKR in '000')	
18	**CASH AND BANK BALANCES**			
	Sales collection in transit		1,172,202	892,404
	Cash at bank			
	- on current accounts		47,352	208,613
	- on deposit accounts	18.1	25,584,933	15,341,868
			25,632,285	15,550,481
	Cash in hand		1,095	1,737
			26,805,582	16,444,622

18.1 These carry profit at the rate ranging from 3.75% to 7.50% (2015: from 5% to 10.25%) per annum.

		2016	2015
		(PKR in '000')	
19	**SHARE CAPITAL**		
	Authorized capital		
	500,000,000 (2015: 500,000,000)		
	Ordinary shares of PKR 10/- each	5,000,000	5,000,000
	Issued, subscribed and paid-up capital		
	305,000,000 (2015: 305,000,000) Ordinary		
	shares of PKR 10/- each issued for cash	3,050,000	3,050,000
	18,375,000 (2015: 18,375,000) Ordinary		
	shares of PKR 10/- each issued as bonus shares	183,750	183,750
		3,233,750	3,233,750

19.1 During the year ended June 30, 2008, the Company was admitted to the official list of the Financial Services Authority and to the London Stock Exchange for trading of the Global Depository Receipts (GDRs) issued by the Company on the Professional Securities Market of the London Stock Exchange. The GDR issue constituted an offering to qualified institutional buyers in the United States under Rule 144A and to non US persons outside the United States (US) under Regulation - S of the US Securities Act of 1933. The GDRs have also been included for trading on the International Order Book system of the London Stock Exchange, which will make the GDRs issued under Rule 144A to become eligible for trading by qualified institutional buyers in the Portal Market; a subsidiary of the NASDAQ Stock Market, Inc in the United States. The Company had issued 15,000,000 GDRs each representing four ordinary equity shares at an offer price of US$ 7.2838 per GDR (total receipt being US$. 109.257 million). Accordingly, based on an exchange rate of PKR 65.90 = US$ 1.00 (which was the exchange rate on the date of final offering circular relating to the GDR issue made by the Company) 60,000,000 ordinary equity shares of a nominal value of PKR 10 each of the Company were issued at a premium of Rs.110 per ordinary equity share (total premium amount being PKR 6,600 million).

The holders of GDRs are entitled, subject to the provisions of the Deposit Agreement, to receive dividend, if any and rank pari passu with other equity shareholders in respect of dividend. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the equity shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated May 08, 2008, the deposited equity shares in respect of which the GDRs were issued may be withdrawn from the depository facility. Upon withdrawal, the holders will rank pari passu with other equity shareholders in respect of dividend, voting and other direct rights of shareholders.

Notes to the Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
20	**RESERVES**			
	Capital reserve			
	Share premium		7,343,422	7,343,422
	Revenue reserves			
	General reserve		45,771,223	36,304,636
	Unappropriated profit		12,974,443	12,376,962
			58,745,666	48,681,598
			66,089,088	56,025,020
21	**LONG-TERM DEPOSITS**			
	Cement stockists	21.1	32,886	27,966
	Transporters	21.2	37,780	40,000
	Others		–	1,280
			70,666	69,246

21.1 These represent interest-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 interest-free security deposits received from transporters and are repayable on cancellation or withdrawal of contracts.

		Note	2016	2015
			(PKR in '000')	
22	**DEFERRED LIABILITIES**			
	Staff gratuity	22.1	1,127,211	1,006,711
	Deferred tax liability	22.2	5,770,867	5,320,435
			6,898,078	6,327,146

22.1 The amounts recognized in the balance sheet, based on the recent actuarial valuation carried on June 30, 2016, are as follows:

		Note	2016	2015
			(PKR in '000')	
22.1.1	Present value of defined benefit obligation		1,127,211	1,006,711
22.1.2	**Changes in the present value of defined benefit obligation are as follows:**			
	Balance as at July 01		1,006,711	654,195
	Charge for the year	22.1.3	257,696	326,918
	Actuarial (gain)/loss recognised in other comprehensive income		(40,508)	71,594
			1,223,899	1,052,707
	Payments made during the year		(96,688)	(45,996)
			1,127,211	1,006,711

	Note	2016	2015
		(PKR in '000')	
22.1.3 Charge for the year recognised in the profit and loss account is as follows:			
Current service cost		157,067	95,416
Interest cost		100,629	91,857
Past service cost		–	139,645
		257,696	326,918
22.1.4 The charge for the year has been allocated as follows:			
Cost of sales	26	182,174	235,247
Distribution costs	27	10,248	5,179
Administrative expenses	28	65,274	86,492
		257,696	326,918

	2016	2015
22.1.5 Principal actuarial assumptions used are as follows:		
Expected rate of increase in salary level	9.50%	12.00%
Valuation discount rate	9.00%	10.50%

22.1.6 Sensitivity analysis

A sensitivity analysis for the above principal actuarial assumptions as of the balance sheet date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:

	2016 (PKR in '000')
Discount rate +1%	1,015,836
Discount rate -1%	(1,259,115)
Long term salary increases +1%	1,263,168
Long term salary increases -1%	(1,010,623)
22.1.8 Maturity profile of the defined benefit obligation:	
Weighted average duration - in number of years	7.2
The retirement will at most continue - year	2029

22.1.9 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 greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

Notes to the Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
22.2	**Deferred tax liability**			
	This comprises of the following:			
	- Taxable temporary differences arising due to			
	accelerated tax depreciation allowance		6,144,492	5,652,783
	- Deductible temporary differences arising in			
	respect of provisions		(373,625)	(332,348)
			5,770,867	5,320,435
23	**TRADE AND OTHER PAYABLES**			
	Creditors		753,473	667,479
	Bills payable		–	395,104
	Accrued liabilities	23.1	3,702,422	3,122,755
	Customers running account		2,146,794	700,392
	Retention money		4,967	28,750
	Sales tax payable		183,763	–
	Excise and other government levies		341,077	354,927
	Unclaimed and unpaid dividend		120,109	98,421
	Workers' Profit Participation Fund (WPPF) payable	23.2	788,563	719,553
	Workers' Welfare Fund (WWF) payable		519,672	293,719
	Others		3,010	1,272
			8,563,850	6,382,372

23.1 It includes PKR 104.003 million in respect of accrual of gas charges (2015: PKR 332.766 million).

		Note	2016	2015
			(PKR in '000')	
23.2	**The movement of WPPF payable is as follows:**			
	Opening balance		719,553	297,660
	Allocation for the year	30	989,260	855,836
	Interest on funds utilized by the Company		11,861	6,730
			1,720,674	1,160,226
	Payments during the year		(932,111)	(440,673)
			788,563	719,553

24 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

24.1 The Honourable Supreme Court of Pakistan while disposing off an appeal of the Collector of Customs, Karachi has issued a judgment on July 28, 2009 whereby it has set aside the earlier order of the Honourable Peshawar High Court decided in favour of the Company on the issue of plant and machinery imported under SRO 484(I)/92 dated May 14, 1992 after obtaining approvals from the concerned ministries. On August 20, 2009 the Company filed a review petition which was subsequently deposed off by Honourable Supreme Court on May 8, 2014. The Customs department issued recovery notice on which, the Company has filed a Constitution Petition in the Honourable Sindh High Court which is currently pending. The amount of disputed levy is not ascertainable at this stage as no order was earlier framed by the Collector of Customs. Hence, no provision has been made against the same in these unconsolidated financial statements.

24.2 The Company was entitled to sales tax exemption on cement produced by it from the date of commissioning to June 30, 2001 vide SROs 580(1)/91 and 561(1)/94 dated June 27, 1991 and June 09, 1994 respectively. In June 1997, the Federal Government withdrew the sales tax exemption from the entire cement industry and deprived the Company from the advantage of its sales tax exemption. Being aggrieved, the Company filed a writ petition in the Peshawar High Court. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore withdrawn on legal advice but at the same time a suit was filed for compensation. The civil judge Peshawar has granted the ex-parte decree in favor of the Company amounting to PKR 1,693.61 million along with 14% interest per annum until the said amount is actually paid.

On August 3, 2011, the Company filed an execution petition for realization of the decretal amount as per the decree granted by the civil court on November 20, 2009. The Civil Judge, Peshawar, however, dismissed the recovery suit of the Company on December 18, 2012. Dismissal of the recovery suit by the lower court has been challenged by the Company in Peshawar High Court on March 9, 2013. The case is still pending before the Peshawar High Court.

24.3 The Competition Commission of Pakistan 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 which has been challenged in the Courts of Law. The aforementioned case is still pending with the Courts of Law. The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success to avoid the penalty, hence, no provision for the above has been made in these unconsolidated financial statements.

24.4 The Company is defending various suits filed in various courts of Pakistan for sums, aggregating PKR 900 million. However, the Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in its favor and, accordingly, no provision for the above has been made in these unconsolidated financial statements.

24.5 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Honorable Supreme Court on the subject, where it upheld that the earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the Government passed the GIDC Act 2015.

The Company has challenged GIDC Act, 2015 and filed writ petition in the Peshawar High Court (PHC) and High Court of Sindh (HCS) including retrospective treatment of the provision of the GIDC Act. The Court has granted stay against charging of the GIDC under the GIDC Act, 2015. The Company has not recorded GIDC amounting to PKR 760.3 million in these unconsolidated financial statements as it is confident, based on a legal advice, that the Company's case is sound and eventual outcome of the matter is expected to be in its favour.

24.6 Also refer to notes 15.1, 15.2 and 16 to these unconsolidated financial statements.

		2016	2015
		(PKR in '000')	
	COMMITMENTS		
24.7	**Capital commitments**		
	Plant and machinery under letters of credit	1,070,867	50,583
24.8	**Other commitments**		
	Stores, spares and packing material under letters of credit	1,226,102	2,162,633
	Stand by Letter of Credit issued by the Company	110,000	500,000
	Bank guarantees issued on behalf of the Company	1,127,557	1,073,288
	Post dated cheques	13,954	450,436

Notes to the Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
25	**GROSS SALES**			
	Local		47,283,414	39,940,189
	Export		8,639,701	13,979,121
			55,923,115	53,919,310
26	**COST OF SALES**			
	Salaries, wages and benefits	26.1	1,751,480	1,751,070
	Raw material consumed		1,379,713	1,310,576
	Packing material	26.2	2,681,104	3,076,061
	Fuel and power		12,679,264	13,598,105
	Stores and spares consumed		1,829,863	2,097,793
	Repairs and maintenance		380,090	164,210
	Depreciation	5.2	2,250,787	1,929,062
	Insurance		90,496	81,628
	Provision for slow moving spares	10.3	–	25,000
	Provision for slow moving packing material	11	–	30,000
	Earth moving machinery		258,088	224,473
	Vehicle running and maintenance		33,806	53,966
	Communication		12,773	13,953
	Mess subsidy		43,604	47,507
	Transportation		44,835	24,652
	Travelling and conveyance		3,393	5,730
	Inspection fee for electrical installation		2,568	1,279
	Rent, rates and taxes		27,358	3,345
	Printing and stationery		1,832	1,523
	Other manufacturing expenses		100,250	107,874
			23,571,304	24,547,807
	Work-in-process:			
	Opening		614,095	628,533
	Closing		(886,973)	(614,096)
			(272,878)	14,437
	Cost of goods manufactured		23,298,426	24,562,244
	Finished goods:			
	Opening		439,883	455,858
	Closing		(316,794)	(439,883)
			123,089	15,975
			23,421,515	24,578,219

26.1 These include sum of PKR 182.174 million (2015: PKR 235.247 million) in respect of gratuity.

26.2 These are net of duty draw back on export sales amounting to PKR 41.483 million (2015: PKR 65.264 million).

		Note	2016	2015
			(PKR in '000')	
27	**DISTRIBUTION COSTS**			
	Salaries and benefits	27.1	150,925	109,306
	Logistics and related charges		1,548,644	2,681,230
	Loading and others		144,388	129,780
	Communication		4,220	4,002
	Travelling and conveyance		5,209	3,670
	Printing and stationery		1,032	1,806
	Insurance		34,426	33,028
	Rent, rates and taxes		17,925	17,301
	Utilities		2,795	3,041
	Vehicle running and maintenance		11,403	13,764
	Repairs and maintenance		1,585	1,689
	Fees, subscription and periodicals		897	407
	Advertisement and sales promotion		31,902	18,671
	Entertainment		3,987	3,075
	Security service		2,146	2,047
	Depreciation	5.2	88,716	80,693
	Provision for doubtful debt	12	4,206	8,292
	Others		18,775	15,216
			2,073,181	3,127,018

27.1 These include sum of PKR 10.248 million (2015: PKR 5.179 million) in respect of gratuity.

		Note	2016	2015
			(PKR in '000')	
28	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	28.1	521,358	437,623
	Communication		11,951	13,734
	Travelling and conveyance		69,489	45,874
	Insurance		11,087	9,217
	Rent, rates and taxes		8,878	5,035
	Vehicle running and maintenance		19,206	24,479
	Aircraft running and maintenance		67,832	61,884
	Printing and stationery		12,204	9,022
	Fees and subscription		44,568	39,453
	Security services		13,410	13,990
	Legal fee		42,952	26,250
	Utilities		7,571	6,283
	Repairs and maintenance		24,207	14,220
	Advertisement		10,946	2,324
	Auditors' remuneration	28.2	2,701	2,365
	Cost Auditors' remuneration	28.3	358	323
	Depreciation	5.2	169,576	156,105
	Amortization	6	24,008	20,527
	Trainings cost		14,097	9,458
	Others		19,105	19,469
			1,095,504	917,635

28.1 These include sum of PKR 65.274 million (2015: PKR 86.492 million) in respect of gratuity.

Notes to the Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
28.2	**Auditors' remuneration**			
	Statutory audit fee - standalone		1,478	1,375
	- consolidation		371	345
	Half yearly review fee		409	380
	Fee for the review of compliance with Code of Corporate Governance		93	86
	Out of pocket expenses		350	179
			2,701	2,365
28.3	**Cost auditors**			
	Cost audit fee		323	300
	Out of pocket expenses		35	23
			358	323
29	**FINANCE COSTS**			
	Mark-up on long-term finance		–	1,832
	Interest on Workers' Profit Participation Fund		11,861	6,730
	Bank charges and commission		12,023	17,188
			23,884	25,750
30	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	23.2	989,260	855,836
	Workers' Welfare Fund		395,704	342,335
	Donations	30.1	243,280	244,170
			1,628,244	1,442,341

30.1 Donations during the year includes donation amounting to PKR 154.20 million (2015: PKR 170 million) to Aziz Tabba Foundation (ATF) which includes donation of vehicle having fair value amounting to PKR 4.2 million. ATF is located at 1-A, Latif Cloth Market, M.A. Jinnah Road, Karachi. Mr. Muhammad Yunus Tabba, Chairman of the Board of Directors of the Company, is the Chairman of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Company, is the Vice Chairman of ATF. Further, Mr. Muhammad Sohail Tabba, Mr. Muhammad Jawed Tabba, Mrs. Mariam Tabba Khan and Mrs. Zulekha Tabba Maskatiya, the Directors of the Company, are the Directors of ATF.

		Note	2016	2015
			(PKR in '000')	
31	**OTHER INCOME**			
	Income from non-financial assets			
	Gain on disposal of property, plant and equipment	5.3	31,152	22,831
	Sale of electricity		361,479	1,910,280
	Cost of sale of electricity		(352,442)	(1,738,305)
			9,037	171,975
	Exchange gain - net	31.1	2,515	78,347
	Sale of scrap		37,694	15,147
			80,398	288,300
	Income from financial assets			
	Profit on sale of investments in Mutual Fund		34,922	32,319
	Interest income on deposit accounts		1,305,141	920,831
			1,420,461	1,241,450

31.1 Represents exchange gain - net arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies.

32 TAXATION

32.1 Relationship between income tax expense and accounting profit.

	2016	2015
	(PKR in '000')	
Profit before taxation	18,400,222	15,911,794
Tax at the applicable tax rate of 32% (2015: 33%)	5,888,071	5,250,892
Tax effect under lower rate of tax	(823,394)	(1,221,555)
Others	391,360	(549,129)
Total	5,456,037	3,480,208
Effective tax rate	30%	22%

32.2 The tax assessments of the Company have been finalized upto and including the tax year 2015.

33 EARNINGS PER SHARE - basic and diluted

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	2016	2015
Profit after taxation (PKR in thousands)	12,944,185	12,431,598
Weighted average number of ordinary shares (in thousands)	323,375	323,375
Basic and diluted earnings per share - (PKR)	40.03	38.44

Notes to the Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
34	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		18,400,222	15,911,794
	Adjustments for non cash charges and other items			
	Depreciation	5.2	2,545,069	2,269,237
	Amortization on intangible assets	6	24,008	20,527
	Provision for slow moving spares	10.3	–	25,000
	Provision for slow moving packing material	11	–	30,000
	Provision for doubtful debts	12	4,206	8,292
	Gain on disposal of property, plant and equipment	5.3	(31,152)	(22,831)
	Provision for staff gratuity	22.1.3	257,696	326,918
	Finance costs	29	23,884	25,750
	Profit before working capital changes		21,223,933	18,594,687
	(Increase) / decrease in current assets			
	Stores and spares		(998,546)	1,058,492
	Stock-in-trade		(7,724)	28,239
	Trade debts		(143,795)	27,223
	Loans and advances		(193,699)	(91,725)
	Trade deposits and short-term prepayments		(1,350)	7,011
	Accrued mark-up		(46,727)	(7,745)
	Other receivables		(241,173)	(577,313)
			(1,633,014)	444,182
	Increase in current liabilities			
	Trade and other payables		2,159,790	2,195,373
			21,750,709	21,234,242
34.1	**CASH FLOWS FROM OPERATING ACTIVITIES (Direct method)**			
	Collections from customers		55,783,526	53,275,775
	Receipts of other income		1,132,561	572,953
	Payments to suppliers and service providers		(22,855,207)	(21,834,503)
	Payments to employees		(2,218,717)	(2,297,999)
	Payments relating to income taxes		(4,997,212)	(2,151,235)
	Payments relating to post retirement benefits - net		(96,688)	(45,996)
	Payments relating to indirect taxes		(10,086,623)	(8,487,245)
	Payment of finance costs		(23,884)	(28,801)
	Net cash generated from operating activities		16,637,756	19,002,949

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

35.1 Aggregate amounts charged in these financial statements are as follows :

Particulars	Chief Executive		Director(s)		Executives		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015
	(PKR in '000')							
Remuneration	40,000	39,000	–	933	477,704	382,678	517,704	422,611
House rent allowance	16,000	15,600	–	373	215,024	172,251	231,024	188,224
Utility allowance	4,000	3,900	–	94	47,766	38,264	51,766	42,258
Conveyance allowance	–	–	–	–	47,766	38,264	47,766	38,264
Charge for defined benefit obligation	5,000	18,500	–	–	107,118	89,983	112,118	108,483
	65,000	77,000	–	1,400	895,378	721,440	960,378	799,840
Number of persons	1	1	–	1	364	293	365	295

35.2 In addition to the above, Chief Executive, Director and some Executives are provided with Company maintained cars and other benefits as per Company policy.

35.3 An amount of PKR 1,453,500/- was paid to 7 non executive directors and PKR 178,500/- was paid to 1 executive directors during the year as fee for attending board meetings (2015: 6 non executive directors were paid PKR. 550,000/- and 2 executive directors were paid PKR 220,000/-).

36 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

36.1 Related parties comprise subsidiaries, associated entities, entities with common directorship, directors and key management personnel. Balance 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:

	2016	2015
	(PKR in '000')	
Transaction with Subsidiary Companies		
Reimbursement of expenses to Company	6,569	–
Investment made during the year	1,090,000	2,563,855
Purchase of tax loss on account of Group Tax Adjustment	302,674	300,101
Sale of containers	2,500	–
Sales	26,724	38,336
Purchases	–	1,533
Transaction with Directors		
Sales	1,080	2,561
Meeting fee	1,632	–
Purchase of Land & Building	–	599,379
Transactions with Associated Undertakings		
Sales	502,388	694,575
Reimbursement of expenses to Company	2,257	–
Reimbursement of expenses from Company	484	–
Donation	154,200	170,000
Services	27,478	22,587
Investment	407,000	203,615
Transactions with key management personnel		
Salaries and benefits	173,910	157,683
Post employment benefits	37,870	44,493

Notes to the Financial Statements

For the year ended June 30, 2016

		2016	2015
		Metric Tons	
37	**PRODUCTION CAPACITY**		
	Production Capacity - (Cement)	7,750,000	7,750,000
	Production Capacity - (Clinker)	7,380,000	7,380,000
	Actual Production Cement	6,907,705	6,794,964
	Actual Production Clinker	6,607,639	6,395,248

37.1 Cement production capacity utilization is 89.13% (2015: 87.68%) of total installed capacity.

37.2 Clinker production capacity utilization is 89.53% (2015: 86.66%) of total installed capacity.

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the Company is exposed to market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company 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 Company's finance and treasury departments oversee the management of these risks and provide assurance to the Company's senior management that the Company'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 Company policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2016. The policies for managing each of these risk are summarized below:

38.1 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 prices comprise three types of risk: interest rate risk, currency risk and other price risk.

38.1.1 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. Bank balances carrying interest at rates between 3.75% to 7.50% (2015: 5% and 10.25%) . The Company mitigates its risk against exposure through focusing on maintaining bank balances. As of the balance sheet date the Company is not materially exposed to interest rate risk.

38.1.2 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 done in foreign currency. The Company manages its exposure against foreign currency risk by making sales and purchases of certain materials in currencies other than Rupee. Approximately 15% (2015: 26%) of the Company's sales are denominated in currencies other than Pakistani Rupee.

As at the balance sheet date, if Pak Rupee depreciated / appreciated by 1% against US$ and Euro, with all other variables held constant, the Company's profit before tax would have been PKR. 27,882 million (2015: PKR. 34.938 million) higher / lower as a result of exchange loss/gain on translation of foreign currency denominated financial instruments.

38.1.3 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.

38.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed 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 balance sheet date, the Company is exposed to credit risk on the following assets:

	Note	2016	2015
		(PKR in '000')	
Long-term deposits		3,175	3,175
Trade debts	12	2,181,788	2,042,199
Loans and advances	13	48,964	38,505
Trade deposits	14	30,014	23,442
Accrued mark-up		125,984	79,257
Other receivables	15	1,189,391	829,896
Bank balances	18	26,804,487	16,442,885
		30,383,803	19,459,359

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

	2016	2015
	(PKR in '000')	
Trade debts		
Neither past due nor impaired	2,181,788	2,042,199
Bank balances		
A1+	26,804,357	16,442,725
A1	130	160
	26,804,487	16,442,885

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

Notes to the Financial Statements

For the year ended June 30, 2016

38.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising fund to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance 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 customer. As of the balance sheet date, the Company has unavailed credit facilities aggregating to PKR 15,575 million (2015: PKR 16,825 million).

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
			(PKR in '000')		
June 30, 2016					
Long-term deposit	–	–	–	70,666	70,666
Trade and other payables	1,956,194	3,707,389	2,900,267	–	8,563,850
	1,956,194	3,707,389	2,900,267	70,666	8,634,516
June 30, 2015					
Long-term deposit	–	–	–	69,246	69,246
Trade and other payables	1,471,367	3,510,260	1,395,878	–	6,377,505
	1,471,367	3,510,260	1,395,878	69,246	6,446,751

38.4 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Investment in subsidiary companies and associates are carried at cost. The carrying values of all other financial assets and liabilities reflected in the unconsolidated financial statements approximate to their fair values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from their book value.

Fair value hierarchy

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level1);

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and

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

	Level 1	Level 2	Level 3	Total
		(PKR in '000')		
Assets				
Financial assets at fair value through profit or loss - Short-term investments	–	400,000	–	400,000

Short-term investments comprises of Term Finance Certificates.

There were no transfers amongst levels during the year.

38.5 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company 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 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, 2016.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company 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 balance sheet plus net debt.

During the year, the Company's strategy was to minimize leveraged gearing. The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. As of the balance sheet date the Company has no gearing (gearing ratio - 2015: Nil).

39 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 01, 2016 by the Board of Directors of the Company.

40 NUMBER OF EMPLOYEES

The number of persons employed as on the balance sheet date was 2,467 (2015: 2,350) and the average number of employees during the year was 2,409 (2015: 2,325).

Notes to the Financial Statements
For the year ended June 30, 2016

41 GENERAL

41.1 The Board of Directors in their meeting held on September 01, 2016 (i) approved the transfer of PKR 9,740.693 million (2015: PKR 9,466.587 million) from un-appropriated profit to general reserve; and (ii) proposed final dividend of PKR.10/- per share for the year ended June 30, 2016 amounting to PKR 3,233.750 million (2015: PKR 2,910.375 million) for approval of the members at the Annual General Meeting to be held on October 29, 2016. These unconsolidated financial statements do not reflect this appropriation and the proposed dividend payable.

41.2 The Finance Act, 2015 introduced tax on every public company at the rate of 10% of such undistributed reserves which exceeds the amount of its paid up capital.However, this tax shall not apply in case of public company which distributes cash dividend equal to atleast either 40% of its after tax profits or 50% of its paid up capital, within the prescribed time after the end of the relevant tax year.

Based on the fact that Board of Directors of the Company has proposed 100% dividend for the financial and tax year 2016 which exceeds the prescribed minimum dividend requirement as aforesaid, the Company believes that it would not eventually be liable to pay tax on its undistributed reserves as of June 30, 2016.

41.3 For better presentation certain prior year's figures have been reclassified consequent to certain changes in the current year's presentation.

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

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Consolidated Financial Statements

For the year ended June 30, 2016

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Mall View Building, 4-Bank Square
P. O. Box No. 104, Lahore 54000
Pakistan

Tel: +9242 3721 1531-38
Fax: +9242 3721 1530 & 39
eyfrsh.lhr@pk.ey.com
ey.com/pk

Auditors' Report

on consolidated financial statement to the members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Lucky Cement Limited (the Holding Company) and its subsidiary companies namely Lucky Holdings Limited (LHL), LCL Investment Holdings Limited (LCLIHL) and LCL Holdings Limited (LCLHL) as at June 30, 2016 and the related consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding Company and its subsidiary companies LHL and LCLHL. The financial statements of LCLIHL were audited by other firms of auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such subsidiary companies, is based solely on the reports of such other auditors. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary companies as at June 30, 2016 and the results of their operations for the year then ended.

We draw attention to the contents of note 16.3 and note 17 to the accompanying consolidated financial statements in respect of other receivable from Hyderabad Electricity Supply Company (HESCO) amounting to PKR 1,176.723 million and tax refunds due from the Government amounting to PKR 538.812 million, respectively. Our report is not qualified in respect of the above mentioned matters.

EY Ford Rhodes

Chartered Accountants
Date: September 01, 2016
Place: Karachi

Consolidated Balance Sheet

as at June 30, 2016

	Note	2016	2015
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	6	52,357,646	49,900,183
Intangible assets	7	7,022,261	7,360,811
		59,379,907	57,260,994
Long-term investments	8	10,654,528	10,007,198
Long-term loans and advances	9	433,207	405,496
Long-term deposits and prepayments	10	39,939	33,952
		70,507,581	67,707,640
CURRENT ASSETS			
Stores, spares and consumables	11	7,016,458	5,921,887
Stock-in-trade	12	6,905,826	6,524,154
Trade debts	13	3,821,855	3,473,293
Loans and advances	14	852,484	578,609
Trade deposits and short-term prepayments	15	485,469	464,392
Accrued mark-up		126,286	79,257
Other receivables	16	2,098,339	2,023,466
Tax refunds due from the Government	17	538,812	538,812
Taxation - net		1,152,299	997,518
Short term investments	18	400,000	–
Cash and bank balances	19	28,448,471	18,155,599
		51,846,299	38,756,987
TOTAL ASSETS		122,353,880	106,464,627
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	20	3,233,750	3,233,750
Reserves	21	70,337,188	58,190,818
Attributable to the owners of the Holding Company		73,570,938	61,424,568
Non-controlling interests (NCI)		7,888,373	7,071,234
Total equity		81,459,311	68,495,802
NON-CURRENT LIABILITIES			
Long-term finance	22	8,741,955	8,854,165
Long-term deposits	23	70,666	69,246
Deferred liabilities	24	9,916,313	9,430,707
		18,728,934	18,354,118
CURRENT LIABILITIES			
Trade and other payables	25	18,532,947	15,819,145
Accrued mark-up	26	146,321	165,210
Short-term borrowings and running finance	27	1,937,184	1,833,247
Current portion of long-term finance	22	1,549,183	1,797,105
		22,165,635	19,614,707
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		122,353,880	106,464,627

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Consolidated Profit and Loss Account

For the year ended June 30, 2016

	Note	2016	2015
		(PKR in '000')	
Turnover	30.1	98,651,896	96,474,922
Less: Sales tax and excise duty		13,098,661	11,209,856
Rebates and commission		3,403,433	3,147,264
		16,502,094	14,357,120
Net sales		82,149,802	82,117,802
Cost of turnover	30.2	(54,247,203)	(56,430,360)
Gross profit		27,902,599	25,687,442
Distribution cost	32	(3,952,914)	(4,653,188)
Administrative expenses	33	(2,077,596)	(1,984,165)
Finance cost	34	(789,810)	(1,016,406)
Other expenses	35	(1,910,496)	(1,667,303)
Other income	36	1,478,074	1,341,310
		20,649,857	17,707,690
Share of gain in equity-accounted investments	8.1, 8.2, 8.3 & 8.4	1,179,966	718,039
Profit before taxation		21,829,823	18,425,729
Taxation	37	(5,838,794)	(3,770,485)
Profit after taxation		15,991,029	14,655,244
Attributable to:			
Owners of the Holding Company		14,872,560	13,757,976
Non-controlling interests		1,118,469	897,268
		15,991,029	14,655,244
Other comprehensive income:			
Items not to be reclassified to profit and loss account in subsequent periods :			
Gain on remeasurements of post retirement benefit obligations		22,478	95,850
Deferred taxation		(6,180)	(32,853)
		16,298	62,997
Items to be reclassified to profit and loss account in subsequent periods :			
Foreign exchange differences on translation of foreign operations		148,867	65,408
Loss on hedge during the period		(2,285)	–
Income tax relating to hedging reserve		731	–
		(1,554)	–
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress		1,554	–
Total comprehensive income for the year		16,156,194	14,783,649
Attributable to:			
Owners of the Holding Company		15,043,863	13,834,692
Non-controlling interests		1,112,331	948,957
		16,156,194	14,783,649
		(PKR)	
Earnings per share - basic and diluted	38	45.99	42.54

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Consolidated Cash Flow Statement

For the year ended June 30, 2016

	Note	2016	2015
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	27,489,201	28,580,585
Finance costs paid		(855,730)	(1,154,109)
Income tax paid		(5,639,671)	(2,884,803)
Staff retirement benefits paid		(170,128)	(112,565)
		(6,665,529)	(4,151,478)
Long term loans and advances		(27,711)	1,301,879
Long-term deposits and prepayments		(5,987)	(2,934)
Net cash generated from operating activities		20,789,974	25,728,052
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(7,270,430)	(9,857,216)
Additions to intangibles		(118,360)	(44,421)
Proceeds from disposal of shares		21,412	243,897
Investment in joint ventures and associate		(758,568)	(7,945,104)
Dividend from associate		1,449,876	454,379
Short term investments		(400,000)	–
Sale proceeds on disposal of property, plant and equipment		56,227	76,411
Net cash used in investing activities		(7,019,843)	(17,072,054)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance - net		(368,519)	(504,786)
Dividends paid to owners of holding company		(2,910,375)	(2,910,375)
Dividends paid to NCI		(303,722)	(205,640)
Long term deposits - net		1,420	1,275
Additions of short-term borrowings and running finance		103,937	1,395,879
Net cash used in financing activities		(3,477,259)	(2,223,647)
Net increase in cash and cash equivalents		10,292,872	6,432,351
Cash and cash equivalents at the beginning of the year		18,155,599	11,723,248
Cash and cash equivalents at the end of the year		28,448,471	18,155,599

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Consolidated Statement of Changes in Equity

For the year ended June 30, 2016

	Attributable to the equity owners of the Holding Company							
	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves			Total reserve	Non controlling interests	Total equity
		Share premium	General reserves	Foreign currency translation reserve	Unappropriated profit			
	(PKR in '000')							
Balance as at June 30, 2014	3,233,750	7,343,422	27,871,271	(63,554)	11,994,719	47,145,858	6,204,663	56,584,271
Transfer to general reserves	–	–	8,433,365	–	(8,433,365)	–	–	–
Final dividend at the rate of PKR 9/- per ordinary share of PKR 10/- each for the year ended June 30, 2014	–	–	–	–	(2,910,375)	(2,910,375)	–	(2,910,375)
Dividends paid to non-controlling interests of ICI	–	–	–	–	–	–	(205,640)	(205,640)
Decrease in ownership interest in ICI	–	–	–	–	120,643	120,643	123,254	243,897
Profit after taxation	–	–	–	–	13,757,976	13,757,976	897,268	14,655,244
Other comprehensive income	–	–	–	65,408	11,308	76,716	51,689	128,405
Total comprehensive income for the year	–	–	–	65,408	13,769,284	13,834,692	948,957	14,783,649
Balance as at June 30, 2015	3,233,750	7,343,422	36,304,636	1,854	14,540,906	58,190,818	7,071,234	68,495,802
Transfer to general reserves	–	–	9,466,587	–	(9,466,587)	–	–	–
Final dividend at the rate of PKR 9/- per ordinary share of PKR 10/- each for the year ended June 30, 2015	–	–	–	–	(2,910,375)	(2,910,375)	–	(2,910,375)
Dividends paid to non-controlling interests of ICI	–	–	–	–	–	–	(303,722)	(303,722)
Decrease in ownership interest in ICI	–	–	–	–	12,882	12,882	8,530	21,412
Profit after taxation	–	–	–	–	14,872,560	14,872,560	1,118,469	15,991,029
Other comprehensive income	–	–	–	148,867	22,436	171,303	(6,138)	165,165
Total comprehensive income for the year	–	–	–	148,867	14,894,996	15,043,863	1,112,331	16,156,194
Balance as at June 30, 2016	3,233,750	7,343,422	45,771,223	150,721	17,071,822	70,337,188	7,888,373	81,459,311

The annexed notes from 1 to 48 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

1 THE GROUP AND ITS OPERATIONS

The Group consists of Lucky Cement Limited ("the Holding Company") and its subsidiary companies LCL Investment Holdings Limited, Lucky Holdings Limited, ICI Pakistan Limited, ICI Pakistan PowerGen Limited, Lucky Electric Power Company Limited and LCL Holdings Limited. Brief profiles of the Holding company and its subsidiary companies are as follows:

1.1 Lucky Cement Limited

The Holding Company was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on the Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The Holding Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Holding Company is manufacturing and marketing of cement. The registered office of the Holding Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. The Holding Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

1.2 LCL Investment Holdings Limited

The Holding Company has made an investment in LCL Investment Holdings Limited (LCLIHL), the wholly owned subsidiary of the Holding Company, incorporated and domiciled in Mauritius. LCLIHL has concluded a joint venture agreement with Al-Shumookh Construction Materials Trading FZE, United Arab Emirates, for establishing Lucky Al-Shumookh Holdings Limited, for constructing a cement grinding unit in the Republic of Iraq, plant has already commenced production and its operation has been consolidated in these financial statements. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

LCLIHL has also entered into a joint venture agreement with Rawsons Investments Limited (registered in Cayman Islands) for establishing LuckyRawji Holdings Limited for constructing a fully integrated cement manufacturing unit in the Democratic Republic of Congo. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

1.3 Lucky Holdings Limited

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted Company limited by shares under the Companies Ordinance, 1984. The registered office of LHL is located at Main Indus Highway, Pezu, District Lakki Marwat in the province of Khyber Pakhtunkhwa. As of the balance sheet date, LHL held 74.70% (2015: 74.75%) shares in ICI Pakistan Limited. The main source of earning is dividend and royalty income.

1.4 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange (formerly Karachi Stock Exchange in which Lahore and Islamabad stock exchanges have merged). The Company 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 an indenting agent and toll manufacturer. The registered office of ICI is situated at 5 West Wharf, Karachi.

1.5 ICI Pakistan PowerGen Limited

ICI Pakistan PowerGen Limited (ICI PowerGen) was incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI. ICI PowerGen is engaged in generating, selling and supplying electricity to the ICI. The registered office of ICI PowerGen is situated at 5 West Wharf, Karachi.

1.6 LCL Holdings Limited

LCL Holdings Limited (LCLHL) the Company was incorporated in Pakistan on September 19, 2014 as a public unlisted company limited by shares under the Companies Ordinance, 1984 with the object to invest in the Coal Based Power project to be setup by Lucky Electric Power Company Limited (LEPCL) .The registered office of the Company is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi, in the province of Sindh.

1.7 Lucky Electric Power Company Limited

Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. LEPCL is a wholly owned subsidiary of LCLHL. The operations of LEPCL have not yet started. LEPCL will invest in setting up a 660 MW coal based power project in Karachi. Its registered office is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

2 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, here-in-after referred to as “the Group”.

A company is a subsidiary, if an entity (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 100% 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 equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss account, and reclassifies the Holding Company share of components previously recognised in other comprehensive income to profit and loss account or retained earnings, as appropriate.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

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 the consolidated financial statements.

The presentation and functional currency of the Holding Company and subsidiaries other than LCLIHL are Pakistani Rupee and the functional currency of LCLIHL is US Dollar. For the purpose of consolidation, the financial statements of the LCLIHL are translated to presentation / functional currency of the Holding Company.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for:

- Investments which are carried at fair value in accordance with IAS-39 “Financial Instruments: Recognition and measurement”, as disclosed in note 18; and

- Defined benefit obligations which are stated at present value in accordance with the requirements of IAS-19 “Employee Benefits”, as disclosed in note 24.1.

4.2 Standards, interpretations and amendments to approved accounting standards that became effective

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as describe below:

New Standards, Interpretations and Amendments

The Group has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRS 13 Fair Value Measurement
IFRIC 21 Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 10	–	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 10	–	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)
IFRS 11	–	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
IAS 1	–	Presentation of Financial Statements - Disclosure Initiative (Amendment)
IAS 16	–	Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 27	–	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on these consolidated financial statements.

4.3 Property, plant and equipment

These are stated at cost less accumulated depreciation / amortization 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 operating fixed assets, including capital work-in-progress, signifies historical cost and financial charges on borrowings as stated in note 4.19 to these consolidated financial statements.

Except for certain plant and machinery, depreciation is charged on units of production method based on higher of estimated life or production. Depreciation / amortization is charged to profit and loss account applying the straight line method at the rates mentioned in the 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.

Assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

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

4.4 Intangible assets

Intangible assets other than goodwill, distribution relationship, principal relationship and product rights are stated at cost less accumulated amortization and accumulated impairment losses, if any. Distribution relationship, principal relationship and product rights are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite. However, these assets are tested for impairment annually.

Amortization is charged to the profit and loss account applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The useful lives of the intangible assets are stated in note 7 to these consolidated financial statements. Full month's amortization is charged in the month of addition, whereas, amortization on disposals is charged upto the month in which the disposal takes place.

4.5 Goodwill

Goodwill is initially measured as of 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 recognizes the resulting gain in the profit and loss account 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 (or the groups of cash generating unit) 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 Cash generating unit 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 cash generating unit is

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and than to the other assets of the units on pro rata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognized directly in profit and loss account. An impairment loss is recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

4.6 Investments

4.6.1 At fair value through profit or loss

An investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are classified as held for trading if they are acquired for the purpose of selling and repurchasing in near term. These assets are acquired principally for the purpose of generating a profit from short-term fluctuation in price. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes sales and purchase decision based on their fair value in accordance with the Group's investment strategy.

All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. All transaction costs are recognised directly in profit and loss account. At subsequent dates these investments are measured at fair value with any resulting gain or loss recognised directly in the profit and loss account.

4.6.2 Available-for-sale

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose off the investments within twelve months of the balance sheet date.

Available-for-sale financial assets are subsequently carried at fair value.

Gains or losses from changes in fair value of investments classified as available-for-sale are recognised in other comprehensive income. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are taken to profit or loss in the statement of comprehensive income as 'gains and losses from investments'. Interest on available-for-sale investments calculated using the effective interest method is recognised in the profit or loss in the statement of comprehensive income as part of 'other income'. Dividend on available-for-sale equity instruments is recognised in the profit or loss in the statement of comprehensive income as part of 'other income' when the Company's right to receive dividend is established.

4.7 Investment in joint venture

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

4.8 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 profit and loss account. Value of items is reviewed at each balance sheet date to record provision for any slow moving items, damaged and obsolete items.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon upto the balance sheet date.

Net realizable value signifies the selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale, which is generally equivalent to the estimated replacement cost.

4.9 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 of 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.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon upto the balance sheet date.
Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs 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 in the statement of comprehensive income.

4.10 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts / receivables is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.11 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash and cheques in hand and current and deposit accounts with commercial banks.

4.12 Long-term and short-term borrowings

Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount remaining unpaid.

4.13 Staff retirement benefits

The Group's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

Defined benefit plans

The Group recognises staff retirements benefits expense 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.

i) The Group operates an unfunded gratuity scheme covering all permanent employees of the Holding Company. Contribution is made to this scheme on the basis of actuarial recommendations. Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

ii) The Group operates a funded pension scheme and a funded gratuity scheme for the management staff of its subsidiary companies (ICI and ICI PowerGen). The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for ICI’s management staff are invested through two approved trust funds. The Group also operates unfunded gratuity scheme for non-management staff and the unfunded pensioners’ medical scheme for its subsidiary companies (ICI and ICI PowerGen). The pension and gratuity plans are final salary plans. The pensioner’s medical plan reimburses actual medical expenses to pensioners as per entitlement.

Defined contributory plans

The Group operates two registered contributory provident funds for entire staff of its subsidiary companies (ICI and ICI PowerGen) and a registered defined contribution superannuation fund for management staff of its subsidiary companies (ICI and ICI PowerGen), who have either opted for this fund by July 31, 2004 or have joined ICI after April 30, 2004. In addition to this, the Group also provides group insurance to all employees of its subsidiary companies (ICI and ICI PowerGen).

4.14 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 is not material.

4.15 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.

4.16 Provisions

Provision are recognized in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of obligation. However, provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.17 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the balance sheet 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 the balance sheet date.

4.18 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

4.18.1 Sale of goods and toll manufacturing

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods to customers. For those products which are often sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

Toll manufacturing income is recognised when services are rendered.

4.18.2 Other income

Revenue from the sale of electricity is recorded based on the output delivered and capacity available at the rates as specified under Power Purchase Agreement.

Interest on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

Commission income is recognised on date of shipment from suppliers.

Dividend income is recognised when the right to receive dividend is established.

4.19 Borrowing costs

Borrowing 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 recognized as an expense in the period in which they are incurred.

4.20 Foreign currency translations

Foreign currency transactions are translated into Pakistani Rupee using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are re-translated into Pakistani Rupee using the exchange rate ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

On consolidation, the assets and liabilities of foreign operations are retranslated into presentation currency i.e. Pakistani Rupees at the rate of exchange prevailing at the balance sheet 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.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

4.21 Financial assets and liabilities

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit and loss account for the period in which it arises.

Financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the Group loses control of the contractual rights that comprise the financial asset. Financial liabilities are removed from the balance sheet when the obligation is extinguished, discharged, cancelled or expired.

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.

4.22 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the balance sheet when there is a legal enforceable right to set-off the transactions is available and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.23 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

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.

All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised.

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 and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.24 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the consolidated financial statements in the period in which these are approved.

4.25 Functional and presentation currency

These consolidated financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency.

4.26 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 Executive Officer (the CEO) 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 CEO 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.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are Cement, Polyester, Soda Ash, Life Sciences, Chemicals and others (LCLIHL / ICI PowerGen), which also reflects the management structure of the Group.

4.27 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognized in the profit and loss account.

4.28 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 the profit and loss account on a straight-line basis over the period of the lease.

4.29 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 after tax attributable to ordinary shareholders of the Holding Company by the weighted average number of ordinary shares outstanding during the period.

4.30 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Standard or Interpretation			Effective date (annual periods beginning on or after)
IFRS 2	–	Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10	–	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10	–	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11	–	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1	–	Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 7	–	Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12	–	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16	–	Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)	January 01, 2016
IAS 16	–	Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27	–	Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The Group expects that the adoption of the above standards and amendments are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Group expects that such improvements to the standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit and loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

	Note	2016	2015
		(PKR in '000')	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	6.1	50,300,082	46,737,710
Capital work-in-progress	6.4	2,057,564	3,162,473
		52,357,646	49,900,183

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

6.1 Operating fixed assets - tangible

Particulars	Cost			Accumulated Depreciation / Amortization			Net Book Value	Rate of depreciation
	At July 01, 2015	Addition / *transfers / ***(disposals)	At June 30, 2016	At July 01, 2015	Charge for the year / (disposals)	At June 30, 2016	At June 30, 2016	(%)
	(PKR in '000')							
Land - freehold	843,782	22,713	866,495	–	–	–	866,495	–
	*	–			–			
		–			–			
Land - leasehold	1,393,773	-	2,627,745	74,110	21,331	95,441	2,532,304	25-99 Yrs
	*	1,233,972			–			
		–			–			
Building on freehold land	987,407	–	1,191,979	138,680	83,721	222,401	969,578	5%-10%
	*	204,572			–			
Building on leasehold land	8,443,696	4,336	9,274,117	3,269,934	477,771	3,734,746	5,539,371	2.5%-10%
	*	846,010			(12,959)			
		(19,925)			–			
		–			–			
		–			–			
Limebeds on freehold land	151,775	3,456	243,034	28,659	13,566	41,471	201,563	3.33%-7.5%
	*	88,596			(754)			
		(793)			–			
Plant and machinery	37,078,776	42,945	40,890,733	9,457,171	2,735,215	12,103,873	28,786,860	3.33-20%
	*	3,863,125			(88,513)			
		(94,113)			–			
		–			–			
Generators **	12,228,141	–	13,619,014	3,919,219	651,686	4,570,905	9,048,109	5%
	*	1,390,873			–			
		–			–			
Quarry equipment	1,537,305	6,583	1,570,139	606,108	148,146	749,179	820,960	10%
	*	32,401			–			
		(6,150)			(5,075)			
		–			–			
Vehicles including cement bulkers and rolling stock	1,181,500	150,576	1,320,532	595,955	165,929	717,708	602,824	10%-25%
	*	45,401	–					
		(56,945)			(44,176)			
		–			–			
		–			–			
Aircraft	744,664	–	744,664	176,988	70,960	247,948	496,716	10%
		–			–			
Furniture and fixtures	394,845	5,400	451,179	170,771	76,099	224,900	226,279	10%-33%
	*	73,527			–			
		(22,593)			(21,970)			
		–			–			
		–			–			
Office equipment	165,216	10,250	186,407	119,099	33,086	148,220	38,187	10%-33%
	*	14,985			–			
		(4,044)			(3,965)			
		–			–			
Computer and accessories	113,231	11,381	126,422	83,799	20,534	94,854	31,568	33%
	*	11,501			–			
		(9,691)			(9,479)			
		–			–			
Other assets (Laboratory equipment etc.)	279,844	2,591	326,719	165,752	22,345	187,451	139,268	10%-33%
	*	45,343	–					
		(1,059)	–		(646)			
June 30, 2016	65,543,955	260,231	73,439,179	18,806,245	4,520,389	23,139,097	50,300,082	
	*	7,850,306						
		(215,313)			(187,537)			

Particulars	Cost: At July 01, 2014	Cost: Addition / *transfers / (disposals)	Cost: At June 30, 2015	Accumulated Depreciation / Amortization: At July 01, 2015	Accumulated Depreciation / Amortization: Charge for the year / (disposals)	Accumulated Depreciation / Amortization: At June 30, 2015	Net Book Value: At June 30, 2015	Rate of depreciation (%)
	(PKR in '000')							
Land - freehold	517,934	30,287	843,782	–	–	–	843,782	–
	*	295,561			–			
		–			–			
Land - leasehold	963,335	150	1,393,773	57,847	16,263	74,110	1,319,663	25-99 Yrs
	*	430,288			–			
		–			–			
Building on freehold land	375,061	–	987,407	78,312	60,368	138,680	848,727	5%-10%
	*	612,346			–			
	**	–			–			
Building on leasehold land	7,763,681	4,461	8,443,696	2,830,540	446,088	3,269,934	5,173,762	2.5%-10%
	*	682,636			–			
		(7,082)			(6,694)			
		–			–			
		–			–			
Limebeds on freehold land	150,852	923	151,775	16,992	11,667	28,659	123,116	3.33%-7.5%
	*	–			–			
		–			–			
Plant and machinery	31,686,803	–	37,078,776	7,545,996	2,339,478	9,457,171	27,621,605	3.33%-20%
	*	5,826,006			–			
		(434,033)			(428,303)			
		–			–			
		–			–			
Generators***	10,703,351	–	12,228,141	3,356,693	562,526	3,919,219	8,308,922	5%
	*	1,524,790			–			
		–			–			
Quarry equipment	1,361,326	–	1,537,305	521,468	125,481	606,108	931,197	10%
	*	228,979			–			
		(53,000)			(40,841)			
		–			–			
Vehicles including cement bulkers	1,095,501	103,342	1,181,500	485,690	146,115	595,955	585,545	10%-25%
and rolling stock	*	42,628			–			
		(59,971)			(35,850)			
		–			–			
		–			–			
Aircraft	744,664	–	744,664	106,029	70,959	176,988	567,676	10%
		–			–			
Furniture and fixtures	278,428	5,331	394,845	105,380	67,171	170,771	224,074	10%-33%
	*	113,339			–			
		(2,253)			(1,780)			
		–			–			
		–			–			
Office equipment	140,781	11,623	165,216	92,564	26,675	119,099	46,117	10%-33%
	*	12,967			–			
		(155)			(140)			
		–			–			
Computer and accessories	100,461	9,078	113,231	66,094	20,835	83,799	29,432	33%
	*	7,213			–			
		(3,521)			(3,130)			
		–			–			
Other assets (Laboratory	209,834	2,131	279,844	94,069	78,783	165,752	114,092	10%-33%
equipment etc.)	*	79,750			–			
		(11,871)	–		(7,100)			
June 30, 2015	56,092,012	167,326	65,543,955	15,357,674	3,972,409	18,806,245	46,737,710	
	*	9,856,503						
		(571,886)			(523,838)			

** The carrying value of major spare parts and stand by equipment included in generators amounting to PKR 401.882 million (2015: PKR 452.744 million).

*** Disposals include write off with the carrying value amounting to PKR 0.375 million (2015: Nil).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

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

	Note	2016	2015
		(PKR in '000')	
Cost of turnover	31	4,164,304	3,573,195
Distribution costs	32	109,578	95,530
Administrative expenses	33	210,517	200,307
Cost of sale of electricity		35,990	103,377
Total		4,520,389	3,972,409

6.2.1 It includes PKR 2.195 million which has been transfered to capital work in progress during the year.

6.3 The details of operating fixed assets disposed off during the year are as follows:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain / (Loss)	Mode of Disposal	Particulars of Buyers
	(PKR '000')						
JEEP - BF-4386	6,002	2,612	3,390	4,200	810	Donation	M/s. Aziz Tabba Foundation - Karachi
HONDA CIVIC AZD-622	2,506	1,529	977	2,000	1,023	Negotiation	Mr. Muhammad Faisal (Employee) - Karachi
CAR - AVE-881	2,009	1,913	96	1,000	904	Negotiation	Mr. Intisur ul haqi (Employee) - Karachi
HONDA CIVIC AUV-759	1,978	1,699	279	1,460	1,181	Tender	Mr. Riaz Ahmed - Karachi
HONDA CIVIC-NS-946	1,547	1,443	104	1,138	1,034	Tender	Mr. Shahid Baig - Rawalpindi
HONDA CITY AYU-979	1,527	977	550	1,250	700	Tender	M/s. Lucky Electric - Karachi
TOYOTA COROLLA NS-409	1,435	1,376	59	1,000	941	Tender	Mr. Sagheer Ahsan Farooqi - Karachi
HONDA CITY AVX-674	1,371	1,272	99	950	851	Negotiation	Mr. Furqan Aftab (Ex Employee) - Karachi
CAR - AVX-675	1,371	1,272	99	1,131	1,032	Tender	Mr. Humair Uddin - Karachi
SUZUKI SWIFT BCY-863	1,315	254	1,061	1,270	209	Insurance Claim	M/s. Efu General Insurance Ltd - Karachi
HONDA CITY AUD-515	1,286	1,116	170	1,150	980	Insurance Claim	M/s. Efu General Insurance Ltd - Karachi
SUZUKI CULTUS AZW-957	1,033	554	479	802	323	Tender	Mr. Usman Shah - Karachi
SUZUKI CULTUS AZW-945	1,033	554	479	810	331	Negotiation	Mr. Amir Baig (Employee) - Karachi
SUZUKI CULTUS ZX-205	1,032	507	525	779	254	Tender	Mr. Hasan Akhter Abbassi - Karachi
CAR - AB-705	1,027	531	496	856	360	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS AYY-201	1,004	636	368	802	434	Insurance Claim	M/s. Efu General Insurance Ltd - Karachi
SUZUKI CULTUS YG-476	1,003	589	414	866	452	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS YG-478	997	602	395	872	477	Tender	Mr. Sagheer Ahsan Farooqi - Karachi
SUZUKI CULTUS YG-481	997	586	411	852	441	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS - UT-230	981	784	197	723	526	Tender	Mr. Shahid Baig - Rawalpindi
SUZUKI CULTUS UG-915	976	801	175	736	561	Tender	Syed Muhammad Askari Zaidi - Karachi
SUZUKI CULTUS AWK-561	956	806	150	736	586	Tender	Mr. Noman Hassan Khan - Karachi
SUZUKI CULTUS - UA-338	954	803	151	729	578	Tender	Mr. Shahid Baig - Rawalpindi
CAR - AWF-694	951	869	82	706	624	Tender	Mr. Naoman Hassan Khan - Karachi
HONDA CITY UA-328	949	770	179	837	658	Tender	Ch. Javed Akhter - Karachi
SUZUKI CULTUS AVZ-277	929	817	112	736	624	Tender	Mr. Noman Hassan Khan - Karachi
SUZUKI CULTUS - SK-168	908	826	82	783	701	Tender	Mr. Shahid Baig - Rawalpindi
SUZUKI CULTUS AUL-708	890	826	64	475	411	Negotiation	Mr. Shahid Allahaditta (Employee) - Karachi
HONDA CITY NK-729	871	812	59	984	925	Tender	Mr. Shafiq ur Rehman - Karachi
SUZUKI CULTUS - ATH-602	863	768	95	690	595	Tender	Mr. Muhammad Yaseen - Karachi
Wheel Loader	6,150	5,075	1,075	3,500	2,425	Tender	M/s Zam traders - Pezu
Laptop	154	61	93	154	61	Tender	M/s. Lucky Electric - Karachi
65 Ktpa Plant, Sodium bicarbonate plant and commissioning cost	27,813	23,967	3,846	644	(3,202)	Scrap	Ghouri Scrap Dealer Mandi Bahaudin
HP server for PIII and IBM	5,824	5,534	290	31	(259)	Bidding	M/s Sh. Auyoub
Infrastructure refurbishment	14,261	7,545	6,716	1,020	(5,696)	Scrap	Awan Brothers Karimpura, Khewra and Ghouri Scrap Dealer Mandi Bahaudin
Fleet car	622	–	622	4,615	3,993	Auction	Syed Nadeem Raza Ali
Items having book value less than Rs.50,000 each	119,788	116,451	3,337	14,940	11,603	–	Various
Total	215,313	187,537	27,776	56,227	28,451		
2015	571,886	523,838	48,048	76,411	28,363		

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

	Opening balance	Additions	Transferred to operating fixed assets	Closing balance 2016	Closing balance 2015
	(PKR in '000')				
Land - freehold	–	–	–	–	–
Land - leasehold	143,721	1,090,251	1,233,972	–	143,721
Building on freehold land	42,856	228,688	204,572	66,972	42,856
Building on leasehold land	416,257	978,259	934,606	459,910	416,257
Plant and machinery	906,250	3,608,649	3,863,125	651,774	906,250
Generators	1,134,738	625,533	1,390,873	369,398	1,134,738
Quarry equipment	–	32,459	32,401	58	–
Vehicles including cement bulkers and rolling stock	–	49,264	45,401	3,863	–
Furniture and fixtures	–	73,527	73,527	–	–
Office equipment	–	14,985	14,985	–	–
Computer and accessories	–	11,501	11,501	–	–
Intangible Assets	–	105,303	105,303	–	–
Other assets	518,651	32,281	45,343	505,589	518,651
	3,162,473	6,850,700	7,955,609	2,057,564	3,162,473

7 INTANGIBLE ASSETS

June 30, 2016

	Note	At July 01 2015	Additions	Adjustment	Amortisation/ impairment Note 7.2 & 7.3*	At July 01 2016	Amortisation/ rate %
		(PKR in '000')					
Goodwill		2,133,955	–	–	–	2,133,955	–
Trademark & Roundil		1,724,346	–	–	(229,913)	1,494,433	10
Customer relationship		526,624	–	–	(73,222)	453,402	9 - 25
Distribution relationship	7.1	108,490	–	–	–	108,490	Indefinite
Principal relationship	7.1	1,831,328	–	–	(52,595)*	1,778,733	Indefinite
Product rights	7.1	826,855	–	–	–	826,855	Indefinite
Software and license		209,213	118,360	–	(101,180)	226,393	20 - 50
		7,360,811	118,360	–	(456,910)	7,022,261	

June 30, 2015

	Note	At July 01 2014	Additions	Adjustment	Amortisation/ impairment Note 7.2 & 7.3*	At July 01 2015	Amortisation/ rate %
		(PKR in '000')					
Goodwill		2,133,955	–	–	–	2,133,955	–
Trademark & Roundil		1,954,259	–	–	(229,913)	1,724,346	10
Customer relationship		599,846	–	–	(73,222)	526,624	9 - 25
Distribution relationship	7.1	108,490	–	–	–	108,490	Indefinite
Principal relationship	7.1	1,831,328	–	–	–	1,831,328	Indefinite
Product rights	7.1	826,855	–	–	–	826,855	Indefinite
Software and license		286,477	44,421	–	(121,685)	209,213	20 - 50
		7,741,210	44,421	–	(424,820)	7,360,811	

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

7.1 These have been recognised on the acquisition of ICI by LHL. These intangible assets have been treated as having an indefinite useful life because it is expected to contribute to net cash inflows indefinitely based on the analysis of various economic factors prepared by the management of the Group which indicated that there is no limit to the period these assets would contribute to the net cash inflows and, consequently, the said intangibles will not be amortised until their useful life is determined to be finite.

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

	Note	2016	2015
		(PKR in '000')	
Cost of turnover	31	380,233	337,366
Distribution costs	32	7,080	9,097
Administrative expenses	33	69,597	78,357
		456,910	424,820

7.3 At June 30, 2016, the management of the Group carried out an impairment testing of its intangible assets including goodwill recorded in the consolidated financial statements at the time of acquisition of ICI Pakistan Limited (ICI). Based on the said testing, an impairement loss of PKR 52.595 million has been recorded in Principal relationship.

7.4 **Impairment testing of goodwill**

For impairment testing, goodwill 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 the reportable segments of the ICI Pakistan Limited:

1. Soda Ash;
2. Chemicals;
3. Life Sciences

The recoverable amount of all CGUs has been determined based on value-in-use calculations. The management 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 the Subsidiary company and approved by its Board of Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

Key assumptions used in value-in-use calculation

The calculation of value in use is most sensitive to the following assumptions:

(a) **Discount rates**

Discount rates reflect management estimates of the rate of return required for each business. The management used the Weighted Average Cost of Capital (WACC) to determine the cost of capital rate. The cost of equity has been computed through the "Capital Asset Pricing Model".

The following discount rates have been used which are based on the WACC of that CGU:

	Discount rate %
Soda Ash	10.50
Chemicals	13.03
Life sciences	12.30

A terminal growth rate of 4% has been used, which is the management's estimate of sustainable growth in revenue and long term industry growth.

(b) Key commercial assumptions

The valuation is based on the key commercial assumptions that revenue growth, contribution margins, customer demands in the products of the CGUs etc. would be achieved.

7.5 Impairment testings of other intangibles acquired through business combination

The recoverable amount of intangibles have been determined based on value-in-use calculations. The value-in-use has been determined on the following basis:

Intangibles	Basis of valuation
Brand - Trademark and roundil	Income Approach - Relief from Royalty Method
Customer relationship	Income Approach - Multi-Period Excess Earnings Method
Distribution relationship	Income Approach - Multi-Period Excess Earnings Method
Principal relationship	Income Approach - Multi-Period Excess Earnings Method
Product rights	Income Approach - Multi-Period Excess Earnings Method

Key assumptions used in value-in-use calculation

The following key assumptions have been made by the management for the intangibles:

	Growth/ royality rate %	Discover rate %	Attrition rate %
Brand - Trademark and roundil	1.5	10.5 - 11.72	N/A
Customer relationship	5.8 - 11.4	10.50 - 14.02	10.67 - 35.80
Distribution relationship	0.00	14.02	N/A
Principal relationship	9.2 - 18.6	12.36 - 14.58	N/A
Product rights	13.4 and 15.7	12.94 - 14.58	N/A

A terminal growth rate of 4%-5% has been used, which is the management's estimate of sustainable growth in revenue and long term industry growth.

	Note	2016 (PKR in '000')	2015 (PKR in '000')
8 LONG-TERM INVESTMENTS			
Joint ventures			
Equity accounted investment			
Lucky Al Shumookh Holdings Limited	8.1	2,042,256	2,157,855
LuckyRawji Holdings Limited	8.2	7,075,110	6,870,253
		9,117,366	9,028,108
Associate			
NutriCo Pakistan (Pvt) Limited	8.3	961,165	772,224
Yunus Energy Limited	8.4	573,497	204,365
		1,534,662	976,589
		10,652,028	10,004,698
Unquoted - at cost			
Equity security available-for-sale			
Arabian Sea Country Club Limited			
(250,000 ordinary shares of Rs. 10 each)		2,500	2,500
		10,654,528	10,007,198

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

		2016	2015
		(PKR in '000')	
8.1	**Lucky Al Shumookh Holdings Limited**		
	Investment at cost	1,912,283	1,729,081
	Investments made during the year	–	183,202
	Share of profit / (loss) opening balance	497,043	(18,583)
	Share of profit / (loss) during the period	811,919	515,626
	Dividend income	(1,295,880)	(304,379)
	Foreign currency translation reserve	116,891	52,909
		2,042,256	2,157,856

Lucky Al Shumookh Holdings Limited (LASHL) is a joint venture between the Group and Al Shumookh Group. LASHL was incorporated as an offshore company with limited liability in Jebel Ali Free Zone, United Arab Emirates. The Group holds 50 percent ownership interest in LASHL.

The Group's interest in LASHL's assets and liabilities is as follows:

	2016	2015
	(PKR in '000')	
Non-current assets	2,990,862	3,280,673
Current assets excluding cash and cash equivalents	941,200	1,107,674
Cash and cash equivalents	439,729	230,922
Liabilities	(287,279)	(301,060)
Net assets (100%)	4,084,512	4,318,209
Company's share of net assets (50%)	2,042,256	2,159,105
Less: Share of pre-acquisition loss	–	(1,249)
	2,042,256	2,157,856
The Group's share in LASHL's profit and loss account is as follows:		
Revenue	6,759,877	5,889,224
Cost of sales	(5,071,874)	(4,773,535)
General and administrative expenses	(63,008)	(73,910)
Selling and distribution expenses	(3,721)	(10,528)
Net profit / (loss) (100%)	1,621,274	1,031,251
Company's share of net profit / (loss) (50%)	810,637	515,626
Add: Share of profit before issuance of shares	1,282	–
	811,919	515,626

		2016	2015
		(PKR in '000')	
8.2	**LuckyRawji Holdings Limited**		
	Investment at cost	6,870,050	395
	Investments made during the year	–	6,869,655
	Share of profit / (loss) opening balance	189	–
	Share of profit / (loss) during the period	(1,402)	189
	Foreign currency translation reserve	206,273	14
		7,075,110	6,870,253

LuckyRawji Holdings Limited (LRHL) is a joint venture between the Group and Rawsons Investments Limited. LRHL was incorporated with limited liability under the laws of British Virgin Islands. The Group holds 50 percent ownership interest in LRHL. No activity affecting the profit and loss account of LRHL has been carried out as of the balance sheet date.

The Group's interest in LRHL's assets and liabilities is as follows:

	2016	2015
	(PKR in '000')	
Non-current assets	24,601,054	5,402,428
Current assets excluding cash and cash equivalents	2,036,918	7,056,502
Cash and cash equivalents	1,799,642	1,453,642
Liabilities	(14,287,394)	(172,066)
Net assets (100%)	14,150,220	13,740,506
Company's share of net assets (50%)	7,075,110	6,870,253

		2016	2015
		Unaudited	Audited
		(PKR in '000')	
8.3	**NutriCo Pakistan (Pvt) Limited**		
	Investment at cost	720,000	720,000
	Investments made during the year	240,000	–
	Share of profit / (loss) opening balance	202,224	–
	Share of profit / (loss) during the period	407,316	202,224
	Dividend income	(608,375)	(150,000)
	Carrying Value of Associate	961,165	772,224

During the year, the Group invested remaining PKR 240 million against right issue in NutriCo Pakistan (Private) Limited (the associate) upon approval of shareholders in subsidiary's EOGM resulting in increase in shareholding from 30% to 40% effective from April 01, 2016. NutriCo Pakistan (Private) Limited (the associate) is involved in marketing and distribution of infant milk and nutritional products.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

			2016 Unaudited	2015 Audited
			(PKR in '000')	
8.4	**Yunus Energy Limited**			
	Investment at cost		204,365	750
	Investments made during the period/year		407,000	203,615
	Share of loss		(37,868)	–
			573,497	204,365

Represents 20% equity investment of 61,365,500 shares @ PKR 10/- each in Yunus Energy Limited.

			2016	2015
			(PKR in '000')	
9	**LONG-TERM LOANS AND ADVANCES - secured, considered good**			
	Long-term loans			
	due from executives and employees	9.1	377,834	350,123
	Other advances	9.2	55,373	55,373
			433,207	405,496
9.1	**Due from executives and employees**			
	Due from executives	9.1.1 & 9.1.2	320,168	275,680
	Less: Receivable within one year			
	shown under current assets		95,503	72,095
			224,665	203,585
	Due from employees		209,746	198,661
	Less: Receivable within one year shown under current assets		56,577	52,123
			153,169	146,538
			377,834	350,123
	Outstanding for period:			
	- less than three years but over one year		283,495	141,087
	- more than three years		94,339	209,036
			377,834	350,123

9.1.1 Loans given to executives and employees are in accordance with the Group policy. These loans are interest free and are secured against the gratuity of respective employees. These loans are carried at cost due to practicality and materiality of the amounts involved.

			2016	2015
			(PKR in '000')	
9.1.2	**Reconciliation of the carrying amount of loans to executives (key management personnel):**			
	As at July 01		275,680	231,590
	Disbursements during the year		166,900	134,265
	Repayments during the year		(122,412)	(90,175)
		9.1.3	320,168	275,680

9.1.3 The maximum aggregate amount of loans due from the Executives at the end of any month during the year was PKR 339.37 million (2015: PKR 275.68 million).

9.2 This represents advance 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.

		Note	2016	2015
			(PKR in '000')	
10	**LONG-TERM DEPOSITS AND PREPAYMENTS**			
	Deposits		34,554	30,498
	Prepayments		5,385	3,454
			39,939	33,952
11	**STORES, SPARES AND CONSUMABLES**			
	Stores	11.1	2,239,700	1,585,196
	Spares	11.2	4,903,298	4,467,607
	Consumables		122,637	114,201
			7,265,635	6,167,004
	Less: Provision for slow moving spares - net	11.3	249,177	245,117
			7,016,458	5,921,887

11.1 This includes stores in transit, mainly coal, of PKR Nil (2015: PKR 171.216 million) as at the balance sheet date.

11.2 This includes spares in transit of PKR 32.440 million (2015: PKR 92.626 million) as at the balance sheet date.

		Note	2016	2015
			(PKR in '000')	
11.3	Movement in provision for slow moving spares is as follows:			
	As at July 01		245,117	205,073
	Provision during the year	33	4,060	40,044
			249,177	245,117
12	**STOCK-IN-TRADE**			
	Raw and packing material	12.1 & 12.2	2,704,810	2,648,792
	Work-in-process		1,027,152	710,130
	Finished goods - net		3,335,805	3,322,299
			7,067,767	6,681,221
	Less: Provision for slow moving and obsolete stocks - net			
	- Raw and packing material		41,381	43,659
	- Finished goods		120,560	113,408
			161,941	157,067
			6,905,826	6,524,154

12.1 This includes raw and packing material in transit amounting to PKR 818.525 million (2015: PKR 433.803 million) as at the balance sheet date.

12.2 Raw and packing materials held with various toll manufacturers amounts to PKR 242.400 million (2015: PKR 556.110 million).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
13	**TRADE DEBTS**			
	Considered good			
	Bills receivable - secured		587,319	1,262,581
	Others - unsecured	13.1	3,528,315	2,422,359
			4,115,634	3,684,940
	Considered doubtful		56,453	49,279
			4,172,087	3,734,219
	Less: Provision for			
	- Doubtful debts	13.2	56,453	49,279
	- Discounts payable on sales		293,779	211,647
			350,232	260,926
			3,821,855	3,473,293
13.1	The above balances include amounts due from the following associated undertakings:			
	Yunus Textile Mills Limited		179	15,190
	Lucky Textile Mills Limited		948	4,231
	Lucky Knits (Private) Limited		472	499
	NutriCo Pakistan (Private) Limited		2,393	11,095
	Oil & Gas Development Company Limited		14	–
	Feroze Mills Limited		331	377
			4,337	31,392
13.2	Movement in provision for doubtful debts is as follows:			
	Opening balance		49,279	93,664
	Provision during the year	32 & 33	14,396	34,487
	Write-off during the year		(7,222)	(78,872)
			56,453	49,279
14	**LOANS AND ADVANCES - Considered good**			
	Current portion of loans and advances due from:			
	Employees		57,068	52,227
	Executives		119,737	78,308
			176,805	130,535
	Advances to suppliers and others		675,679	448,074
			852,484	578,609

		Note	2016	2015
			(PKR in '000')	
15	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Deposits			
	Containers		105	420
	Coal supplier		–	1,000
	Karachi Port Trust		13,090	12,600
	Utilities		1,005	905
	Others		53,815	36,916
			68,015	51,841
	Prepayments			
	Insurance		11,712	12,423
	Rent		7,320	2,944
	Others		398,422	397,184
			417,454	412,551
			485,469	464,392
16	**OTHER RECEIVABLES - Unsecured**			
	Considered good			
	Duties, sales tax and octroi refunds due		520,981	373,717
	Commission and discounts receivable		28,046	25,002
	Receivable from principal	16.1	184,950	483,504
	Rebate on export sales		65,191	79,869
	Due from Collector of Customs	16.2	19,444	19,444
	Sales Tax adjustable		–	103,644
	Hyderabad Electricity Supply Company (HESCO)	16.3	1,176,723	753,792
	Insurance claim receivable		683	22,900
	Others		102,321	161,594
			2,098,339	2,023,466
	Considered doubtful		1,622	1,622
			2,099,961	2,025,088
	Less: Provision for doubtful receivables	16.4	1,622	1,622
			2,098,339	2,023,466

16.1 This includes receivable amounting to PKR 118.528 million (2015: PKR 401.706 million) from foreign vendor in relation to margin support guarantee.

16.2 The Holding Company imported cement bulkers during October 19, 2006 to December 05, 2006 under SRO 575(1) of 2006 dated June 05, 2006 for export of loose cement which provided concessionary rate of import duty to an industrial concern. Holding Company claimed exemption of duty at the time of port clearance, however, the Collector of Customs passed 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 to PKR 19.444 million for three different consignments of cement bulkers and simultaneously approached to the FBR for giving direction to the Collector of Customs, Karachi.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

The FBR moved a summary to the Federal Government / ECC on the representation of the Group and finally issued SRO 41(1) of 2007 on January 07, 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 given to the Holding Company with retrospective effect despite the fact that the said classification was issued on the representation of the Group.

The Holding Company filed a writ petition before the High Court of Sindh at Karachi in 2007 challenging the illegal and malafide act of encashment of post dated cheques. The High Court of Sindh passed the order in favour of the Holding Company and has ordered the Collector of Customs to refund the amount collected within one month from the date of judgement. The judgement has been challenged by FBR in the Supreme Court of Pakistan which is pending.

16.3 The balance represent receivable from HESCO which are overdue but not impaired and pertaining to electricity supplied from February 2015 to January 2016. The Holding Company has filed a suit for injunction in the High Court of Sindh against HESCO for non-payment of its dues; which is currently pending adjudication.

Further, Holding Company has filed an appeal in the Supreme Court of Pakistan against NEPRA, challenging the order dated September 2, 2015, passed by the Sindh High Court with regards to NEPRA's decision to revise tariff vide its impugned determination dated January 9, 2013.

The Holding Company has suspended its supply of electricity to HESCO with effect from January 9, 2016 in accordance with the terms of the Power Purchase Agreement executed between HESCO and the Company.

The management is confident on the advise of its legal adviser that the ultimate outcome of the case would be in its favor and full amount would be recovered in due course, therefore no provision for the above receivable has been made in these consolidated financial statements.

		2016	2015
		(PKR in '000')	
16.4	**Movement in provision for doubtful receivables is as follows:**		
	As at July 01	1,622	20,237
	Reversal	–	(18,615)
		1,622	1,622

17 TAX REFUNDS 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 Federal Board of Revenue (FBR) from the very first day the Holding Company started sales of cement in 1996. The FBR's point of view was that excise duty 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 Company filed a writ petition before the Peshawar High Court seeking judgment on this matter. The dispute related to the period from June 26, 1996 to April 19, 1999 after which the FBR changed the mechanism of levying excise duty from percentage of retail price to a fixed amount of duty at the rate of 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 they also filed petitions before the Honourable High Courts of Sindh and Lahore respectively. Both the 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 Honourable Supreme Court of Pakistan against the judgments of all three High Courts of the country. A full bench of the Honourable 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 Honourable Supreme Court of Pakistan, the Company filed a refund claim of PKR 538.812 million on May 08, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Holding Company on the basis of legal opinions obtained, recognised this refund claim in the consolidated financial statements for the year ended June 30, 2007.

A review petition was also filed by the Federal Board of Revenue (FBR) in the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan vide its order dated January 27, 2009 dismissed the review petition filed by the FBR and upheld its earlier decision which was in favour of the Holding Company.

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued show cause notice to the Company, raising certain objections against the release of said 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 in the Honourable Peshawar High Court and took the stance that this matter has already been dealt with at the Honourable Supreme Court of Pakistan level, based on the doctrine of res judicata. The Honourable Peshawar High Court granted a stay order to the Holding Company against any adverse proceeding by the FBR in this case.

During the year ended June 30,2013, the Holding Company filed a complaint before the Federal Tax Ombudsman (FTO) with a request that the FBR may be directed for early issuance of refund along-with the compensation for the delayed refund. The FTO directed the FBR to verify the claim of the Holding Company and submit a report in the matter. Subsequently, the FBR on the basis of audit conducted submitted a report to the FTO. However, the Holding Company did not agree to the findings of the department and argued before the FTO that the report submitted by the department is not based on the facts of the case.

After hearing the arguments of both the parties, the FTO forwarded its recommendations/findings to the Secretary, Revenue Division, Islamabad through its order dated November 22, 2013.

The FBR filed representation, before the President of Pakistan against the recommendations of the FTO under Section 32 of Federal Tax Ombudsman Ordinance, 2000. However, the President of Pakistan endorsed the recommendations of the FTO of having an audit conducted by independent firms. The FBR filed a Writ Petition in the Peshawar High Court against the findings of the FTO as recommended by the President which suspended the operations of the orders of FTO and President of Pakistan on July 14, 2015 till further orders. The Holding Company has filed a counter affidavit in response to the FBR's Writ Petition; which is pending adjudication in the Peshawar High Court.

The management of the Holding Company is confident on the advise of its legal adviser that the ultimate outcome of the case would be in its favor and full amount would be recovered in due course, therefore no provision for the above receivable has been made in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

18 SHORT TERM INVESTMENTS

These represent investments made in Term Finance Certificates amounting to PKR 400 million (June 30, 2015: Nil) carrying mark-up at the rate of six months KIBOR plus 0.5% per annum.

	Note	2016	2015
		(PKR in '000')	
19 CASH AND BANK BALANCES			
Sales collection in transit		1,172,202	892,404
Cash at bank - on current accounts		1,124,518	1,607,364
- on deposit accounts	19.1	26,143,699	15,648,690
		27,268,217	17,256,054
Cash In hand		8,052	7,141
		28,448,471	18,155,599

19.1 Includes security deposits from customer that are placed with various banks at pre-agreed rate maturing at various dates. The mark-up on these deposits range between 3.75% to 7.50% (June 30, 2015: 5.00% to 10.25%) and these term deposits are readily encashable without any penalty.

	Note	2016	2015
		(PKR in '000')	
20 SHARE CAPITAL			
Authorised capital			
500,000,000 (2015: 500,000,000)			
Ordinary shares of PKR 10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up capital			
305,000,000 (2015: 305,000,000) Ordinary shares			
of PKR 10/- each issued for cash	20.1	3,050,000	3,050,000
18,375,000 (2015: 18,375,000) Ordinary shares			
of PKR 10/- each issued as bonus shares		183,750	183,750
		3,233,750	3,233,750

20.1 During the year ended June 30, 2008, the Holding Company was admitted to the official list of the Financial Services Authority and to the London Stock Exchange for trading of Global Depository Receipts (GDRs) issued by the Holding Company on the Professional Securities Market of the London Stock Exchange. The GDR issue constituted an offering to qualified institutional buyers in the United States under Rule 144A and to non US persons outside the United States (US) under Regulation - S of the US Securities Act of 1933. The GDRs have also been included for trading on the International Order Book system of the London Stock Exchange, which will make the GDRs issued under Rule 144A to become eligible for trading by qualified institutional buyers in the Portal Market; a subsidiary of the NASDAQ Stock Market, Inc in the United States. The Holding Company has issued 15,000,000 GDRs each representing four ordinary equity shares at an offer price of US$. 7.2838 per GDR (total receipt being US$. 109.257 million). Accordingly, based on an exchange rate of PKR 65.90 = US$ 1.00 (which was the exchange rate on the date of final offering circular relating to the GDR issue made by the Holding Company) 60,000,000 ordinary equity shares of a nominal value of PKR 10 each of the Holding Company were issued at a premium of PKR 110 per ordinary equity share (total premium amount being PKR 6,600 million).

The holders of GDRs are entitled, subject to the provisions of the Deposit Agreement, to receive dividend, if any and rank pari passu with other equity shareholders in respect of dividend. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the equity shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated May 08, 2008, the deposited equity shares in respect of which the GDRs were issued may be withdrawn from the depository facility. Upon withdrawal, the holders will rank pari passu with other equity shareholders in respect of dividend, voting and other direct rights of shareholders.

		2016	2015
		(PKR in '000')	
21	**RESERVES**		
	Capital reserve		
	Share premium	7,343,422	7,343,422
	Revenue reserves		
	General reserve	45,771,223	36,304,636
	Foreign currency translation reserve	150,721	1,854
	Unappropriated profit	17,071,822	14,540,906
		62,993,766	50,847,396
		70,337,188	58,190,818

		Installments	Note	2016	2015
				(PKR in '000')	
22	**LONG-TERM FINANCE**				
	Secured				
	From banking companies / financial institutions:				
	Long-term finance utilized under mark-up arrangements from the following:				
	Standard Chartered Bank (Pakistan) Limited - Islamic finance	Semi annually		–	400,000
	Allied Bank Limited	Quarterly	22.1	416,668	750,001
	United Bank Limited	Quarterly	22.1	2,000,000	800,000
	United Bank Limited	Quarterly	22.1	1,282,342	221,719
	Faysal Bank Limited	Quarterly	22.1	74,717	–
	MCB Bank Limited	Quarterly	22.1	217,086	–
	Bank Al Habib Limited	Quarterly	22.2	750,000	900,000
	Meezan Bank Limited	Quarterly	22.2	1,500,000	1,800,000
	Soneri Bank limited	Semi annually	22.3	400,000	450,000
	Habib Bank Limited	Quarterly	22.2	582,750	699,300
	Bank Alfalah Limited	Quarterly	22.3	1,125,000	1,350,000
	Meezan Bank Limited - Islamic finance	Quarterly	22.4	55,556	277,778
	Foreign currency loan		22.5	1,887,019	3,002,472
				10,291,138	10,651,270
	Less : Current portion of long-term finance			(1,549,183)	(1,797,105)
				8,741,955	8,854,165

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

22.1 The Group has obtained long-term loan facility of PKR 6,250 million from the above mentioned Banks for a period of 3 ot 10 years. These loans are secured against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 6,375 million respectively. The rental payment is charged at relevant KIBOR plus 0.25% p.a payable on quarter basis.

22.2 The facility is secured against joint exclusive pari passu letter of hypothecation over specific fixed assets of Yunus Textile Mills Limited (an associated undertaking) amounting to PKR 5.333 billion. The rental payment is charged at relevant KIBOR plus 0.25% p.a payable on quarter basis.

22.3 The facility is secured against exclusive joint pari passu letter of hypothecation amounting to PKR 2.667 billion of plant, machinery and equipment in favour of the Bank to be created by Lucky Textile Mills Limited (an associated undertaking). The rental payment is charged at relevant KIBOR plus 0.25% p.a payable on quarter basis.

22.4 The Group has obtained long-term finance of PKR 500 million from the Bank under Islamic Diminishing Musharakah for a period of 3 years (including 9 months grace period). This facility is secured by a first pari passu hypothecation charge on the present and future Plant, Machinery and Equipment of the Group's Soda Ash Business located at Khewra. The rental payment is charged at relevant KIBOR plus 0.25% p.a payable on quarter basis.

22.5 Represents aggregate of outstanding principal on unsecured medium-term offshore facilities from a bank. At 30 June 2016 the facilities bear interest at 3-month LIBOR plus a margin of 3.65% per annum. (2015: 3-month LIBOR plus a margin of 3.65% per annum)

		Note	2016	2015
			(PKR in '000')	
23	**LONG-TERM DEPOSITS**			
	Cement stockists	23.1	32,886	27,966
	Transporters	23.2	37,780	40,000
	Others		–	1,280
			70,666	69,246

23.1 These represent interest-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.

23.2 These represent interest-free security deposits received from transporters and are repayable on cancellation or withdrawal of contracts.

		Note	2016	2015 (Restated)
			(PKR in '000')	
24	**DEFERRED LIABILITIES**			
	Staff gratuity	24.1	1,219,653	1,094,133
	Deferred tax liability	24.3	8,696,660	8,336,574
			9,916,313	9,430,707

24.1 The amounts recognized in the balance sheet, based on the recent actuarial valuation carried on June 30, 2016, are as follows:

		2016					2015				
		Funded			Unfunded		Funded			Unfunded	
		Pension	Gratuity	Total			Pension	Gratuity	Total		
						(PKR in '000')	Restated				
24.1.1	Present value of defined benefit obligation					1,219,653					1,094,133
24.1.2	**Movement in the liability recognized in the balance sheet are as follows:**										
	Opening balance	(410,328)	112,378	(297,950)	1,094,133	1,094,133	(301,428)	196,734	(104,694)	732,276	732,276
	Actuarial loss/(gain) recognised in other comprehensive income	10,784	5,667	16,451	(38,929)	(38,929)	(87,275)	(83,617)	(170,892)	75,042	75,042
	Net (reversal) / charge for the year	(21,729)	47,813	26,084	268,894	268,894	(21,625)	60,048	38,423	338,593	338,593
		(421,273)	165,858	(255,415)	1,324,098	1,324,098	(410,328)	173,165	(237,163)	1,145,911	1,145,911
	Payments made during the year	–	(65,683)	(65,683)	(104,445)	(104,445)	–	(60,787)	(60,787)	(51,778)	(51,778)
	Closing balance	(421,273)	100,175	(321,098)	1,219,653	1,219,653	(410,328)	112,378	(297,950)	1,094,133	1,094,133
24.1.3	**The amount recognized in the profit and loss account is as follows:**										
	Current service cost	16,554	38,832	55,386	162,031	162,031	16,808	37,678	54,486	98,666	98,666
	Interest cost	85,424	52,368	137,792	108,290	108,290	113,592	69,378	182,970	101,312	101,312
	Expected return on plan assets	(123,707)	(44,814)	(168,521)	–	–	(152,025)	(48,038)	(200,063)	–	–
	Past service cost	–	–	–	–	–	–	–	–	139,645	139,645
	Loss/(gain) on plan assets	–	1,427	1,427	(1,427)	(1,427)	–	1,030	1,030	(1,030)	(1,030)
		(21,729)	47,813	26,084	268,894	268,894	(21,625)	60,048	38,423	338,593	338,593

		2016	2015
24.1.4	**Principal actuarial assumptions used are as follows:**		
	Expected rate of increase in salary level	7.75% - 9.50%	9.33% - 12%
	Valuation discount rate	9.00%	10.5% - 11.92%

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

24.1.5 Sensitivity analysis

A sensitivity analysis for the above principal actuarial assumptions as of the balance sheet date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:

	Increase by 1%	Decrease by 1%
Expected rate of increase in salary level	1,331,852	(1,073,063)
Valuation discount rate	924,850	(1,157,106)

24.1.6 Description of the risks to the Group

The defined benefit plan exposes the Group to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

	2016 Unaudited	2015 Unaudited
	(PKR in '000')	
24.2 Provident fund		
Size of the fund	1,113,253	1,018,560
Cost of investments made	1,046,679	969,253
Percentage of investments made	94%	95%
Fair value of investments	1,106,842	994,698

24.2.1 Break-up of investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2016 (Unaudited)		2015 (Unaudited)	
	Investments	%of Investments size of the fund	Investments	%of Investments size of the fund
On fair value				
Pakistan Investment Bonds	591,735	54%	581,239	58%
Treasury Bill	–	0%	8,552	1%
Short Term Deposit Account	19,034	2%	18,000	2%
Mutual Funds	138,215	12%	97,346	10%
Shares	357,858	32%	289,561	29%
Term Finance Certificates	–	0%	–	0%
	1,106,842	100%	994,698	100%

Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

			2016	2015
			(PKR in '000')	
24.3	**Deferred tax liability**			
	This comprises of the following:			
	- Taxable temporary differences arising due to accelerated			
	tax depreciation allowance		9,329,052	8,914,361
	- Deductible temporary differences arising in respect of provisions		(632,392)	(577,787)
			8,696,660	8,336,574
25	**TRADE AND OTHER PAYABLES**			
	Creditors	25.1	2,063,108	1,891,677
	Bills payable		2,557,323	3,360,031
	Accrued liabilities	25.2	8,198,785	6,833,037
	Customers running account		2,146,794	700,392
	Retention money		4,967	28,750
	Sales tax payable		182,493	338
	Excise and other government levies		341,077	354,927
	Unclaimed and unpaid dividend		190,757	161,223
	Workers' profit participation fund (WPPF) payable	25.3	980,243	872,006
	Workers' welfare fund		700,881	401,808
	Distributors' security deposits - payable			
	on termination of distributorship	25.4	101,113	104,761
	Advances from customers	25.5	303,956	155,339
	Contractors' earnest / retention money		10,245	10,946
	Payable for capital expenditure		547,635	812,437
	Provision for compensated absences		31,249	31,249
	Others		172,321	100,224
			18,532,947	15,819,145

25.1 This includes Nil (2015: PKR 3.380 million) on account of exchange gain / loss on forward exchange contracts.

25.2 It includes PKR 104.003 million (2015: 332.766 million) in respect of accrual of gas charges.

			2016	2015
			(PKR in '000')	
25.3	**The movement of WPPF is as follows:**			
	As at July 01		872,006	412,217
	Allocation for the year	35	1,178,290	1,003,466
	Interest on funds utilized by the Group	34	15,565	9,534
			2,065,861	1,425,217
	Payments during the year		(1,085,618)	(553,211)
			980,243	872,006

25.4 Interest on security deposits from certain distributors is payable at 7% (2015: 10%) per annum.

25.5 It includes amounts due to the following associated undertakings:

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
	Gadoon Textile Mills Limited		106	238
	Yunus Textile Mills Limited		–	267
	Fazal Textile Mills Limited		–	342
			106	847
26	**ACCRUED MARK-UP**			
	Short-term borrowings		146,321	165,210
27	**SHORT-TERM BORROWINGS AND RUNNING FINANCE**			
	Running finance	27.1 & 27.2	1,548,443	1,591,285
	Export refinance	27.3	388,741	241,962
			1,937,184	1,833,247

27.1 During the year the Group had obtained a money market loan of PKR 300 million from United Bank Limited for a term of 1 month at plain Kibor.

27.2 Short-term borrowings and running finance facility from various banks aggregated to PKR 7,281 million (June 30, 2015: PKR 5,196 million) and carry mark-up during the year ranging from relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.22% on utilized limits (June 30, 2015: relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.28% on utilized limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Group.

27.3 The Group has export refinance facility of upto PKR 1200 million (June 30, 2015: PKR 800 million) available from Faysal Bank Limited as at June 30, 2016 out of which PKR 388.741 million was utilized (June 30, 2015: PKR 241.962 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 3.5%) + 0.25% per annum (June 30, 2015: SBP rate 5% + 0.25% per annum).

28 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

28.1 The Honourable Supreme Court of Pakistan while disposing off an appeal of the Collector of Customs, Karachi has issued a judgment on July 28, 2009 whereby it has set aside the earlier order of the Honourable Peshawar High Court decided in favour of the Holding Company on the issue of plant and machinery imported under SRO 484(I)/92 dated May 14, 1992 after obtaining approvals from the concerned ministries. On August 20, 2009 the Holding Company filed a review petition which was subsequently deposed off by Honourable Supreme Court on May 8, 2014. The Customs department issued recovery notice on which, the Holding Company has filed a Constitution Petition in the Honourable Sindh High Court which is currently pending. The amount of disputed levy is not ascertainable at this stage as no order was earlier framed by the Collector of Customs. Hence, no provision has been made against the same in these consolidated financial statements.

28.2 The Holding Company was entitled to sales tax exemption on cement produced by it from the date of commissioning to June 30, 2001 vide SROs 580(1)/91 and 561(1)/94 dated June 27, 1991 and June 09, 1994 respectively. In June 1997, the Federal Government withdrew the sales tax exemption from the entire cement industry and deprived the Holding Company from the advantage of its sales tax exemption. Being aggrieved, the Holding Company filed a writ petition in the Peshawar High Court. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore withdrawn on legal advice but at the same time a suit was filed for compensation. The Civil Judge, Peshawar, has granted the ex-parte decree in favor of the Holding Company amounting to PKR 1,693.61 million along with interest of 14% per annum until the said amount is actually paid.

On August 3, 2011, the Holding Company filed an execution petition for realization of the decretal amount as per the decree granted by the civil court on November 20, 2009. The Civil Judge, Peshawar, however, dismissed the recovery suit of the Holding Company on December 18, 2012. Dismissal of the recovery suit by the lower court has been challenged by the Holding Company in Peshawar High Court on March 9, 2013. The case is still pending before the Peshawar High Court.

28.3 The Competition Commission of Pakistan 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 which has been challenged in the Courts of Law. The aforementioned case is still pending with the Courts of Law. The Holding Company's legal counsel is confident that the Holding Company has a good case and there are reasonable chances of success to avoid the penalty, hence, no provision for the above has been made in these consolidated financial statements.

28.4 The Collectorate of Customs has raised an additional demand of PKR 71.938 million against a Subsidiary Company (ICI) on the ground that the Subsidiary Company is classifying two of its imported product in wrong PCT Heading. The Subsidiary Company has taken up the matter in high court as well as with Custom authorities considering that the same HS Code is being used globally as per manufacturer's product specification. As a consequence of this, PKR 3.514 million has been waived during current year reducing the demand to PKR 68.924 million. Furthermore, during the year ended June 30, 2016, further two consignments were withheld by Directorate General of Intelligence and Investigation of FBR for the same reasons. On the basis of an independent laboratory report the Group is confident that there is no merit in the claim and is expecting favorable decision, therefore no provision has been made in this respect in these consolidated financial statements.

28.5 The Holding Company is defending various suits filed in various courts of Pakistan for sums, aggregating PKR 900 million. However, the Holding Company's management is confident, based on the advice of its legal advisors, that these suits will be decided in its favor and, accordingly, no provision has been made for any liability against these law suits in these consolidated financial statements.

28.6 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Honorable Supreme Court on the subject, where it upheld that the earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the Government passed the GIDC Act 2015.

The Holding Company has challenged GIDC Act, 2015 and filed writ petition in the Peshawar High Court (PHC) and Sindh High Court (SHC) including retrospective treatment of the provision of the GIDC Act. The Court has granted stay against charging of the GIDC Act, 2015. The Holding Company has not recorded GIDC amounting to PKR 760.3 million in these consolidated financial statements as it is confident, based on a legal advice, that the Holding Company's case is sound and eventual outcome of the matter is expected to be in its favour.

28.7 The Group takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the authorities at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

28.7.1 In the case of assessment year 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant & the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Group. The Group had filed an appeal against the said order before the CIR (Appeals) which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant & the tax depreciation claimed thereon and the issue of addition to income in respect of trial production stocks were decided in Group 's favour however the issue of restriction of cost of capitalization of PTA plant was decided against the Group. The Group and FBR have filed the appeals on respective matters decided against them in Tribunal the hearing of which is yet to be conducted.

28.7.2 In the case of assessment year 2001-2002, FBR had made an assessment on May 29, 2002 while deciding the issues related to claim and carry forward of depreciation pertaining to PTA's assets in our favor. The depreciation related to PTA's assets was claimed by the Group in assessment year 2001-02 and the unabsorbed part was carried forward and adjusted till tax year 2010. FBR reopened the income tax assessment for the assessment year 2001-02 under section 122(5A) of the Income Tax Ordinance, 2001 on the ground that demerger of PTA business from ICI Pakistan was effective from the completion date i.e. August 6, 2001 which falls in assessment year 2002-03. This was challenged by the Group in the High Court which upheld the Group's contention that FBR did not have the right to reopen this finalized assessment of assessment year 2001-02 under the Income Tax Ordinance, 2001 since assessment year 2001-02 pertained to the period in which Income Tax Ordinance, 1979 was effective. FBR filed an appeal in the Supreme Court against the High Court's order which also maintained the decision of High Court that the cases finalized under the old law of 1979 cannot be reopened under the new law of 2001. After the Supreme Court's decision, FBR issued an order under section 66A of the old law i.e. Income Tax Ordinance, 1979. In response, the Group filed an appeal before the Tribunal which decided the case in Group's favor on the basis that order issued on May 7, 2012 was barred by time. Consequently, FBR filed an appeal in the Sindh High Court however on June 13, 2016, the High Court maintained Tribunal's decision and the case was decided in favour of the Group. FBR has filed an appeal in the Supreme Court against the Sindh High Court's decision which is pending.

28.7.3 In the case of assessment year 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Group had filed a writ petition in the Supreme Court, after it being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Group. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02. The High Court has decided the matter on June 13, 2016 in assessment year 2001-02 however no hearing has been conducted since then in the subject case assessment year 2002-2003.

28.7.4 In the case of Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010, FBR had made disallowances on the matters related to 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 (Appeals) has allowed all the issues in Tax Years 2003 to 2010 in our favor (except 2 issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. On the 2 issues pertaining to tax year 2003 and 2010 decided against us, we have filed an appeal in the Tribunal against CIR (Appeals)'s decision. No hearings have yet taken place.

28.7.5 In course of conducting a sales tax audit for the period July 2012 to June 2013, DCIR of FBR raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to the Group on its sales. On September 12, 2014 the Company received an order in which demand of PKR 952 million was raised. An appeal was filed with CIR(A) which was decided against the Group however directions were given to DCIR to amend the original order if the returns are revised by the Group subject to approval of FBR itself. The application for revision of return filed by the Group is pending with FBR. The Group being aggrieved has filed a suit in the Sindh High Court for relief in which the Court has granted ad-interim relief till the next date of hearing which is yet to take place. The Group is confident that there is no merit in this claim of FBR regarding revenue loss and hence, considering no probability that the case would be decided against the Group, no provision in respect of this has been made in these financial statements.

28.8 Bank guarantees issued on behalf of Holding Company and its subsidiaries amounting to PKR 1,473,511 (2015: PKR 1,073,288)

28.9 Also refer to notes 16.2, 16.3 and 17 to these consolidated financial statement for income tax contingencies.

		2016	2015
		(PKR in '000')	
	COMMITMENTS		
28.10	**Capital commitments**		
	Plant and machinery under letters of credit	3,264,345	2,780,083
	Other commitments		
	Stores, spares and packing material under letters of credit	1,226,102	2,162,633
	Stand by Letter of Credit issued by the Holding Company	110,000	500,000
	Post dated cheques	13,954	450,436

28.10.1 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles amounting to PKR 143.074 million (2015: PKR 134.316 million) are as follows:

	2016	2015
	(PKR in '000')	
Year		
2015 - 16	–	57,839
2016 - 17	64,050	45,988
2017 - 18	44,247	23,848
2018 - 19	28,227	6,641
2019 - 20	6,550	–
	143,074	134,316
Payable not later than one year	64,050	57,839
Payable later than one year but not later than five years	79,024	76,477
	143,074	134,316

28.10.2 Outstanding foreign exchange contracts as at June 30, 2016 entered into by the Group amounted to Nil (2015: PKR 383 million).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

29 OPERATING SEGMENT RESULTS

	Note	Cement 2016	Cement 2015	Polyester 2016	Polyester 2015	Soda Ash 2016	Soda Ash 2015	Life Seciences 2016	Life Seciences 2015	Chemicals 2016	Chemicals 2015	LCHLIHL/ICI power Gen/Others 2016	LCHLIHL/ICI power Gen/Others 2015	Total 2016	Total 2015
		(PKR in '000')													
Gross sales															
Exports		8,639,701	13,979,121	–	–	738,829	821,695	–	–	10,903	4,755	–	–	9,389,433	14,805,571
Inter-segment		–	–	–	–	–	–	–	–	4,610	14,662	455,181	829,302	459,791	843,964
Local		47,283,414	39,940,189	14,235,639	16,673,511	12,653,113	11,385,584	10,265,352	9,106,882	4,739,851	4,549,642	–	–	89,177,369	81,655,808
		55,923,115	53,919,310	14,235,639	16,673,511	13,391,942	12,207,279	10,265,352	9,106,882	4,755,364	4,569,059	455,181	829,302	99,026,593	97,305,343
Commission / toll income		–	–	–	–	–	–	–	–	45,681	51,879	–	–	45,681	51,879
Turnover		55,923,115	53,919,310	14,235,639	16,673,511	13,391,942	12,207,279	10,265,352	9,106,882	4,801,045	4,620,938	455,181	829,302	99,072,274	97,357,222
Sales tax and excise duty		10,086,623	8,487,245	414,677	326,967	1,848,888	1,658,439	141,338	125,378	540,998	491,330	66,137	120,497	13,098,661	11,209,856
Rebates and commission		614,403	670,758	393,753	472,358	702,375	414,120	1,413,689	1,247,771	279,213	342,257	–	–	3,403,433	3,147,264
		10,701,026	9,158,003	808,430	799,325	2,551,263	2,072,559	1,555,027	1,373,149	820,211	833,587	66,137	120,497	16,502,094	14,357,120
		45,222,089	44,761,307	13,427,209	15,874,186	10,840,679	10,134,720	8,710,325	7,733,733	3,980,834	3,787,351	389,044	708,805	82,570,180	83,000,102
Cost of turnover	31	23,421,515	24,578,219	13,914,627	15,934,590	7,653,095	7,490,888	6,248,900	5,614,347	3,132,713	3,090,728	298,471	605,628	54,667,581	57,312,660
Gross profit		21,800,574	20,183,088	(487,418)	(60,404)	3,187,584	2,643,832	2,461,425	2,119,386	848,121	696,623	90,573	103,177	27,902,599	25,687,442
Distribution costs	32	2,073,181	3,127,018	109,008	79,627	201,964	177,073	1,268,309	1,019,421	300,452	250,049	–	–	3,952,914	4,653,188
Administrative expenses	33	1,095,504	917,635	291,970	316,308	259,416	296,525	232,902	224,975	133,810	161,810	64,233	67,152	2,077,596	1,984,165
Operating result		18,631,889	16,138,435	(888,396)	(456,339)	2,726,204	2,170,234	960,214	874,990	413,859	284,764	26,340	36,025	21,872,089	19,050,089
29.1 **Segment assets**	30.3	41,302,870	39,720,485	9,083,249	9,872,230	19,010,590	16,559,607	10,386,757	9,632,154	3,919,354	3,450,534	700,534	576,212	84,403,354	79,811,222
29.2 **Unallocated assets**														37,950,526	26,653,404
														122,353,880	106,464,626
29.3 **Segment liabilities**	30.4	9,531,215	12,699,507	13,031,543	12,756,801	2,809,250	3,054,489	2,190,018	2,356,695	915,087	918,428	189,134	186,164	28,666,247	25,405,051
29.4 **Unallocated liabilities**														12,228,322	12,484,517
														40,894,569	37,889,568

29.5 Inter unit current account balances of respective businesses have been eliminated from the total.

		Cement 2016	Cement 2015	Polyester 2016	Polyester 2015	Soda Ash 2016	Soda Ash 2015	Life Seciences 2016	Life Seciences 2015	Chemicals 2016	Chemicals 2015	LCHLIHL/ICI power Gen/Others 2016	LCHLIHL/ICI power Gen/Others 2015	Total 2016	Total 2015
29.6	Depreciation and amortisation	2,569,077	2,289,764	956,447	788,164	1,224,830	1,152,117	84,800	28,956	81,166	83,451	58,784	54,777	4,975,104	4,397,229
29.7	Capital expenditure	1,536,390	5,427,224	222,744	1,869,978	3,937,224	2,224,678	47,953	87,956	46,168	29,492	1,333,509	48,969	7,123,988	9,688,297

29.8 Inter-segment pricing

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

29.9 There were no major customer of the Group which formed part of 10% or more of the Group's revenue.

			2016	2015
			(PKR in '000')	
30	**RECONCILIATIONS OF REPORTABLE SEGMENT TURNOVER, COST OF SALES, ASSETS AND LIABILITIES**			
30.1	**Turnover**			
	Total turnover for reportable segments	29	99,072,274	97,357,222
	Elimination of inter-segment turnover		(26,724)	(38,336)
	Elimination of inter-segment turnover from subsidiary		(393,654)	(843,964)
			98,651,896	96,474,922
30.2	**Cost of turnover**			
	Total cost of sales for reportable segments	29	54,667,581	57,312,660
	Elimination of inter-segment purchases		(26,724)	(38,336)
	Elimination of inter-segment purchases from subsidiaries		(393,654)	(843,964)
			54,247,203	56,430,360
30.3	**Assets**			
	Total assets for reportable segments	29	84,403,354	79,811,222
	Unallocated assets included in:			
	- taxation - net		1,152,299	997,518
	- bank deposits	19	26,143,699	15,648,690
	- long term investments	8	10,654,528	10,007,197
			122,353,880	106,464,627
30.4	**Liabilities**			
	Total liabilities for reportable segments	29	28,666,247	25,405,051
	Unallocated liabilities included in:			
	- short-term borrowings and running finance	27	1,937,184	1,833,247
	- long-term finance	22	10,291,138	10,651,270
			40,894,569	37,889,568

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

31 COST OF TURNOVER

	Note	Cement 2016	Cement 2015	Polyester 2016	Polyester 2015	Soda Ash 2016	Soda Ash 2015	Life Seciences 2016	Life Seciences 2015	Chemicals 2016	Chemicals 2015	LCHLIHL / ICI power Gen / others 2016	LCHLIHL / ICI power Gen / others 2015	Total 2016	Total 2015
		(PKR in '000')													
Salaries, wages and benefits	31.1	1,751,480	1,751,070	436,141	396,114	751,389	742,219	25,203	5,585	58,076	49,005	17,603	18,654	3,039,892	2,962,647
Raw material consumed		1,379,713	1,310,576	11,006,625	13,023,730	2,286,435	2,286,966	1,954,221	1,815,224	1,503,314	1,659,158	195,539	462,568	18,325,847	20,558,222
Packing material	31.2	2,681,104	3,076,061	–	–	–	–	–	–	–	–	–	–	2,681,104	3,076,061
Fuel and power		12,679,264	13,598,105	1,029,957	1,328,146	2,825,500	2,882,548	–	–	18,023	14,434	1,768	33,259	16,554,512	17,856,492
Stores and spares consumed		1,829,863	2,097,793	216,572	190,005	173,032	122,965	(691)	2	11,304	14,829	20,617	27,025	2,250,697	2,452,619
Conversion fee paid to contract manufacturers		–	–	–	–	–	–	376,652	399,695	9,382	10,554	–	–	386,034	410,249
Repairs and maintenance		380,090	164,210	11,812	6,587	1,463	856	3,281	290	5,380	5,269	130	120	402,156	177,332
Depreciation / amortization	6.2 & 7.2	2,250,787	1,929,062	922,412	748,443	1,192,385	1,117,460	58,993	834	64,112	61,068	55,848	53,694	4,544,537	3,910,561
Insurance		90,496	81,628	19,194	16,772	27,232	25,957	34	14	1,306	1,894	1,255	1,183	139,517	127,448
Provision for slow moving spares	11.3	–	25,000	–	–	–	–	–	–	–	–	–	–	–	25,000
Provision for slow moving packing material		–	30,000	–	–	–	–	–	–	–	–	–	–	–	30,000
Earth moving machinery		258,088	224,473	–	–	–	–	–	–	–	–	–	–	258,088	224,473
Vehicle running and maintenance		33,806	53,966	–	–	–	–	–	–	–	–	–	–	33,806	53,966
Communication		12,773	13,953	–	–	–	–	–	–	–	–	–	–	12,773	13,953
Mess subsidy		43,604	47,507	–	–	–	–	–	–	–	–	–	–	43,604	47,507
Transportation		44,835	24,652	–	–	–	–	–	–	–	–	–	–	44,835	24,652
Travelling and conveyance		3,393	5,730	–	–	–	–	–	–	–	–	–	–	3,393	5,730
Inspection fee for electrical installation		2,568	1,279	–	–	–	–	–	–	–	–	–	–	2,568	1,279
Rent, rates and taxes		27,358	3,345	1,649	1,008	1,338	1,185	13,983	4,000	30,062	18,369	420	420	74,810	28,327
Printing and stationery		1,832	1,523	–	–	–	–	–	–	–	–	–	–	1,832	1,523
Excise duty		–	–	–	–	–	–	–	–	–	–	3,934	7,171	3,934	7,171
Technical fees		–	–	–	–	–	–	3,035	1,386	2,876	2,793	–	–	5,911	4,179
Royalty		–	–	–	–	–	–	3,605	2,635	–	–	–	–	3,605	2,635
Other manufacturing expenses		100,250	107,874	211,454	179,196	188,528	169,304	7,413	1,115	29,684	17,367	1,357	1,534	536,946	474,650
		23,571,304	24,547,807	13,855,816	15,890,001	7,447,302	7,349,460	2,445,729	2,230,780	1,733,519	1,854,740	298,471	605,628	49,350,401	52,476,676
Work-in-process:															
Opening		614,095	628,533	72,137	143,343	–	–	13,391	16,447	10,506	5,551	–	–	710,129	793,874
Closing		(886,973)	(614,096)	(96,152)	(72,137)	–	–	(36,743)	(13,391)	(7,284)	(10,506)	–	–	(1,027,152)	(710,130)
		(272,878)	14,437	(24,015)	71,206	–	–	(23,352)	3,056	3,222	(4,955)	–	–	(317,023)	83,744
Cost of goods manufactured		23,298,426	24,562,244	13,831,801	15,961,207	7,447,302	7,349,460	2,422,377	2,233,836	1,736,741	1,849,785	298,471	605,628	49,033,378	52,560,420
Finished goods:															
Opening		439,883	455,858	484,382	395,205	182,030	24,303	1,668,871	1,291,836	433,725	366,603	–	–	3,208,891	2,533,805
Purchases				–	62,560	157,720	299,155	4,090,211	3,780,829	1,414,880	1,320,782	–	–	5,662,811	5,463,326
Closing		(316,794)	(439,883)	(401,556)	(484,382)	(133,957)	(182,030)	(1,922,505)	(1,668,871)	(440,433)	(433,725)	–	–	(3,215,245)	(3,208,891)
Provision				–	–	–	–	(10,054)	(23,283)	(12,200)	(12,717)	–	–	(22,254)	(36,000)
		123,089	15,975	82,826	(26,617)	205,793	141,428	3,826,523	3,380,511	1,395,972	1,240,943	–	–	5,634,203	4,752,240
		23,421,515	24,578,219	13,914,627	15,934,590	7,653,095	7,490,888	6,248,900	5,614,347	3,132,713	3,090,728	298,471	605,628	54,667,581	57,312,660

31.1 These include sum of PKR 218.201 million (2015: PKR 265.419 million) in respect of staff retirement benefits.

31.2 These are net of duty draw back on export sales amounting to PKR 41.483 million (2015: PKR 65.264 million).

32 DISTRIBUTION COST

	Note	Cement 2016	Cement 2015	Polyester 2016	Polyester 2015	Soda Ash 2016	Soda Ash 2015	Life Seciences 2016	Life Seciences 2015	Chemicals 2016	Chemicals 2015	LCHLIHL/ICI power Gen/Others 2016	LCHLIHL/ICI power Gen/Others 2015	Total 2016	Total 2015
								(PKR in '000')							
Salaries and benefits	32.1	150,925	109,306	44,052	51,474	42,058	36,762	609,675	490,878	142,537	95,828	–	–	989,247	784,248
Logistics and related charges		1,548,644	2,681,230	18,287	7,405	127,031	116,473	106,930	89,805	72,058	74,544	–	–	1,872,950	2,969,457
Loading and others		144,388	129,780	–	–	–	–	–	–	–	–	–	–	144,388	129,780
Communication		4,220	4,002	1,578	1,166	1,771	1,388	18,096	19,917	3,651	3,577	–	–	29,316	30,050
Travelling and conveyance		5,209	3,670	9,486	9,621	3,806	3,249	167,703	144,124	21,638	21,200	–	–	207,842	181,864
Printing and stationery		1,032	1,806	–	–	–	–	–	–	–	–	–	–	1,032	1,806
Insurance		34,426	33,028	–	–	312	317	10,887	9,767	3,245	2,695	–	–	48,870	45,807
Rent, rates and taxes		17,925	17,301	527	416	3,136	2,294	13,847	8,546	1,363	1,227	–	–	36,798	29,784
Utilities		2,795	3,041	125	118	2,328	2,227	4,482	3,709	4,772	7,780	–	–	14,502	16,875
Vehicle running and maintenance		11,403	13,764	–	–	–	–	–	–	–	–	–	–	11,403	13,764
Repairs and maintenance		1,585	1,689	149	97	1,241	2,087	4,783	4,740	2,771	2,545	–	–	10,529	11,158
Fees, subscription and periodicals		897	407	–	–	–	–	–	–	–	–	–	–	897	407
Advertisement and sales promotion		31,902	18,671	25,100	2,544	10,902	6,473	207,042	143,544	10,677	7,331	–	–	285,623	178,563
Entertainment		3,987	3,075	–	–	–	–	–	–	–	–	–	–	3,987	3,075
Security service		2,146	2,047	–	–	–	–	–	–	–	–	–	–	2,146	2,047
Depreciation / amortization	6.2 & 7.2	88,716	80,693	–	–	108	92	16,538	16,107	11,296	7,735	–	–	116,658	104,627
Provision for doubtful debt	13.2	4,206	8,292	–	–	–	–	–	–	–	–	–	–	4,206	8,292
Other general expenses		18,775	15,216	9,704	6,786	9,271	5,711	108,326	88,284	26,444	25,587	–	–	172,520	141,584
		2,073,181	3,127,018	109,008	79,627	201,964	177,073	1,268,309	1,019,421	300,452	250,049	–	–	3,952,914	4,653,188

32.1 These include sum of PKR 16.877 million (2015: PKR 16.937 million) in respect of staff retirement benefits.

33 ADMINISTRATIVE EXPENSES

	Note	Cement 2016	Cement 2015	Polyester 2016	Polyester 2015	Soda Ash 2016	Soda Ash 2015	Life Seciences 2016	Life Seciences 2015	Chemicals 2016	Chemicals 2015	LCHLIHL/ICI power Gen/Others 2016	LCHLIHL/ICI power Gen/Others 2015	Total 2016	Total 2015
Salaries and benefits	33.1	521,358	437,623	169,001	178,663	150,715	165,383	121,191	118,139	85,988	82,952	2,491	1,777	1,050,744	984,537
Communication		11,951	13,734	3,244	3,179	2,649	2,899	4,100	2,648	1,571	1,481	51	43	23,566	23,984
Travelling and conveyance		69,489	45,874	7,834	7,784	5,518	5,299	8,491	6,759	2,318	4,739	–	–	93,650	70,455
Insurance		11,087	9,217	1,058	596	1,265	713	4,220	4,824	399	227	514	–	18,543	15,577
Rent, rates and taxes		8,878	5,035	6,017	9,041	3,047	7,164	1,747	2,731	659	1,548	4,058	–	24,406	25,519
Vehicle running and maintenance		19,206	24,479	–	–	–	–	–	–	–	–	199	–	19,405	24,479
Aircraft running and maintenance		67,832	61,884	–	–	–	–	–	–	–	–	–	–	67,832	61,884
Printing and stationery		12,204	9,022	–	–	–	–	–	–	–	–	128	-	12,332	9,022
Fees and subscription		44,568	39,453	–	–	–	–	–	–	–	–	4,898	1,678	49,466	41,131
Security services		13,410	13,990	–	–	–	–	–	–	–	–	9,802	-	23,212	13,990
Legal fee		42,952	26,250	–	–	–	–	–	–	–	–	6,561	120	49,513	26,370
Utilities		7,571	6,283	6,573	5,625	4,526	3,984	12,654	10,849	4,525	861	–	–	35,849	27,602
Repairs and maintenance		24,207	14,220	3,341	3,089	3,889	3,601	5,935	5,970	763	1,133	–	–	38,135	28,013
Advertisement		10,946	2,324	1,454	1,781	1,730	1,915	564	967	419	457	47	–	15,160	7,444
Auditors' remuneration	33.2	2,701	2,365	2,024	1,844	1,968	1,793	754	687	433	394	2,476	2,453	10,356	9,536
Other auditors' remuneration	33.3	358	323	–	–	–	–	–	–	–	–	–	–	358	323
Depreciation / amortization	6.2 & 7.2	193,584	176,632	34,035	39,721	32,337	34,565	9,269	12,015	5,936	14,648	2,758	1,083	277,919	278,664
Provision for doubtful debts	13.2	–	–	548	2,956	–	–	6,752	2,218	2,890	21,021	–	–	10,190	26,195
Provision for slow moving and obsolete stocks		–	–	–	–	–	–	10,054	23,283	12,200	12,717	–	–	22,254	36,000
Provision for slow moving spares	11.3	–	–	–	–	4,060	15,044	–	–	–	–	–	–	4,060	15,044
Training cost		14,097	9,458	–	–	–	–	–	–	–	–	–	–	14,097	9,458
Other general expenses		19,105	19,469	56,841	62,029	47,712	54,165	47,171	33,885	15,709	19,632	30,250	59,998	216,549	248,938
		1,095,504	917,635	291,970	316,308	259,416	296,525	232,902	224,975	133,810	161,810	64,233	67,152	2,077,596	1,984,165

33.1 These include sum of PKR 87.347 million (2015: PKR 95.142 million) in respect of staff retirement benefits.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

		Note	2016	2015
			(PKR in '000')	
33.2	**Auditors' remuneration**			
	Holding Company			
	Statutory audit fee of the Holding Company's			
	- standalone financial statements		1,478	1,375
	- consolidated financial statements		371	345
	Half yearly review fee		409	380
	Fee for the review of Code of Corporate Governance		93	86
	Out of pocket expenses		350	179
			2,701	2,365
	Subsidiary Companies			
	Statutory audit fee		3,599	3,158
	Half yearly review and other certifications		1,271	1,120
	Out of pocket expenses		934	894
	Others		1,851	1,999
			7,655	7,171
			10,356	9,536
33.3	**Cost auditors' remuneration**			
	Cost audit fee		323	300
	Out of pocket expenses		35	23
			358	323
34	**FINANCE COST**			
	Mark-up on long-term finance		441,625	637,027
	Mark-up on short-term borrowings		260,200	292,444
	Interest on workers' profit participation fund	25.3	15,565	9,534
	Discounting charges on receivables		55,748	59,230
	Bank charges and commission		16,658	18,121
	Guarantee fee and others		14	50
			789,810	1,016,406
35	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	25.3	1,178,290	1,003,466
	Workers' Welfare Fund		468,926	399,522
	Donations	35.1 & 35.2	263,280	264,315
			1,910,496	1,667,303

35.1 Donations during the year includes donation amounting to PKR 154.20 million (2015: PKR 170 million) to Aziz Tabba Foundation (ATF) which includes donation of vehicle having fair value amounting to PKR 4.2 million. ATF is located at 1-A, Latif Cloth Market, M.A. Jinnah Road, Karachi. Mr. Muhammad Yunus Tabba, Chairman of the Board of Directors of the Holding Company, is the Chairman of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Company, is the Vice Chairman of ATF. Further, Mr. Muhammad Sohail Tabba, Mr. Muhammad Jawed Tabba, Mrs. Mariam Tabba Khan and Mrs. Zulekha Tabba Maskatiya, the Directors of the Holding Company, are the Directors of ATF.

35.2 Represent provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of a Subsidiary Company (ICI), Mr. Suhail Aslam Khan, Mr. Asif Malik, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Subsidiary Company (ICI) are amongst the Trustees of the Foundation. No amount has been paid during the current year and corresponding year.

		Note	2016	2015
			(PKR in '000')	
36	**OTHER INCOME**			
	Income from non-financial assets			
	Gain on disposal of property, plant and equipment	6.3	28,451	28,363
	Sale of electricity		361,479	1,910,280
	Cost of sale of electricity		(352,442)	(1,738,305)
			9,037	171,975
	Scrap sales		73,557	69,252
	Exchange gain - net		(57,489)	30,157
	Liabilities no longer required written back		375	10,097
	Others		38,036	17,089
			91,967	326,933
	Income from financial assets			
	Gain on investment		34,922	32,319
	Dividend income		–	40,000
	Interest income on bank deposits		1,351,185	942,058
			1,386,107	1,014,377
			1,478,074	1,341,310
37	**TAXATION**			
	Current		5,484,877	3,390,211
	Deferred		353,917	380,274
			5,838,794	3,770,485
37.1	Relationship between income tax expense and accounting profit:			
	Tax at the applicable tax rate of 32% (2015: 33%)		6,964,111	6,080,491
	Tax impact on profit of the ICI PowerGen		(28,673)	(32,467)
	Tax impact on share of profit of associate		(130,342)	(51,734)
	Effect of prior year change		–	(2,574)
	Tax impact due to change of FTR ratio		–	(51,183)
	Effect of credit under section 65B		(355,500)	(245,834)
	Effect of change in tax rate on begining deferred tax balance		(41,612)	(36,922)
	Tax effect of dividend (taxed at 10% instead of 33%)		–	(9,200)
	Tax effects of items not deductible for tax purposes		–	5,410
	Tax effect under lower rate of tax		(823,394)	(1,473,729)
	Foreign tax credit		(105,013)	(20,672)
	Others		359,217	(391,101)
			5,838,794	3,770,485

37.2 The tax assessments of the Holding Company and its subisidaries has been finalized upto and including the tax year 2015.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

38 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:

	2016	2015
Profit attributable to owners of the Holding Company (PKR in thousands)	14,872,560	13,757,976
Weighted average number of ordinary shares (in thousands)	323,375	323,375
Basic and diluted earnings per share - (PKR)	45.99	42.54

	Note	2016	2015
		(PKR in '000')	
39 CASH GENERATED FROM OPERATIONS			
Profit before taxation		21,829,823	18,425,729
Adjustments for non cash charges and other items:			
Depreciation	6.2	4,520,389	3,972,409
Amortization on intangible assets	7.2	456,910	424,820
Provision for slow moving spares	11.3	4,060	40,044
Provision for slow moving and obselete stocks		22,254	66,000
Provision for doubtful debts	13.2	14,396	34,487
Gain on disposal of operating fixed assets	6.3	(28,451)	(28,363)
Reversal of provision for doubtful receivables		–	(18,615)
Provision for staff gratuity	24.1.3	294,978	377,016
Share of gain in equity-accounted investments		(1,179,965)	(718,039)
Finance costs	34	789,811	1,016,406
Profit before working capital changes		26,724,205	23,591,894
(Increase) / decrease in current assets			
Stores, spares and consumables		(1,098,631)	990,571
Stock-in-trade		(403,926)	(343,954)
Trade debts		(362,958)	(546,356)
Loans and advances		(273,875)	(223,984)
Trade deposits and short-term prepayments		(21,077)	(186,382)
Other receivables		(51,723)	190,530
		(2,212,190)	(119,575)
Increase in current liabilities			
Trade and other payables		2,977,186	5,108,266
		27,489,201	28,580,585

40 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

40.1 Aggregate amounts charged in these financial statements are as follows :

Particulars	Chief Executive 2016	Chief Executive 2015	Director(s) 2016	Director(s) 2015	Executives 2016	Executives 2015	Total 2016	Total 2015
	(PKR in '000')							
Remuneration	40,000	39,000	–	933	1,392,639	1,192,524	1,432,639	1,232,457
House rent allowance	16,000	15,600	–	373	462,134	381,192	478,134	397,165
Utility allowance	4,000	3,900	–	94	110,782	91,183	114,782	95,177
Conveyance allowance	–	–	–	–	49,989	38,264	49,989	38,264
Charge for defined benefit obligation	5,000	18,500	–	–	298,880	259,361	303,880	277,861
Group insurance	–	–	–	–	5,702	4,321	5,702	4,321
Medical expenses	–	–	–	–	49,780	36,202	49,780	36,202
	65,000	77,000	–	1,400	2,369,906	2,003,047	2,434,906	2,081,447
Number of persons	1	1	–	1	947	818	948	820

40.2 In addition to the above, chief executive, director(s) and some executives are provided with the Group maintained cars and other benefits as per the Group policy.

40.3 An amount of PKR 1,453,500/- was paid to 7 non executive directors and PKR 178,500/- was paid to 1 executive directors during the year as fee for attending board meetings (2015: 6 non executive directors were paid PKR 550,000/- and 2 executive directors were paid PKR 220,000/-).

41 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

41.1 Related parties comprise associated entities, entities with common directorship, directors and key management personnel. Balance 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:

	2016	2015
	(PKR in '000')	
Transaction with Directors		
Sales	1,080	2,561
Meeting fee	4,445	–
Purchase of Land & Building	–	599,379
Transactions with Associated Undertakings		
Sales	1,980,190	2,150,797
Purchase of goods, materials and services	73,491	29,262
Reimbursement of expenses to Company	64,017	43,197
Reimbursement of expenses from Company	484	–
Donation	154,200	170,000
Dividends	143,755	99,253
Services	27,478	22,857
Investment	407,000	203,615
Transactions with key management personnel		
Salaries and benefits	356,530	315,423
Post employment benefits	68,720	73,613

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

42 PRODUCTION CAPACITY

- in metric tones except ICI PowerGen which is thousand of Megawatt hours:

	Note	2016 Annual name plate capacity	2016 Production	2015 Annual name plate capacity	2015 Production
Cement	42.1	7,750,000	6,907,705	7,750,000	6,794,964
Clinker	42.2	7,380,000	6,607,639	7,380,000	6,395,248
Polyester	42.3	122,250	118,859	122,250	115,711
Soda Ash	42.3	350,000	337,869	350,000	308,499
Chemicals	42.4	–	12,950	–	13,299
Sodium Bicarbonate		40,000	29,330	26,000	27,840
PowerGen	42.5	122,640	29,178	122,640	40,059

42.1 Production capacity utilization is 89.13% (2015: 87.68%) of total installed capacity. The shortfall is due to low demand.

42.2 Clinker production capacity utilization is 89.53% (2015: 86.66%) of total installed capacity.

42.3 Production of Soda Ash as compared to last year was greater due to commissioning of Coal fired boilers 3 and 4, dense ash, and light ash projects. Annual name plate capacity of Sodium Bicarbonate also increased due to commissioning of RSB project. Out of total production of 337,869 metric tonnes Soda Ash, 26,396 metric tonnes was transferred for production of Sodium Bicarbonate.

42.4 The capacity of Chemicals is indeterminable because these are multi-product plants.

42.5 Electricity by PowerGen is produced as per demand of the Polyester division.

43 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 minimize 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 finance, 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 group policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2016. The policies for managing each of these riks are summarized below:

43.1 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 prices comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments susceptible to market risk include deposits, loans and borrowings. The sensitivity analysis in the following sections relate to the position as at June 30, 2016 and 2015.

43.1.1 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. Bank balances carry interest rates between 3.75% and 7.5% (2015: 5% and 10.25%). The Group mitigates its risk against exposure through focusing on short term borrowings that are available at lower rates to the Group and maintaining bank balances. As of the balance sheet date, the Group is not materially exposed to interest rate risk.

43.1.2 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 done in foreign curreny. The Group manages its exposure against foreign currency risk by making sales and purchases of certain materials in currencies other than Pak Rupee. Approximately 15% (2015: 26%) of the Group's sales are denominated in local currency. When the management expects future depreciation of Pak Rupees, the Group enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions.

As at the balance sheet date, if Pak Rupee depreciated / appreciated by 1% against USD, Euro, GBP and JPY, with all other variables held constant, the Group's profit before tax would have been PKR 23.046 million (2015: PKR 64.619 million) higher / lower as a result of exchange gain / (loss) on translation of foreign currency denominated financial instruments.

43.1.3 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.

43.2 Credit risk

43.2.1 Credit risk represents the accounting loss that would be recognized 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 based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees. The Group does not have significant exposure to any individual customer. As of the balance sheet date, the Group is exposed to credit risk on the following assets:

	Note	2016	2015
		(PKR in '000')	
Long-term loans	9	377,834	350,123
Long-term deposits	10	34,554	30,498
Trade debts	13	3,821,855	3,473,293
Loans and advances	14	176,805	130,535
Trade deposits	15	68,015	51,841
Other receivables	16	1,492,723	2,023,466
Bank balances	19	28,440,419	18,155,599
		34,412,205	24,215,355

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings agencies or the historical information about counter party deafult rates as shown below:

The ageing of trade debts and loans at the reporting date is as follows:

	Note	2016	2015
		(PKR in '000')	
Not past due		4,038,286	3,837,794
Past due but not Impaired:			
Not more than three months		160,408	120,055
Past due and Impaired:			
More than three months and not more than one year		32,084	12,214
More than one year		27,395	26,850
		219,887	159,119
Less: Provision for:			
- Doubtful debts		43,955	49,279
		4,214,218	3,947,634
Bank balances			
A1+		28,440,289	18,155,439
A1		130	160
		28,440,419	18,155,599

Financial assets other than trade debts and bank balances are not exposed to any material credit risk.

43.3 Liquidity risk

Liquidity risk reflects the Group's inability in raising fund to meet commitments. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance 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.

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

	Less than one year	1 to 5 years	Total
		(PKR in '000')	
June 30, 2016			
Long-term finance	1,549,183	8,741,955	10,291,138
Long-term deposit	–	70,666	70,666
Short-term borrowings and running finance	1,937,184	–	1,937,184
Trade and other payables	18,532,947	–	18,532,947
Accrued mark-up	146,321	–	146,321
	22,165,635	8,812,621	30,978,256

	Less than one year	1 to 5 years (PKR in '000')	Total
June 30, 2015			
Long-term finance	1,797,105	8,854,165	10,651,270
Long-term deposit	–	69,246	69,246
Short-term borrowings and running finance	1,833,247	–	1,833,247
Trade and other payables	15,819,145	–	15,819,145
Accrued mark-up	165,210	–	165,210
	19,614,707	8,923,411	28,538,118

43.4 Capital risk management

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder 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, 2016.

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, trade and other payables. Capital signifies equity as shown in the balance sheet plus net debt.

During the year, the Group's strategy was to minimize leveraged gearing. The gearing ratios as at June 30, 2016 and 2015 were as follows:

	Note	2016	2015
		(PKR in '000')	
Long-term finance	22	8,741,955	8,854,165
Trade and other payables	25	18,532,947	15,819,145
Accrued mark-up	26	146,321	165,210
Short-term borrowings and running finance	27	1,937,184	1,833,247
Current portion of long-term finance	22	1,549,183	1,797,105
Debt		30,907,590	28,468,872
Share capital	20	3,233,750	3,233,750
Reserves	21	70,337,188	58,190,818
Equity		73,570,938	61,424,568
Capital		104,478,528	89,893,440
Gearing ratio		29.58%	31.67%

The Group finances its expansion projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

44 Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Investment in subsidiary companies and associates are carried at cost. The carrying values of financial assets and liabilities reflected in the consolidated financial statements approximate their fair values.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities considered not significantly different from their book value.

Fair value hierarchy

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
		(PKR in '000')		
Assets				
Financial assets at fair value through profit or loss - Short-term investments	–	400,000	–	400,000

Short-term investments comprises of Term Finance Certificates.

There were no transfers amongst levels during the year.

45 ACCOUNTING JUDGEMENTS AND ESTIMATES

Income taxes

In making the estimates for income taxes payable by the Holding Company, the management considers current Income Tax law and the decisions of appellate authorities on certain cases issued in the past.

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 24 to the 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.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding affect on the depreciation charge and impairment.

Provision for stores and spares

The Group has made estimation with respect to provision for slow moving, damaged and obsolete items and their net realizable value as disclosed in note 4.8 and 4.9 to these consolidated financial statements.

Provision for doubtful debts and other receivables

The Holding Company reviews the recoverability of its trade debts and other receivables, to assess the amount required for provision for doubtful debts as disclosed in note 4.10 to these consolidated financial statements. The Holding Company considers the amount due from HESCO and tax refunds due from the government as good debts in view of the reasons given in note 16.3 and 17 ,respectively, to the consolidated financial statements.

Future estimation of export sales

Deferred tax calculation has been 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 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.

Impairment of goodwill and intangibles with indefinite lives

Impairment testing involves a number of judgemental areas which are subject to inherent significant uncertainity, 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 detail assumptions underlying impairment testing of goodwill and intangibles with indefinite lives are given in note 7.5 and 7.6 to these consolidated financial statements.

46 DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on September 01, 2016 by the Board of Directors of the Holding Company.

47 NUMBER OF EMPLOYEES

The number of persons employed as on the balance sheet date was 3,809 (2015: 3,610) and the average number of employees during the year was 3,729 (2015: 3,548).

48 GENERAL

48.1 The Board of Directors in their meeting held on September 01, 2016 (i) approved the transfer of PKR 9,740.693 million (2015: PKR 9,466.587 million) from un-appropriated profit to general reserve; and (ii) proposed final dividend of PKR 10/- per ordinary share for the year ended June 30, 2016 amounting to PKR 3,233.750 million (2015: PKR 2,910.375 million) for approval of the members at the Annual General Meeting to be held on October 29, 2016. These consolidated financial statements do not reflect this appropriation and the proposed dividend payable.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2016

48.2 The Finance Act, 2015 introduced a new tax under Section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or modaraba, that derives profits for tax year and does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on September 01, 2016 has proposed sufficient cash dividend for the year ended June 30, 2016 (refer note 48.1) which complies with the above stated requirements. Accordingly, no provision of tax on undistributed reserves has been recognized in these consolidated financial statements for the year ended June 30, 2016.

48.3 For better presentation certain prior year's figures have been reclassified consequent to certain changes in the current year's presentation.

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

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Pattern of Shareholding
As at June 30, 2016

No of. Shareholders	Shareholdings From	To	Total Shares hold
1488	1	100	63,029
1036	101	500	324,166
2612	501	1000	1,510,082
544	1001	5000	1,286,426
154	5001	10000	1,160,210
64	10001	15000	802,160
56	15001	20000	1,004,157
23	20001	25000	506,652
28	25001	30000	781,110
12	30001	35000	391,262
16	35001	40000	609,040
10	40001	45000	423,836
12	45001	50000	582,100
6	50001	55000	317,971
4	55001	60000	229,058
5	60001	65000	312,918
8	65001	70000	543,239
2	70001	75000	148,800
4	75001	80000	315,029
3	80001	85000	254,300
4	85001	90000	349,599
3	90001	95000	275,344
3	95001	100000	293,993
2	100001	105000	206,400
3	105001	110000	320,210
4	110001	115000	449,900
1	115001	120000	118,565
4	120001	125000	489,700
4	125001	130000	517,000
4	130001	135000	531,400
4	135001	140000	554,100
5	140001	145000	711,511
2	145001	150000	300,000
1	150001	155000	150,178
1	155001	160000	160,000
3	160001	165000	489,210
2	165001	170000	330,600
2	170001	175000	343,000
5	175001	180000	889,633
2	185001	190000	374,300
1	190001	195000	191,300
1	195001	200000	200,000
2	200001	205000	403,546
1	205001	210000	205,900
2	210001	215000	426,600
1	215001	220000	218,600
3	220001	225000	668,028
2	225001	230000	454,000
3	230001	235000	699,300
1	235001	240000	239,200

Pattern of Shareholding

As at June 30, 2016

No of. Shareholders	Shareholdings From	Shareholdings To	Total Shares hold
1	245001	250000	249,350
1	250001	255000	251,800
2	255001	260000	516,900
3	265001	270000	805,900
2	275001	280000	553,684
1	285001	290000	289,990
2	290001	295000	584,832
3	295001	300000	894,806
1	300001	305000	303,000
2	305001	310000	614,500
2	320001	325000	647,962
1	325001	330000	325,300
1	330001	335000	330,700
1	335001	340000	338,851
1	345001	350000	348,287
1	350001	355000	355,000
1	355001	360000	358,324
3	370001	375000	1,117,693
1	375001	380000	377,200
1	380001	385000	382,200
1	395001	400000	397,100
1	400001	405000	404,200
1	405001	410000	408,566
2	410001	415000	825,800
3	415001	420000	1,255,539
3	440001	445000	1,329,846
2	445001	450000	898,450
2	450001	455000	905,700
1	465001	470000	469,418
1	480001	485000	485,000
1	490001	495000	492,119
1	505001	510000	507,313
1	510001	515000	510,200
2	515001	520000	1,034,725
2	520001	525000	1,043,334
2	525001	530000	1,055,701
1	530001	535000	531,615
1	605001	610000	605,200
1	615001	620000	620,000
1	625001	630000	625,700
2	640001	645000	1,286,400
1	670001	675000	671,417
1	680001	685000	685,000
1	685001	690000	688,873
1	690001	695000	693,166
2	705001	710000	1,413,278
2	710001	715000	1,424,156
1	775001	780000	777,903
1	780001	785000	782,531
1	795001	800000	800,000

No of. Shareholders	Shareholdings From	To	Total Shares hold
1	815001	820000	815,300
1	820001	825000	825,000
1	850001	855000	854,900
1	860001	865000	864,000
1	895001	900000	896,800
1	900001	905000	901,798
1	960001	965000	964,400
1	990001	995000	994,500
1	995001	1000000	998,800
1	1090001	1095000	1,090,600
1	1105001	1110000	1,108,818
1	1110001	1115000	1,110,300
1	1120001	1125000	1,120,517
1	1285001	1290000	1,287,440
1	1290001	1295000	1,292,600
1	1480001	1485000	1,482,335
1	1815001	1820000	1,818,200
2	1825001	1830000	3,652,241
1	1920001	1925000	1,922,092
2	1925001	1930000	3,858,900
1	2035001	2040000	2,040,000
1	2290001	2295000	2,290,307
1	2355001	2360000	2,359,779
1	2425001	2430000	2,429,300
1	2450001	2455000	2,451,500
1	2685001	2690000	2,687,500
1	3095001	3100000	3,097,250
2	3115001	3120000	6,232,242
2	3215001	3220000	6,438,900
1	3275001	3280000	3,278,750
1	3680001	3685000	3,683,979
1	4180001	4185000	4,180,080
1	4370001	4375000	4,374,662
1	4835001	4840000	4,837,500
3	5370001	5375000	16,125,000
2	6065001	6070000	12,140,000
1	6125001	6130000	6,126,000
1	6355001	6360000	6,359,104
1	7125001	7130000	7,127,850
1	7230001	7235000	7,231,600
1	7275001	7280000	7,276,098
1	7665001	7670000	7,665,350
1	8155001	8160000	8,158,700
1	8955001	8960000	8,958,351
1	9830001	9835000	9,831,400
1	11480001	11485000	11,482,875
1	13195001	13200000	13,197,850
1	21445001	21450000	21,446,283
2	22800001	22805000	45,606,058
6294			**323,375,000**

Pattern of Shareholding

As at June 30, 2016

Shareholders' Category	Number of Shareholders	Number Share Held	Percentage %
Directors, Chief Executive Officer and their spouse and minor children	21	75,924,042	23.48
Associated Companies, Undertakings and related parties	3	40,205,256	12.43
NIT and ICP	3	179,306	0.06
Public Sector Companies and Corporations	4	920,788	0.28
Banks, Development Financial Institutions, Non Banking Financial Institutions	18	4,318,672	1.34
Insurance Companies	12	2,875,690	0.89
Mutual Funds	61	15,594,004	4.82
Modaraba	6	35,586	0.01
Share holders holding 10% or more:	-	-	-
General Public			
a. Local	5793	54,716,341	16.92
b. Foreign	133	119,722,359	37.02
Other (to be specified)	240	8,882,956	2.75
	6294	**323,375,000**	**100.00**

Additional Information
As at June 30, 2016

Shareholder's Category	No of. Shareholders	No of. Share Held	Percentage %
Associated Companies, undertakings and related parties			
Yunus Textile Mills Limited	1	21,446,283	6.63
Lucky Energy (Private) Limited	1	11,482,875	3.55
YB Pakistan Limited	1	7,276,098	2.25
		40,205,256	**12.43**
Mutual Funds			
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	854,900	0.26
CDC - TRUSTEE PICIC INVESTMENT FUND	1	290,500	0.09
CDC - TRUSTEE PICIC GROWTH FUND	1	605,200	0.19
CDC - TRUSTEE MCB PAKISTAN ISLAMIC STOCK FUND	1	133,800	0.04
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	235,000	0.07
CDC - TRUSTEE MEEZAN BALANCED FUND	1	338,851	0.10
CDC - TRUSTEE JS ISLAMIC FUND	1	14,700	0.00
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	27,700	0.01
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	29,183	0.01
CDC - TRUSTEE PAK. INT. ELEMENT ISLAMIC ASSET ALLOCATION FUND	1	85,000	0.03
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	671,417	0.21
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	3,683,979	1.14
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	230,600	0.07
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	132,500	0.04
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	522,334	0.16
CDC - TRUSTEE NAFA STOCK FUND	1	417,733	0.13
CDC - TRUSTEE NAFA MULTI ASSET FUND	1	40,264	0.01
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	133,700	0.04
CDC - TRUSTEE HBL - STOCK FUND	1	382,200	0.12
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1	330,700	0.10
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	66,800	0.02
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	91,100	0.03
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	53,700	0.02
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1,108,818	0.34
CDC - TRUSTEE ABL STOCK FUND	1	324,800	0.10
MCFSL - TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	1	13,000	0.00
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	12,200	0.00
CDC - TRUSTEE LAKSON EQUITY FUND	1	277,984	0.09
CDC - TRUSTEE NAFA ASSET ALLOCATION FUND	1	47,800	0.01
CDC - TRUSTEE HBL ISLAMIC STOCK FUND	1	113,000	0.03
CDC - TRUSTEE PICIC STOCK FUND	1	13,500	0.00
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	140,790	0.04
CDC - TRUSTEE FIRST HABIB ISLAMIC BALANCED FUND	1	14,900	0.00
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	325,300	0.10
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	122,900	0.04
CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND	1	8,000	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	13,500	0.00
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	129,400	0.04
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	1	20,000	0.01
CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	1	10,000	0.00
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,482,335	0.46
CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	1	23,500	0.01
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	1	42,500	0.01
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	1	163,000	0.05

Additional Information

As at June 30, 2016

Shareholder's Category	No of. Shareholders	No of. Share Held	Percentage %
CDC - TRUSTEE PAKISTAN SARMAYA MEHFOOZ FUND	1	27,700	0.01
CDC - TRUSTEE PIML VALUE EQUITY FUND	1	5,000	0.00
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	625,700	0.19
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	45,200	0.01
CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND	1	6,000	0.00
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1	25,000	0.01
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	123,300	0.04
CDC - TRUSTEE ASKARI EQUITY FUND	1	26,500	0.01
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	22,500	0.01
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1	24,500	0.01
CDC - TRUSTEE HBL MUSTAHEKUM SARMAYA FUND 1	1	13,500	0.00
CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	1	15,000	0.00
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	693,166	0.21
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	86,000	0.03
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	38,100	0.01
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	10,000	0.00
CDC - TRUSTEE LAKSON TACTICAL FUND	1	27,750	0.01
		15,594,004	**4.82**
Directors and their spouse(s) and minor children			
Muhammad Yunus Tabba - Director	2	10,510,350	3.25
Khairunnisa - Spouse	2	8,062,500	2.49
Muhammad Ali Tabba - Director	2	9,446,140	2.92
Feroza Tabba - Spouse	1	645,000	0.20
Muhammad Sohail Tabba - Director	2	12,502,850	3.87
Saima Sohail Tabba - Spouse	1	6,070,000	1.88
Jawed Yunus Tabba - Director	2	18,572,850	5.74
Mariam Tabba Khan - Director	2	5,045,571	1.56
Zulekha Tabba Maskatiya - Director	2	5,045,571	1.56
Tariq Iqbal Khan - Director	1	2,500	0.00
Azra Tariq - Spouse	1	800	0.00
Muhammad Abid Ganatra - Director	2	4,910	0.00
Samina Abid Ganatra - Spouse	1	15,000	0.00
		75,924,042	**23.48**

Shareholder's Category	No of. Shareholders	No of. Share Held	Percentage %
Executives	17	4,972	0.00
Public Sector Companies and Corporations	7	1,100,094	0.34
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds:			
Banks, development finance institutions, non-banking finance companies	18	4,318,672	1.34
insurance companies	12	2,875,690	0.89
takaful	2	12,700	0.00
modarabas	6	35,586	0.01
pension funds	37	2,782,636	0.86
Share holders holding 5% or more			
Jawed Yunus Tabba	2	18,572,850	5.74
Yunus Textile Mills Limited	1	21,446,283	6.63
Kenzo Holdings Limited	1	22,803,029	7.05
Rossneath Investments Limited	1	22,803,029	7.05

Details of trading in the shares by the Directors, Executives and their spouses and minor children:

None of the Directors, Executives and their spouses and minor Children has traded in the shares of the Company during the year of the company, except the following:

The following shares are traded during the year:

	BUY Gift Received No of Shares	SELL Gift Given No of Shares
Muhammad Yunus Tabba - Chairman/Director	671,050	
Muhammad Sohail Tabba - Director	105,075	
Jawed Yunus Tabba - Director		393,700
Azra Tariq - Spouse	300	
Tariq Iqbal Khan - Director	1,500	
Amin Ganny - Executive	200	700
Irfan Chawala - Company Secretary	5	

Notice of 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of the members of **Lucky Cement Limited** will be held on Saturday October 29, 2016 at 10:30 a.m., at the registered office of the Company situated at factory premises Pezu, District Lakki Marwat, Khyber Pakhtunkhwa to transact the following businesses:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 31, 2015.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2016 together with the Board of Directors' and Auditors' reports thereon.
3. To approve and declare cash dividend @ 100% i.e. PKR 10/- per share for the year ended June 30, 2016, as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2017. The present Auditors, M/s. EY Ford Rhodes, Chartered Accountants, retire and being eligible have offered themselves for re-appointment

SPECIAL BUSINESS:

5. To consider and approve the amendments / additions in certain clauses of the Articles of Association of the Company and to pass the following resolution as Special Resolution:

   "**RESOLVED** as and by way of Special Resolution that the Articles of Association of the Company be amended by inserting a new article immediately after Article 51 as Article 51-A, namely:

   51-A Subject to any rules or regulations that may be made from time to time by the Commission in this regard, members may exercise voting rights at general meetings through electronic means if the Company receives the requisite demand for poll in accordance with the applicable laws. The Company shall facilitate the voting by electronic means in the manner and in accordance with the compliance of Companies (E-voting) Regulations, 2016".

   This article shall only be applicable for the purpose of electronic voting".

6. To consider, and if thought fit, to pass the following resolution as Special Resolution

   "**RESOLVED** that the Company may circulate the annual balance sheet and profit and loss account, auditors' report, directors' report, notice of Annual General Meeting etc., (annual audited accounts) to its members through CD/DVD/USB instead of hardcopy at their registered addresses. However, if a member prefers to receive hard copies for all the future annual audited accounts then such preference of the member shall be given to the Company in writing and thereafter the Company shall provide hard copies of all the future annual audited accounts to such member."

7. To transact any other business with the permission of the Chair.

By Order of the Board

Irfan Chawala
Company Secretary

Karachi: October 7, 2016

Notes:

1. The Share Transfer Books of the Company shall remain closed from Monday October 17, 2016 to Saturday October 29, 2016 (both days inclusive). Transfers received in order at our Share Registrar / Transfer Agent M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 at the close of business on Saturday October 15, 2016 shall be treated in time for the purpose of Annual General Meeting and payment of cash dividend, if approved by the shareholders.

2. A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her.

3. 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.

4. (i) The Government of Pakistan through Finance Act, 2014 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. These tax rates are as under

   a) For filers of income tax returns: 12.50%

   b) For non-filers of income tax returns: 20%

   To enable the Company to make tax deduction on the amount of cash dividend @ 12.50% instead of 20%, all the shareholders whose names are not entered into the Active Tax Payer List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend i.e. November 14, 2016; otherwise tax on their cash dividend will be deducted @ 20% instead of 12.5%.

   (ii) For any query/problem/information, the investors may contact the Company and / or the Share Registrar: The Manager, Share Registrar Department, Central Depository Company Pakistan Limited, Telephone Number: 0800-23275 (Toll Free), email address: info@cdcpak.com and/ or The Manager Corporate Secretariat, Telephone Number: 111-786-555 Ext: 2231 email address: company.secretary@lucky-cement.com

   (iii) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. Transfer Agent M/s. Central Depository Company of Pakistan Limited. The shareholders while sending NTN or NTN Certificates, as the case may be, must quote Company name and their respective folio numbers.

5. In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(1)/2011 dated August 18, 2011 and SRO 83(1)/2012 dated July 5, 2012, dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, 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 regulator till such time they provide the valid copy of their CNIC as per law.

6. The members are requested to notify change in their address, if any, at our Share Registrar / Transfer Agent M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.

Notice of 23rd Annual General Meeting

Statement as required by section 160(1)(b) of the Companies Ordinance, 1984 in respect of the Special Business to be considered at the Annual General Meeting is appended below

Alterations in the Articles of Association of the Company:

The above amendments to the Articles of Association of the Company are being carried out in order to give effect to the Companies (E-Voting) Regulations, 2016 and compliance under the Companies Ordinance, 1984.

The resolution required for the above purpose is set forth in the notice convening the Annual General Meeting and that the resolution shall be proposed and passed as a Special Resolution.

Transmission of Annual Audited Accounts:

To give effect to the notification S.R.O 470(I)2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan ("SECP"), shareholder's approval is being sought to allow the Company to circulate its Annual Audited Accounts through CD/DVD/USB to all members. The Company however, shall place on its website a standard request form to enable those members requiring a hardcopy of the Annual Audited Accounts instead of through CD/DVD/USB, to intimate the Company of their requirement.

The Directors of the Company have no interest in the Special Business except in their capacity as shareholders and Directors of the Company.

Form of Proxy

I/We ____

of (full address)____

being a member of Lucky Cement Limited hereby appoint____

______________________________ of (full address)______________________________

____

or failing him / her____

or (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 / and on my / our behalf at the 23rd Annual General Meeting the Company to be held on October 29, 2016 and / or any adjournment thereof.

Signature this ______________________ ______________________ Year 2016

(day) (date, month)

Signature of Member: ______________________

Folio / CDC Number: ______________________

Number of shares held: ______________________

CNIC No.: ______________________

Please affix revenue stamp

Signature and Company seal

Signatures, name and addresses of winesses

1. ____

____

2. ____

____

Important:

1. In order to be effective, this Proxy Form duly completed, 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, Khybar 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 Computerised National Identity Card 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 / or Power of Attorney with the specimen signature of the nominee must be deposited along with the form of Proxy. The Proxy shall produce his / her original Computerised National Identity Card or Passport at the time of the meeting.

پراکسی فارم

لکی سیمنٹ لمیٹڈ

میں/ہم مسمی/مسماۃ ____________ ساکن ____________ ضلع ____________

بحیثیت ممبر لکی سیمنٹ لمیٹڈ مسمی/مسماۃ ____________ ساکن ____________ کو بطور مختار (پراکسی) مقرر کرتا/ کرتی ہوں تاکہ

وہ میری/ہماری جگہ اور میری/ہماری طرف سے کمپنی کے سالانہ اجلاس عام جو کہ بتاریخ 29 اکتوبر 2016 بروز ہفتہ کو منعقد ہو رہا ہے، میں یا اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط بتاریخ ____________ دن، اکتوبر 2016

ممبر کے دستخط: ____________

فولیو/سی ڈی سی نمبر: ____________

شیئرز کی تعداد: ____________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: ____________

ٹکٹ یہاں چسپاں کریں

دستخط: ____________

(دستخط کمپنی میں موجود رجسٹرڈ دستخط کے نمونے کے مطابق ہونے چاہیں)

گواہان کے نام، پتہ اور دستخط

1. ____________

____

2. ____________

____

اہم گذارش:

ا۔ پراکسی فارم، جو ہر لحاظ سے مکمل اور تصدیق شدہ ہو، اور پاور آف اٹارنی یا کاغذات (کوئی بھی)، کمپنی کے رجسٹرڈ آفس، پیزو، ڈسٹرکٹ لکّی مروت، خیبر پختونخواہ، میں اجلاس کے انعقاد سے کم از کم ۴۸ گھنٹے قبل جمع کرانا لازمی ہوگا۔

۲۔ اگر کوئی رُکن ایک سے زیادہ افراد کو نائب مقرر کرتا ہے اور اس رُکن کی جانب سے پراکسی کے ایک سے زائد کاغذات جمع کرائے جاتے ہیں تو ایسے تمام کاغذات منسوخ تصوّر کیئے جائیں گے۔

۳۔ برائے CDC اکاوئنٹ ہولڈرز/ کارپوریٹ ہولڈرز، تصدیق شدہ سی ڈی سی کے رُکن کا نیا شناختی کارڈ یا پاسپورٹ اور اکاوئنٹ نمبر اور سی ڈی سی پارٹیسپنٹ کا نمبر پراکسی فارم کے ساتھ جمع کرانا ہوگا۔ کارپوریٹ ممبرز، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونہ دستخط پراکسی فارم کے ہمراہ کمپنی میں ضرور جمع کرانا ہوگا، نائب کو اپنا اصل شناختی کارڈ میٹنگ کے وقت دکھانا ہوگا۔

Dividend Mandate

Tax deduction on dividend income

This is with reference to final cash dividend announced by Lucky Cement Limited at the rate of PKR 10/- per share (i.e. 100%) to the shareholders for the year ended June 30, 2016.

The share transfer books of the company are closed for entitlement of dividend from October 17, 2016 to October 29, 2016 (both days inclusive).

Please note that dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2015 effective from July 1, 2016, the 'Filer' and 'Non-Filer' shareholders will pay tax @ 12.5% and 20% respectively. The 'Filer' shareholders will be determined by matching their CNIC Numbers or National Tax Numbers (NTN) available in Active Taxpayers List (ATL) uploaded by FBR at their website http://www.fbr.gov.pk from the CNIC Numbers or National Tax Numbers (NTN) maintained by your Participant or CDC Investor Account Services or by us (in case of physical shareholding).

Further, according to recent clarification provided by FBR withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint Holder(s) based on their shareholding proportions.

In the light of above, kindly arrange to provide us shareholding proportions of yourself as Principal shareholder and your Joint Holder(s) in below chart in respect of share(s) held under your Folio / CDS Account number enabling us to compute withholding tax of each shareholder accordingly:

Name of Principal Shareholder / Joint Holders	Shareholding Proportions	CNIC # (Copy Attached)	Signature
Principal Shareholder			
Joint Shareholder 1			
Joint Shareholder 2			
Joint Shareholder 3			

Kindly ensure that the required information is delivered to us along with photocopy of your valid CNICs on or before October 31, 2016, otherwise, it will be assumed that the shares in above mentioned Folio / CDS Account are equally held by each shareholder and withholding tax will be computed accordingly based on 'Filer/Non-Filer' status of the Principal and Joint Holder(s).

Dividend Mandate

The SECP through its notification No. 8(4)/SM/CDC-2008 dated April 5, 2013 has advised that the shareholders who have provided bank mandate should be paid dividend by transferring directly to their respective bank accounts (e-dividend mechanism); therefore, the registered shareholders of **LUCKY CEMENT LIMITED**, are requested to provide the following details in order to credit their cash dividends directly to their bank account, if declared:

(i) in case of book-entry securities in CDS, to CDS Participants; and

(ii) In case of physical securities to the Company's Share Registrar as mentioned below.

S. No.	Shareholder/Member Details	
1.	Shareholder's Name	
2.	Father's / Husband's Name	
3.	Folio Number	
4.	Postal Address	
5.	Name of Bank	
6.	Name of Branch	
7.	Address of Branch	
8.	Title of Bank Account	
9.	Bank Account Number (Complete with code)	
10.	IBAN Number * (Complete with code)	
11.	Cell Number	
12.	Telephone Number (if any)	
13.	CNIC Number (attach copy)	
14.	NTN (in case of corporate entity, attach copy)	

* IBAN number (International Bank Account Number) will be provided by your banker, containing alpha, numeric and without any space and gap.

Share Registrar: Central Depository Company of Pakistan Limited
99–B, Block – B, S.M.C.H.S., Shahrah-e-Faisal Karachi.

Signature of Member / Shareholder

Yours truly,

Irfan Chawala
Company Secretary

Lucky Cement Limited
Corporate Secretarial Department
6–A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.
U.A.N: 111-786-555 Direct # 34543049 F: 34534302 E: info@lucky-cement.com

Glossary

Derivative Financial Instruments.
Transactions used to manage interest rate and/or currency risks

Dividend Payout Ratio.
The dividend payout ratio is the ratio between the dividend for the fiscal year and the earnings per share

EBIT.
Earnings Before Interest and Taxes. EBIT represents the results of operations

EBITDA.
Earnings Before Interest, Taxes, Depreciation and Amortization

EPS.
Earnings Per Share

Gearing Ratio.
The Gearing ratio represents the net indebtedness divided by total equity, expressed as a percentage.

Hedging.
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 contract

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)

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 financial liabilities as recognized in the balance sheet, cash and cash equivalents, the positive fair values 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

PESCO.
Peshawar Electric Supply Corporation

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 Brother Group

مستقبل پر نظر

آپکی کمپنی اس بات کی قوی امید کرتی ہے کہ آئندہ مالی سال معاشی استحکام کے اعتبار سے خوش آئند ثابت ہو گا۔ مقامی سطح پر سیمنٹ کی بڑے پیمانے پر فروختگی کی قوی امید ہے جس کی اصل وجہ موجودہ حکومت کے تحت بڑے پیمانے پر انفرااسٹرکچر کے سلسلے میں ترقیاتی کاموں کا کیا جانا ہے۔ اس کے علاوہ اس کا سہرا انجی سیکٹر کے تحت جاری کاروباری و رہائشی تعمیراتی منصوبوں اور مجموعی معاشی ترقی کو بھی جاتا ہے۔ اس کے علاوہ چین کی جانب سے سی پیک منصوبے کے تحت شروع کئے جانے والے معاشی ترقی کے پرجیکٹس بھی اس سلسلے میں نہایت اہمیت کے حامل ہیں۔ آپکی کمپنی کی مضبوط اور قرضوں سے پاک بینس شیٹ اور نقدر قوم کی بہترین ترسیل کو مدنظر رکھتے ہوئے اس بات کی قوی امید کی جاسکتی ہے کہ کمپنی کے پاس اتنے وسائل موجود ہونگے کے کمپنی حصص داران کی کمپنی میں شراکت میں مزید قدر پیدا کرنے کی غرض سے نفع بخش کاروبار سرمایہ کاری کر سکتی ہے، نیز کمپنی کی کارکردگی میں مزید بہتری پیدا ہونے کے امکانات بھی موجود ہیں۔

اظہار تشکر

اس موقع سے فائدہ اٹھاتے ہوئے کمپنی کے ڈائریکٹر اپنے تمام شراکت داروں کا تہہ دل سے شکریہ ادا کرنا چاہتے ہیں کہ کمپنی کو ہمیشہ انکی حمایت حاصل رہی۔

ہم کمپنی کی فلاح کی خاطر لگی خاندان کے تمام افراد کی جانب سے خلوص نیت اور اور انتھک محنت کیلئے انکے بے حد مشکور ہیں۔

اور حصص داران نے جس انداز سے کمپنی پر ہمیشہ اپنے اعتماد اور اعتبار کا مظاہرہ کیا ہے اس کے لئے ہم انکے بھی بے حد مشکور ہیں۔

منجانب بورڈ

محمد یونس ٹبہ

چیئرمین / ڈائریکٹر

بمقام کراچی مؤرخہ 1 ستمبر 2016

کارپوریٹ مقاصد کا تعین کریں اور ان مقاصد کو انتظامیہ کی جانب سے طے شدہ کامیابی کے معیارات سے ہم آہنگ کریں اور اس سلسلے میں بورڈ کو جدید ترین صورتحال سے آگاہ کرتے رہیں کہ انکی ٹیم مطلوبہ مقاصد حاصل کرنے میں کس حد تک کامیاب رہی ہے۔

وژن، مشن اور بورڈ کی جانب سے منظور شدہ عمومی کارپوریٹ حکمت عملی

بورڈ آف ڈائریکٹر نے انتہائی باریک بینی اور مستعدی کے ساتھ کمپنی کے وژن، مشن اور عمومی کارپوریٹ حکمت عملی کو مرتب کیا ہے اور بورڈ کو اس بات پر مکمل اطمینان ہے کہ ان سے بدرجہ اتم اس فلسفے اور سوچ کا اظہار ہوتا ہے جس کی بنیاد پر اس کمپنی کو کارپوریشن بنایا گیا تھا۔ ہم اس بات کا یقین دلاتے ہیں کہ ہماراوژن اور مشن کمپنی کی عمومی کارپوریٹ حکمت عملی کا غماز ہے اور مستقبل میں ہمارے سفر کی راہ متعین کرتے ہیں۔ پورے ادارے کے تانے بانے اسی کے ساتھ منسلک ہیں اور اسی کی بنیاد پر کمپنی کے روزمرہ کے امور سرانجام دیئے جاتے ہیں

سی ایف او اور اندرونی آڈٹ کے سربراہ کی قابلیت کا معیار

سی ایف او اور اندرونی آڈٹ کے سربارہ کیلیئے لازم ہے کہ انکی قابلیت کوڈ آف کارپوریٹ گورننس میں مزکور شرائط کے مطابق ہو۔

ترتیب حصص داری

رپورٹ برائے 30 جون 2016 کے ساتھ صفحہ نمبر 189 پر منسلک ترتیب حصص داری کی جدول کمپنیز آرڈیننس مجریہ 1984 اور کوڈ آف کارپوریٹ گورننس کی شرائط کے عین مطابق ہے۔

آڈیٹرز

کمپنی کی مالیاتی دستاویزات برائے 15-2016 میسرز ای وائی فورڈر ھوڈز، چارٹرڈ اکاؤنٹنٹس کی جانب سے آڈٹ کی گئی تھیں۔ مزکورہ آڈیٹر رواں مالی سالانہ عام اجلاس کے اختتام تک سبکدوش ہو جائیں گے۔ تاہم تعیناتی کی شرائط کو پورے کرتے ہوئے انھوں نے اپنی دوبارہ تعیناتی کیلیئے درخواست دی ہے۔

حصص کی منتقلی کی کمیٹی

حصص کی منتقلی کی کمیٹی درج ذیل افراد پر مشتمل ہے:

حصص کی منتقلی سے متعلق کمیٹی		
نمبر شمار	ڈائریکٹروں کے نام	عہدے
1	۔ جاوید یونس ٹبہ چیئرمین	غیر انتظامی ڈائریکٹر
2	۔ مریم ٹبہ خان ممبر	غیر انتظامی ڈائریکٹر
3	۔ محمد عابد گناترا ممبر	غیر انتظامی ڈائریکٹر

کمپنی کے سیکرٹری کو حصص کی منتقلی کی کمیٹی کے سیکرٹری کے بطور تعینات کیا گیا ہے۔

کام کی شرائط

حصص کی منتقلی سے متعلق کمیٹی کے کام کی شرائط میں درج ذیل نکات شامل ہیں:

الف۔ حصص کی منتقلی سے متعلق کسی بھی درخواست پر غور کرنا اس کو مشروط یا بلا مشروط قبول یا مسترد کرنا جیسا بھی مناسب ہو اور اس سلسلے میں موصول ہونے والی کسی بھی درخواست کے ساتھ منسلک کاغذات کا جائزہ لینا جیسا کہ حصص کی منتقلی سے متعلق معاہدہ، حصص سرٹیفیکیٹ، سکسیشن سرٹیفکیٹ، پاور آف اٹارنی، اور اس مقصد کیلئے درکار دیگر دستاویزات۔

ب۔ حصص کی منتقلی کی منظوری دینا اور انھیں رجسٹر کرنا۔

ج۔ حصص کی تحلیل اور ادغام کے سرٹیفکیٹ کی منظوری دینا اس قسم کے سرٹیفکیٹس کی تنسیخ کرنا اور نئے حصص کے اجراء کی صورت میں کمپنی کی مہر ثبت کرنا اور حصص کی توثیق اور ان پر دستخط کرنا۔

سی ای او کی کارکردگی کا جائزہ

لکی سیمنٹ کا بورڈ آف ڈائریکٹر سی ای او کی جانب سے پیش کئے جانے والے مالی و غیر مالی نتائج کی بنیاد پر متعین کئے جانے انتہائی اہم پیمانوں کو مدنظر رکھتے ہوئے سی ای او کی کارکردگی سے متعلق ایک جائزہ رپورٹ پیش کرتے ہیں جس پر سال کے آغاز سے ہی بورڈ کا اتفاق ہوتا ہے۔ بورڈ گزشتہ سال سے متعلق سی ای او کی کارکردگی کی رپورٹ کا جائزہ لے چکا ہے اور ان کی کارکردگی سے مطمئن ہے۔ بورڈ کو اس بات پر مکمل اطمینان ہے کہ سی ای او اپنی بہترین پیشہ ورانہ مہارتوں کا استعمال کرتے ہوئے کمپنی کے معاملات کو بخوبی احسن چلا رہے ہیں۔ سی ای او اس بات کے بھی پابند ہیں کہ کمپنی کے

انسانی وسائل کی کمیٹی

انسانی وسائل اور ادائیگیوں کی کمیٹی-3 اجلاس			
نمبر شمار	ڈائریکٹرز کے نام	عہدہ	اجلاس میں حاضری
1	مریم طبہ خان (چیئرپرسن)	غیر انتظامی ڈائریکٹر	3
2	محمد علی طبہ	ایگزیکیٹیو ڈائریکٹر	3
3	محمد سہیل طبہ	غیر انتظامی ڈائریکٹر	-
4	جاوید یونس طبہ	غیر انتظامی ڈائریکٹر	3
5	ذلیخا طبہ مسقطیہ	غیر انتظامی ڈائریکٹر	1

وہ ڈائریکٹر حضرات جو اپنی کسی مصروفیت کی وجہ سے اجلاسوں میں شرکت نہ رسکے انھیں رخصت دی گئی تھی۔

کام کی شرائط

انسانی وسائل کی کمیٹی کے کام کی شرائط میں درج ذیل نکات شامل ہیں:

الف۔ بورڈ کو انسانی وسائل کی مینجمنٹ سے متعلق پالیسیوں سے متعلق مشورہ دینا۔

ب۔ بورڈ کو سی ای او کے انتخاب، کارکردگی کی جانچ، مشاہرہ (بشمول ریٹائرمنٹ مراعات) اور جانشینی سے متعلق بورڈ کو سفارشات پیش کرنا۔

ج۔ سی ایف او، سی او او، کمپنی سیکریٹری اور اندرونی آڈٹ کے ہیڈ کے انتخاب، کارکردگی کی جانچ، مشاہرہ (بشمول ریٹائرمنٹ مراعات) اور جانشینی سے متعلق بورڈ کو سفارشات پیش کرنا۔

د۔ سی ای او کی سفارشات اور مشورے پر ایسے اہم انتظامی عہدوں کی بابت منظوریاں دینا جو کہ براہ راست سی ای او کو رپورٹ کرتے ہوں۔

ھ۔ ایچ آر کی جائزہ رپورٹس پر نظر ثانی کرنا اور انکی صحت کا اندازہ لگانے کے ساتھ ساتھ ترقی اور جانشینی کے پلاننگ پروسس کو کمپنی میں ہر سطح پر عملی جامہ پہنانا۔

و۔ اگر اندرونی یا بیرونی آڈیٹر ایچ آر سے متعلق کوئی آڈٹ رپورٹ پیش کریں تو ان پر نظر ثانی کرنا۔

بجٹ کمیٹی

بجٹ کمیٹی-1 اجلاس			
نمبر شمار	ڈائریکٹرز کے نام	عہدہ	اجلاسوں میں حاضری
1	محمد سہیل ٹبہ (چیئر مین)	غیر انتظامی ڈائریکٹر	1
2	محمد علی ٹبہ	ایگزیکیٹیو ڈائریکٹر	-
3	جاوید یونس ٹبہ	غیر انتظامی ڈائریکٹر	1
4	محمد عابد گناترا	غیر انتظامی ڈائریکٹر	1

وہ ڈائریکٹر حضرات جو اپنی کسی مصروفیت کی وجہ سے اجلاسوں میں شرکت نہ کر سکے انھیں رخصت دی گئی تھی۔

کام کی شرائط

بجٹ کمیٹی کے کام کی شرائط میں درج ذیل نکات شامل ہیں:

الف۔ کمپنی کی جانب سے تیار کردہ آمدن اور سرمایہ کاری سے متعلق اخراجات کے سالانہ بجٹ کا جائزہ لینا اور پھر بورڈ کی منظوری کیلئے حتمی بجٹ پیش کرنا۔

ب۔ بجٹ میں کسی بھی قسم کے رویژن کا تجزیہ کرنا اور جائزہ لینا اور اس کے بعد اس رویژن کو بورڈ کے سامنے منظوری کیلئے پیش کرنا۔

ج۔ سالانہ بنیادوں پر بجٹ اور کمپنی کے حقیقی نتائج کا موازنہ کرنا اور واضح فرق کی صورت میں تصحیح کی غرض سے ہدایات دینا۔

د۔ کسی بھی اہم معاملے کے ضمن میں بورڈ کے سامنے سفارشات پیش کرنا۔

ب۔ بورڈ آف ڈائریکٹرز کی منظوری سے قبل سہ ماہی، ششماہی اور سالانہ مالیاتی دستاویزات پر نظر ثانی کرنا اور غور کرنا کہ:

- کن میدانوں میں بڑے فیصلوں کی ضرورت ہے
- آڈٹ کی صورت میں اہم امور کی تبدیلی
- کاروباری معاملات کو ہمیشہ کی بنیاد پر جاری رکھنا
- اکاؤنٹنگ کی پالیسی اور طریق کار میں کسی قسم کی کوئی تبدیلی
- قابل اطلاق اکاؤنٹنگ پالیسیوں کی پاسداری سے متعلق کوئی بات
- لسٹنگ ریگولیشن اور کسی دیگر اتھارٹی یا قواعد سے پاسداری کے معاملات اور
- متعلقہ پارٹی سے کسی معاملے کے ضمن میں کوئی اہم بات۔

ج۔ ابتدائی طور پر کئے جانے والے اعلانات پر انکی اشاعت سے قبل نظر ثانی۔

د۔ بیرونی آڈٹ کو سہولت فراہم کرنا اور بیرونی آڈیٹروں کے ساتھ عبوری اور حتمی آڈٹ کے بعد مشاہدے میں آنے والے معاملات پر بحث کرنا جن پر آڈیٹرز بات کرنا چاہیں (انتظامیہ کی غیر موجودگی میں جہاں بھی ضرورت محسوس کی جائے)

ھ۔ بیرونی آڈیٹروں کی جانب سے جاری کردہ مینجمنٹ لیٹروں پر نظر ثانی اور اس سلسلے میں مینجمنٹ کی جانب سے جوابات۔

و۔ کمپنی کے اندرونی اور بیرونی آڈیٹروں کے مابین روابط پیدا کرنا۔

ذ۔ اندرونی آڈٹ کے دائرہ کار اور امور کا جائزہ لینا اور اس بات کو یقینی بنانا کہ اندرونی آڈٹ افعال کیلئے مناسب ذرائع موجود ہیں اور انھیں کمپنی میں بروئے کار بھی لایا جارہا ہے۔

ح۔ اندرونی تفتیش کی صورت میں کسی بھی فراڈ، کرپشن اور اختیار کے غلط استعمال سے پیدا ہونے والے اہم واقعات کے سامنے آنے کے بعد اس پر غور کرنا اور اس سلسلے میں انتظامیہ کا رد عمل۔

ط۔ اس بات کو یقینی بنانا کہ بروقت اور مناسب اندراج برائے خریداری، فروختگی اور اثاثوں اور ذمہ داریوں کے اندراج جیسے معاملات کے سلسلے میں فنانشل اور آپریشنل کنٹرول سسٹمز اور اکاؤنٹنگ سسٹم مستعدی کے ساتھ کام کر رہے ہیں۔

ی۔ اندرونی کنٹرول سسٹم سے متعلق کمپنی کے بیان کا بورڈ آف ڈائریکٹرز کی توثیق اور اندرونی آڈیٹروں کی رپورٹ سے پہلے جائزہ لینا۔

ک۔ خصوصی قسم کے پرجیکٹ کا آغاز کرنا، پیسے کی قدر کو جانچنا یا بورڈ آف ڈائریکٹرز کی جانب سے مختص کردہ کسی بھی مسئلے کی سی ای او سے مشاورت کے ساتھ تحقیق کرنا اور بیرونی آڈیٹروں یا کسی اور دیگر بیرونی ادارے کو ادائیگیوں کے سلسلے میں معاملات پر غور کرنا۔

ل۔ مطلوبہ قانونی تقاضوں کو پورا کرنے سے متعلق امور کا تعین کرنا۔

م۔ کارپوریٹ گورننس کی پاسداری کو از حد ممکن بنانا اور اس سلسلے میں کسی بھی قسم کی روگردانی کی نشاندہی کرنا۔

ن۔ اس کے علاوہ کسی بھی ایسے معاملے پر غور کرنا جس کی ذمہ داری بورڈ کی جانب سے عائد کی جائے۔

بورڈ کی کارکردگی کا جائزہ

مزکورہ بالا شرائط کو مد نظر رکھتے ہوئے رواں سال کے دوران بورڈ کی مجموعی کارکردگی اطمینان بخش تھی، بورڈ کے ممبران میں ایک موثر تنوع پایا جاتا ہے اور بورڈ انتظامی و غیر انتظامی ممبران کا ایک مؤثر امتزاج ہے۔ بورڈ انتہائی مستعدی کے ساتھ کمپنی کے کارپوریٹ مقاصد کی تدوین میں مصروف عمل ہے۔

وہ میدان عمل جن میں کارکردگی کو اطمینان بخش پایا گیا لیکن ان میں مزید بہتری کی نشاندہی بھی کی گئی ان میں ملازمین کی صحت، تحفظ اور ماحولیات شامل ہیں

بورڈ کے ممبران کو کمپنی کے نتائج سے آگاہ کیا جا چکا ہے اور تمام ممبران اہم نکات پر متفق پائے گئے۔

بورڈ کی کمیٹیاں اور اجلاس

آڈٹ کمیٹی

نمبر شمار	ڈائریکٹرز کے نام	عہدہ	اجلاسوں میں حاضری
آڈٹ کمیٹی - 4 اجلاس			
1	طارق اقبال خان (چیئرمین)	آزاد ڈائریکٹر	4
2	محمد سہیل ٹبہ	غیر انتظامی ڈائریکٹر	4
3	جاوید یونس ٹبہ	غیر انتظامی ڈائریکٹر	4
4	مریم ٹبہ خان	غیر انتظامی ڈائریکٹر	1
5	ذلیخا ٹبہ مسقطیہ	غیر انتظامی ڈائریکٹر	2
6	محمد عابد گناترا	غیر انتظامی ڈائریکٹر	4

وہ ڈائریکٹر حضرات جو اپنی کسی مصروفیت کی وجہ سے اجلاسوں میں شرکت نہ کر سکے انھیں رخصت دی گئی تھی۔

کام کی شرائط

آڈٹ کمیٹی کے کام کی شرائط میں درج ذیل نکات شامل ہیں:

الف۔ کمپنی کے اثاثوں کی حفاظت کی غرض سے مناسب اقدامات کرنا۔

بورڈ کی تربیت

کمپنی اپنے بورڈ ممبران کی تربیت پر خاص زور دیتی ہے اور کوڈ آف کارپوریٹ گورننس کے قواعد کے تحت بورڈ ممبران کیلئے تربیتی نشستوں کا اہتمام بھی کر چکی ہے۔ کمپنی کے تمام ڈائریکٹرز ایس ای سی پی کی شرائط کے مطابق باقاعدہ مستند تربیت یافتہ ہیں اور کمپنی کا ڈائریکٹرز ٹریننگ پروگرام مکمل کر چکے ہیں۔

بورڈ کی جانچ کیلئے معیار

بورڈ آف ڈائریکٹرز کے ممبران کے ذمے فرائض منصبی کے علاوہ انکی کارکردگی کو انفرادی اور اجتماعی سطح پر درج ذیل پیمانوں پر جانچا جاتا ہے۔

1. جنسی تنوع، ذہنی صلاحیتوں، مہارتوں اور فلسفیانہ طرز سوچ کا مؤثر امتزاج پیدا کرنا۔
2. ذہانت، مہارتوں اور فلسفیانہ طرز استدلال کے مؤثر امتزاج کو پیش کرنا۔
3. ممبران کی اخلاقی اقدار، ذاتی ساکھ، اور مستعد شرکت۔
4. انتظامیہ کی جانب سے طے کردہ سالانہ اہداف پر نظر ثانی کرنا اور ان کا تعاقب کرنا۔
5. کمپنی کو رہنمائی اور ہدایات فراہم کرنا۔
6. کمپنی میں ایسے امور کی نشاندہی کرنا جہاں کمپنی کی کارکردگی کو مؤثر بنانے کیلئے اقدامات کی ضرورت ہو۔
7. منصوبہ جانشینی برائے انتظامیہ پر نظر ثانی کرنا۔
8. کمپنی کو پیش آنے والے رسک اور خطرات کو سمجھنے کی غرض سے قابلیت کا اظہار کرنا۔
9. کمپنی کی صحت، تعلیم اور ماحول سے متعلق پالیسیوں اور کمپنی میں ملازمت سے متعلق اور دیگر پالیسیوں میں دلچسپی ظاہر کرنا اور ان میں شرکت کرنا۔
10. کمپنی کی ساکھ کو نقصان پہنچنے اور کمپنی کے خلاف قانونی مقدمات بنائے جانے جیسے اقدامات کے خلاف حفاظتی اقدامات کرنا۔

- منسلکہ حلف ناموں کے ذریعے اور منسلکہ افراد کی جانب سے حاصل کئے گئے حصص سے متعلق علیحدہ معلومات فراہم کی گئی ہیں۔ (صفحہ نمبر192)
- کمپنی کے بورڈ کے اجلاس کی تفصیلات اور تمام ڈائریکٹرز کی حاضری سے متعلق تفصیلات۔
- گزشتہ چھ برسوں سے متعلق اہم کاروباری افعال کو علیحدہ سے پیش کیا گیا ہے۔ (صفحہ نمبر50)

بورڈ کے اجلاسوں میں ڈائریکٹرز کی حاضری

رواں سال کے دوران بورڈ کے اجلاسوں میں ڈائریکٹرز کی شرکت سے متعلق تفصیلات درج ذیل ہیں:

بورڈ آف ڈائریکٹرز - 5 اجلاس			
نمبر شمار	ڈائریکٹرز کے نام	عہدہ	اجلاسوں میں حاضری
1	محمد یونس ٹبہ (چیئرمین)	غیر انتظامی ڈائریکٹر	4
2	محمد علی ٹبہ	انتظامی ڈائریکٹر	3
3	محمد سہیل ٹبہ	غیر انتظامی ڈائریکٹر	5
4	جاوید یونس ٹبہ	غیر انتظامی ڈائریکٹر	5
5	مریم ٹبہ خان	غیر انتظامی ڈائریکٹر	4
6	ذلیخا ٹبہ مسقطیہ	غیر انتظامی ڈائریکٹر	4
7	محمد عابد گناترا	غیر انتظامی ڈائریکٹر	5
8	طارق اقبال خان	آزاد ڈائریکٹر	5

جو ڈائریکٹر اپنی کسی مصروفیت کی وجہ سے میٹنگز میں شرکت نہیں کر پائے انھیں اس سلسلے میں رخصت دے دی گئی تھی۔

بورڈ کی ساخت

ہمارا بورڈ 1 آزاد ڈائریکٹر، 6 غیر انتظامی ڈائریکٹرز (بشمول چیئرمین) اور 1 انتظامی ڈائریکٹر پر مشتمل ہے۔ ہمارے بورڈ میں شامل ممبران کا مختلف شعبہ ہائے زندگی سے متعلق تجربہ، علم اور مہارتیں بورڈ کی اہمیت اور افادیت کو مزید بڑھا دیتی ہیں۔ ہمارے بورڈ میں ممبران کی ترتیب ایک جانب تمام شراکت داران کے مفادات کی غمازی کرتی ہے تو دوسری جانب اس میں جنسی تنوع کا لحاظ بھی رکھا گیا ہے۔

ہے۔ اس ضمن میں اہم ترین اقدام ٹبہ فاؤنڈیشن کی امداد کرنا ہے جو کہ ملک میں معیار صحت، تعلیم اور معاشی فلاح و بہبود کیلئے کوشاں ہے اور اس ضمن میں امراض قلب ہسپتال اور امراض گردہ سے متعلق معروف صحتی مرکز چلا رہی ہے۔ آپکی کمپنی آئی ڈی پیز کی بحالی میں ہاتھ بٹانے کیلئے کراچی ویلفئیر ٹرسٹ کی امدادی سرگرمیوں میں بھی ان کا بھرپور ساتھ دے رہی ہے، اس کے علاوہ پاکستان میں اسپیشل اولمپکس کروانے کا اہتمام کیا ہے تاکہ یہاں صحت مند ایتھلیٹکس سرگرمیوں کو فروغ حاصل ہو۔ نیز بھی آپ کی کمپنی نے معاشرتی ترقی سے متعلق بہت سی سرگرمیوں میں حصہ لیا ہے اور بہت سی غیر سرکاری سرگرمیوں کے تحت معاشرتی فلاح و بہبود کیلئے اپنے تیئں اقدامات کئے ہیں۔

کوڈ آف کارپوریٹ گورننس

آپکی کمپنی کے ڈائریکٹرز کو اس بات کا مکمل احساس ہے کہ سیکیوریٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ھدایات کے مطابق آپکی کمپنی کوڈ آف کارپوریٹ گورننس کی پاسداری کرنی ہے جو کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ رولز میں مزکور ہے۔ آپکی کمپنی نے کوڈ آف کارپوریٹ گورننس کو اچھی طرح نافذ کرنے اور اس کی مکمل پاسداری کرنے میں کوئی کسر نہیں اٹھا رکھی ہے۔

کوڈ آف کارپوریٹ گورننس کی پاسداری کے سلسلے میں ہم تصدیق کرتے ہیں کہ:

- کمپنی کی انتظامیہ کی جانب سے تیار کی گئی مالی دستاویزات میں اس بات کو یقینی بنایا جاتا ہے کہ کمپنی کے معاملات، کاروباری افعال کے نتائج، ترسیل نقد رقوم اور حصص میں ردوبدل جیسے معاملات کو ان دستاویزات میں شفاف انداز سے پیش کیا جائے۔
- کمپنی میں حساب کتاب سے متعلق باقاعدہ کھاتے مرتب کئے جاتے ہیں۔
- مالی دستاویزات کی تیاری کے سلسلے میں اکاؤنٹنگ کی مناسب پالیسیوں کو مستقلاً اپنایا جاتا ہے اور اکاؤنٹنگ کے تمام تر تخمینے معقولیت کی بنیاد پر لگائے جاتے ہیں۔
- مالی دستاویزات کی تیاری کے سلسلے میں پاکستان میں مستعمل بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈ کا لحاظ بھی رکھا جاتا ہے اور اگر اس سلسلے میں کسی وجہ سے روگردانی پڑ جائے تو اسکی وضاحت باقاعدہ طور پر کر دی جاتی ہے۔
- اندرونی کنٹرول کا نظام انتہائی جامع ہے اور اس نظام کو مؤثر انداز سے نافذ کیا جاتا ہے اور اس کی مکمل نگرانی بھی کی جاتی ہے۔
- اس بات میں کوئی شک کی گنجائش نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو ہمیشہ ہمیشہ جاری رکھنا چاہتی ہے۔
- لسٹنگ ریگولیشن میں مزکور کوڈ آف کارپوریٹ گورننس سے کمپنی نے کبھی کوئی خاطر خواہ روگردانی نہیں کی۔
- کوڈ آف کارپوریٹ گورننس کے قواعد کے مطابق رپورٹ ھذا میں درج ذیل معلومات فراہم کی گئی ہیں:
  - حصص داران کی ترتیب سے متعلق جدول علیحدہ فراہم کی گئی ہے۔ (صفحہ نمبر 189)

کارپوریٹ معاشرتی ذمہ داری

عطیات	تعلیمی وظائف	طبی امداد و انسداد غربت	قابل توجہ مسائل
فلاحی کاموں کے فروغ کیلئے اداروں اور افراد کو عطیات دیئے جاتے رہے ہیں	اپنے عزم کو نبھانے کی غرض سے آئی بی اے، کے ایس بی ایل، آئی او بی ایم، آئی وی ایس اور دیگر اداروں کے طلباء کو امداد فراہم کی جاتی رہی ہے۔	عزیز طبہ فاؤنڈیشن کے ذریعے صحت اور معاشی ترقی جیسے اقدامات لئے جاتے رہے ہیں۔	عالمی یوم خواندگی، عالمی یوم ماحولیات اور عالمی یوم صحت منائے گئے

کارپوریٹ معاشرتی ذمہ داری

آپکی کمپنی اس بات پر مکمل یقین رکھتی ہے کہ جس معاشرے میں اس کی کاروباری سرگرمیاں جاری ہیں اس معاشرے کی ترقی کیلئے کام کیا جائے۔ اسی لئے آپکی کمپنی نے اپنی تمام تر کاروباری سرگرمیوں کو کارپوریٹ معاشرتی ذمہ داری جیسی فکر سے منسلک کر رکھا ہے۔ تاکہ تعلیم، صحت اور ماحولیات جیسے میدانوں میں کمپنی اپنا کردار ادا کرتی رہے۔

حقدار طلباء کو اعلیٰ معیاری تعلیم سے روشناس کرانے کا عزم لئے آپکی کمپنی نے رواں سال بہت سے حقدار طلباء کو ملک بھر میں تعلیمی وظائف دیئے جو کہ ملک بھر کے معروف تعلیمی اداروں میں زیر تعلیم ہیں۔ شرح خواندگی کو بڑھانے کے عزم کو لئے اور خواندگی سے متعلق عوام الناس میں آگہی پیدا کرنے کیلئے آپکی کمپنی نے کراچی اور پیزو کے کم مراعت یافتہ اسکولوں میں "عالمی خواندگی دن" منایا تاکہ کتابیں پڑھنے کے رجحان کو فروغ ملے۔ نیز کم مراعت یافتہ طبقات سے تعلق رکھنے والے ایسے اداروں سے دل کھول کر تعاون کیا ہے جو کہ نفع کمانے کی غرض سے کام نہیں کر رہے۔ آپکی کمپنی نے پاکستان ویلفیئر ایسوسی ایشن سے رجسٹرڈ شدہ نابینا بچوں کو اسکول کی کتابیں بھی فراہم کی ہیں۔

آپکی کمپنی نے ماحول کی حفاظت کی غرض سے بہت سے اقدامات کئے ہیں۔ آپکی کمپنی نے اس سال عالمی ماحولیات کے دن کی مناسبت سے 5 جون کو گرین آفس ہفتہ منانے کا اہتمام کیا اور اس سلسلے میں اپنے ملازمین کے مابین آگہی پیدا کرنے کی غرض سے آگہی سیمینار منعقد کروانے کے علاوہ کراچی اور پیزو پلانٹس پر شجرکاری کی مہم بھی چلائی اور مسلسل اس بات کی کوشش کرتی رہی کہ بزنس آپریشنز میں کاربن کا اخراج کم از کم ہو۔ اس کے علاوہ کارپوریٹ معاشرتی ذمہ داری کا احساس کرتے ہوئے آپکی کمپنی نے پورے پاکستان میں صحت سے متعلق متعدد پروجیکٹس میں بڑھ چڑھ کر حصہ لیا

رسک مینجمنٹ

حکمت عملی کا رسک	آپریشنل رسک	تمویلی رسک	معیارات کی پاسداری کا رسک
حکومتی اداروں سے بطور صارف اور سپلائر معاملات طے کرنا اور انرجی کی پیداوار میں مطلوبہ گیس کی فراہمی منقطع ہونے یا ایندھن کے نرخوں میں واضح اضافہ ہو جائے نے سے انرجی کی پیداواری لاگت بہت زیادہ بڑھ جانے جیسے معاملات کو رسک کے رجسٹر میں شامل کیا گیا ہے۔ ان حالات سے نمٹنے کی غرض سے موزوں اقدامات کئے گئے ہیں تا کہ اس بات کو یقینی بنایا جا سکے کہ کمپنی اپنے آپریشنز جاری رکھ سکے اور ان پر زیادہ فرق نہ پڑنے پائے۔ اندرونی طور پر مانگ اور سپلائی کے تناظر میں مسابقت کے ماحول کی کڑی نگرانی کی جاتی ہے اور اسی مناسبت سے کمپنی کے توسیعی اور شرح نمو سے متعلق اہداف کا مستقل جائزہ لیا جاتا ہے۔ اس قسم کے رسک سے نمٹنے کیلئے مناسب اقدامات کئے جاتے ہیں	بزنس ریکوری اور ہنگامی ریکوری پلانٹس اس بات کو یقینی بنانے کیلئے مکمل طور پر فعال ہیں کہ کمپنی کی پیداوار اور فروختگی میں کسی قسم کا کوئی تعطل پیدا نہ ہو۔ خام مال کی دستیابی کے ذرائع، افرادی قوت کی فراہمی، دونوں پلانٹس پر وافر مقدار میں توانائی کی پیداوار، مناسب سپلائی چین آپریشنز اندرونی اور بیرونی، اور آؤٹ سورسنگ جیسے اقدامات نے اس رسک کو کم ترین کرنے میں اہم کردار ادا کیا ہے۔	قرضوں سے پاک بیلنس شیٹ، غیر ملکی کرنسی میں درآمدات و برآمدات کی وجہ حاصل فوائد کی وجہ سے کمپنی ہر قسم کے تمویلی رسک سے محفوظ ہے۔	تمام تر اصول و ضوابط کی مکمل پاسداری اور مالی دستاویزات کی تیاری میں مکمل شفافیت کی وجہ سے اس ضمن میں رسک صفر رہا ہے۔ کمپنی کو مختلف قسم کے مقدمات کی وجہ سے پیش آنے والے رسک سے نمٹنے کیلئے جب بھی ضرورت پیش آئی قانونی ماہرین پر مبنی معروف لاء فرمز کی خدمات کو بروئے کار لایا گیا۔

کاروبار میں ترقی اور نئی راہوں کی تلاش

کوئلے پر مبنی پاور پروجیکٹ	50 میگاواٹ بادبانی فارم	ڈی آر کانگو پروجیکٹ	صوبہ پنجاب میں سیمنٹ پلانٹ	اضافی لائن کی تنصیب (بمقام کراچی پلانٹ)
حکومت پاکستان سے اس سلسلے میں بات چیت چل رہی ہے کہ درآمد شدہ کوئلے کے علاوہ تھر سے نکلنے والے کوئلے کو بھی انرجی کی پیداوار میں استعمال کیا جائے، امید ہے اکتوبر 2016 تک معاملہ طے کر لیا جائے گا	ستمبر 2016 میں 50 میگاواٹ بادبانی پروجیکٹ کو کامیابی سے کاروباری مقاصد کیلئے فعال کیا گیا	سائٹ پر پوری مستعدی کے ساتھ تعمیراتی کام جاری ہے جس کی مدت تکمیل اکتوبر 2016 ہے۔	اس سلسلے میں کمپنی حکومت پنجاب سے بات چیت کر رہی ہے اور اس سلسلے میں آلات کے حصول کیلئے سپلائر سے بھی گفت وشنید جاری ہے امید ہے ستمبر 2016 اخیر تک دونوں سے معاملات طے کر لئے جائیں گے۔	کمپنی نے فیصلہ کیا ہے کہ سیمنٹ کی موجودہ پیداواری صلاحیت میں اضافہ کیا جائے، اس سلسلے میں کراچی پلانٹ پر 1.25 ملین ٹن سالانہ کی لائن نصب کی جا رہی ہے جس کی لاگت تقریباً 30 ملین امریکی ڈالر ہو گی، یہ لائن سال 2017 کہ آخر تک کام شروع کر دے گی

انفارمیشن ٹیکنالوجی کا ڈھانچہ

ایس اے پی انٹرپرائیز سسٹم
SAP /4 ایچ اے این اے مئی 2016 میں کام کا آغاز کر چکا ہے جو کہ پاکستان میں اپنی نوعیت کی پہلی تنصیب ہے۔

انسانی وسائل کی ترقی

منصوبہ جانشینی	انسانی وسائل کی کمیٹی	انتظام کارکردگی	جنسی تنوع
ایک 9 خانوں پر مبنی جانشینی میٹرکس تیار کیا گیا تا کہ اس بات کا تعین کیا جا سکے کہ بہترین انسانی وسائل بطور جانشین کو آگے لایا جائے اور اس بات کی نشاندہی کی جا سکے کہ کن کن میدانوں میں تربیت اور کردار سازی کی ضرورت ہے۔	انسانی وسائل کی کمیٹی نے کارکردگی کے انتظام کیلئے مشترکہ نظر ثانی اجلاس منعقد کئے تا کہ شعبوں اور انفرادی سطح پر کارپوریٹ مقاصد کی پاسداری کو ممکن بنایا جا سکے۔	کمپنی میں ذہنی صلاحیتوں کے مجموعے کو یکجا کرنے کی غرض سے انتہائی اہم انسانی وسائل کی نشاندہی کرنا۔	جنسی تنوع میں بہتری پیدا کی جائے تا کہ مستقبل میں کمپنی ملازمت کے مساوی مواقع فراہم کرنے میں اپنی بہترین ساکھ پیدا کر سکے۔ اس سلسلے میں خواتین کو دوستانہ ماحول فراہم کرنے کیلئے کمپنی میں پالیسیوں کا نفاذ بھی کیا جا چکا ہے۔

ایچ ایس ای (ہیلتھ، سیفٹی اینڈ انوائرونمنٹ - صحت، حفاظت اور ماحول)

دوران کام صفر حادثات	این ای کیو ایس کے معیارات کی پاسداری	ڈبلیو ایچ آر (ویسٹ ہیٹ ریکوری) پلانٹ
اس سال دوران کام صفر حادثات کا ہدف حاصل کرنے میں کامیابی حاصل رہی۔ (60 فیصد کمی بالمقابل پچھلے سال)	این ای کیو ایس کے معیارات کی پاسداری کے سلسلے میں طے شدہ حدود سے 50 فیصد بہتر کارکردگی کا مظاہرہ کیا گیا جس کی بنیادی وجہ جدید ٹیکنالوجی اور ڈبلیو ایچ آر کے پلانٹس زیر استعمال تھے۔	کراچی پلانٹ میں 5 میگاواٹ کا پلانٹ نصب کرنے کے بعد اور پلانٹ نصب کرنے سے پہلے کاربن کے اخراج میں 7% کا فرق پڑا ہے۔

کارپوریٹ اور برانڈ کی ساکھ

ایوارڈز	برانڈ سے متعلق آگہی	کاروباری مواصلاتی رابطے	بین الاقوامی کانفرنسوں کا اہتمام
• ایچ ایس ای ایوارڈ 2016 از پروفیشنل نیٹ ورک • 31واں کارپوریٹ امتیازی کارکردگی ایوارڈ 2015 از ایم اے پی (مینجمنٹ ایسو سی ایشن آف پاکستان) • کوالٹی اسٹینڈرڈ ایوارڈ 2015 • ساؤتھ ایشئین فیڈریشن آف اکاؤنٹنٹس ایوارڈ • 5واں سوشل ریسپونسبلٹی ایوارڈ • 12واں ماحولیاتی امتیازی کارکردگی ایوارڈ • گرین سپلائی چین ایوارڈ 2015 • مارکیٹنگ ایسوسی ایشن آف پاکستان کی جانب سے امتیازی کارکردگی کا ایوارڈ (مارکون) 2016	• سری لنکا بمقابلہ پاکستان کی سیریز کی اسپانسر شپ • انسٹی ٹیوٹ آف بزنس مینجمنٹ کی 20 سالہ تقریبات کی اسپانسر شپ • 11ویں سی ای او سمٹ ایشیاء کانفرنس 2015 کی اسپانسر شپ • پاکستان گرین بلڈ ایکسپو کی اسپانسر شپ • این ای ڈی یونیورسٹی کراچی میں منعقدہ ڈی آئی سی ای انرجی کانفرنس کی اسپانسر شپ	پرنٹ میڈیا اور انٹرنیشنل سیمنٹ ریویو اور ورلڈ سیمنٹ ریویو اور دیگر مقامی رسائل کے ذریعے زیادہ سے زیادہ صارفین تک پہنچنے کی کوشش کی گئی۔	انٹرسم, کانفرنس اور پاکستان، نیو یارک، لندن اور دبئی مین منعقد کی جانے والی سرمایہ کاروں کی کانفرنسوں / روڈ شوز میں بھرپور شرکت۔

دوران سال کمپنی اس عزم کے ساتھ ان تمام مقاصد کی پورے ادارے کی سطح پر تشہیر کرتی رہی ہے کہ ان کا نفاذ ادارے میں ہر سطح پر ممکن بنایا جائے اور ہر شعبے کے افعال اور انسانی وسائل کے سلسلے میں میں کے پی آئیز (جانچ کے پیمانوں) کی صورت میں انھیں نافذ کیا جائے۔ پیریاڈک مینجمنٹ کمیٹی ان مقاصد کی جانچ پڑتال اور نفاذ کو یقینی بنانے پر مامور تھی اور اس پروجیکٹ کے سلسلے میں اس سال کے دوارن کمیٹی کے اجلاس بھی ہوتے رہے ہیں۔

مالیاتی و غیر مالیاتی اقدامات کی کارکردگی کا جائزہ

مستقل ترقی و منفعت بخش نمو

مارکیٹ میں حصہ	کم لاگت پر پیداوار	فروختگی کا حجم	آمدن فی حصص	لاگت میں کمی کے اقدامات
مالی سال 2015-2016 کے دوران 17.8 فیصد تک مارکیٹ میں اپنے حصے کو برقرار رکھ کر مارکیٹ لیڈر شپ کو قائم رکھا گیا۔	پوری صنعت کی سطح پر فی ٹن آنے والی لاگت سب سے کم ہے۔	سال بہ سال، مجموعی طور پر فروختگی کے حجم میں 2.1 فیصد اضافہ ہوا ہے۔	رواں برس آمدن فی حصص 40.03 روپے رہی جو کہ گزشتہ سال کے مقابلے میں 4.1 فیصد زائد ہے۔	دوران سال 57 ملین روپے کی سرمایہ کاری سے لاگت میں کمی لانے کیلئے نئے اقدامات کئے گئے ہیں۔ پیزو کے مقام پر 5 میگا واٹ کا ایک اور ڈبلیو ایچ آر پلانٹ شروع کیا گیا۔

یہ پیمانے ایک جانب تو وسیع کارپوریٹ مقاصد سے ہم آہنگ ہونگے تو دوسری جانب ملازمین کو اپنی کارکردگی از خود جانچنے، اور سال کے آغاز سے ہی ہر فرد کو شفاف انداز سے اپنے اہداف کو مد نظر رکھنے میں مدد بھی فراہم کریں گے۔ کمپنی SAP/4 ایچ اے این اے کی تنصیب بھی کرواچکی ہے (جو کہ پاکستان میں اپنی نوعیت کی پہلی تنصیب ہے) اور جس کے بعد کام کے طریق کار میں سادگی، بے جا دوہرائے جانے والے طریق کی بیخ کنی اور معلومات کے تبادلے میں سبک رفتاری کے باعث کمپنی کی کارکردگی میں مزید اضافہ ہوگا۔ مزید برآں ہم اپنی ہیومن ریسورس پالیسی میں بھی مزید نکھار پیدا کر چکے ہیں اور وطن عزیز کے معروف تعلیمی اداروں کے تعاون سے کامیابی کے ساتھ مرتب شدہ مینجمنٹ ٹرینی پروگرام کا آغاز کر چکے ہیں۔ آپکی کمپنی کی مالیاتی کارکردگی مارکیٹ لیڈرشپ اور کمپنی کے کارپوریٹ مقاصد کے حصول کا منہ بولتا ثبوت ہے، اس ضمن میں کمپنی اپنی تمام تر حکمت عملی کو بروئے کار لاتی رہی ہے۔

کارکردگی کی جانچ کے معیار

آپکی کمپنی کی انتظامیہ نے کارکردگی کی جانچ کیلئے درج معیارات (کے پی آئیز) مرتب کئے ہیں تاکہ پہلے سے طے شدہ مقاصد کے حصول کا صحیح طور پر تعین کیا جاسکے۔ ان کے پی آئیز کو کمپنی کی انتظامیہ کے ہر درجے پر **"کمپنی کے 9 کارپوریٹ مقاصد"** کے نام سے عام کیا گیا تاکہ کمپنی ہر سطح پر اپنی حکمت عملی کے اصولوں سے ہم آہنگ رہ سکے۔

- مقامی اور بین الاقوامی مارکیٹوں میں منافع بخش اور مستقل ترقی و نمو۔
- اس بات کی بھرپور کوشش کرنا کہ پوری صنعت میں سب سے کم لاگت پر پیداوار کی جائے۔
- اپنی کارپوریٹ اور برانڈ کی ساکھ کو مزید بہتر بنانا۔
- بہترین انسانی وسائل کو حاصل کرنا، انھیں اپنے پاس رکھنا اور انھیں مزید نکھارنا۔
- محفوظ اور صحت مند ماحول اور کلچر کو تقویت اور فروغ دینا۔
- پاکستان سے باہر اپنی پہچان پیدا کرنا اور نئی کاروبار میں نئی راہیں تلاش کرنا۔
- انفارمیشن ٹیکنالوجی سسٹم اور بنیادی ڈھانچے کو ترقی دینا۔
- طے شدہ رسک مینجمنٹ پروگرام کو عملی جامہ پہنانا۔
- کمپنی کے آپریشنز میں کارپوریٹ معاشرتی ذمہ داری کو سمونا۔

انسانی وسائل کی ترقی

جیسا کہ ہم ترقی اور نشو ونما کے راستے پر گامزن ہیں، ایسے میں انسانی وسائل کی ترقی اور ان کا کردار انتہائی اہمیت اختیار کر جاتا ہے۔ آپکی کمپنی کا ماحول کارکردگی کی بنیاد پر وضع کیا گیا ہے اس ماحول میں ذہین افراد کی قابلیتوں کا مکمل احترام کیا جاتا ہے اور انھیں سیکھنے اور آگے بڑھنے کے مواقع بہم فراہم کئے جاتے ہیں۔

کمپنی کے طویل المیعاد مفادات کو مد نظر رکھتے ہوئے کاروباری افعال میں معیار انتہائی اہمیت کا حامل ہے، اور اس کے ساتھ ساتھ روزانہ کی بنیاد پر مقداری افعال کا بھی پورا پورا خیال رکھا جاتا ہے۔ ہم نے اپنی ٹیم کی کارکردگی کو جانچنے کی غرض سے واضح پیمانے مقرر کر رکھے ہیں جس کی بدولت کمپنی مثبت نتائج بر آمد کرنے میں واضح پیش قدمی کرتی ایک ادارے کی صورت میں ہمارے سامنے موجود ہے۔ ہمیں فخر ہے کہ ہماری کمپنی میں لوگوں کو خود مختار بنانے کا کلچر موجود ہے جس کی بدولت ہماری ٹیم میں مکمل احساس ذمہ داری موجود ہے۔

انتظامیہ کے مقاصد و حکمت عملی

آپکی کمپنی کا سب سے اہم مقصد سیمنٹ کی صنعت میں پاکستان کے اندر کمپنی کی لیڈرشپ کو قائم رکھنا اور تمام شراکت داران کیلئے کمپنی میں زیادہ سے زیادہ قدر پیدا کرنا ہے۔ تمام تر کارپوریٹ مقاصد انہی مقاصد کو مد نظر رکھ کر مرتب کئے جاتے ہیں اور کامیابی کے اہم ترین اشاروں کو کمپنی کے تمام شعبہ جات میں کمپنی کی بہترین کارکردگی کی بنیاد پر طے کیا جاتا ہے۔

آج آپکی کمپنی ایک عالمی شناخت کی حامل ہے اور مینجمنٹ نئی راہوں کی تلاش میں ہمہ تن کوشاں ہے، اس سلسلے میں کمپنی کامیابیوں کے حصول کیلئے محنتی اور پیشہ ورانہ ٹیم تشکیل دینے میں مصروف ہے، جدید ترین ٹیکنالوجی میں سرمایہ کاری کی جارہی ہے، صارفین کا اعتماد حاصل کرنے کی تمام تر سعی کی جارہی ہے، سپلائی چین کی اصل طاقت کو بروئے کار لانے اور جس معاشرے میں کمپنی اپنے کاروباری افعال سرانجام دے رہی ہے اسے بہتر بنانے کی کوششیں کی جارہی ہیں۔

کمپنی کراچی اور پیزو کے مقامات پر کامیابی کے ساتھ 5 میگاواٹ کے 2 ڈبلیو ایچ آر پلانٹ کا 2015 میں افتتاح کر چکی ہے، ان پلانٹ کی تیاری کے پیچھے کمپنی کی یہی پالیسی کارفرما تھی کہ لاگت میں مسلسل کمی لائی جائے۔ ہماری پیزو کی سائٹ پر اسی قسم کا 10 میگاواٹ کا ایک اور پلانٹ دسمبر 2016 تک کام کرنا شروع کر دے گا۔ سیمنٹ کے معیار کو مزید بہتر بنانے کی غرض سے کراچی پلانٹ میں جدید عمودی گرائنڈنگ ملز نصب کی گئی تھیں جو کہ فروری 2015 سے کامیابی کے ساتھ کام کر رہی ہیں۔

طے شدہ کارپوریٹ مقاصد کے حصول کیلئے آپکی کمپنی پورے تنظیمی ڈھانچے کی سطح پر اعلیٰ ترین عہدے سے لے کر ادنیٰ ترین عہدے تک ایس او پیز (کام کے معیاری اطوار) کے نفاذ کو یقینی بنانے کے ساتھ ساتھ انفرادی سطح پر بھی کے پی آئیز (کارکردگی کی جانچ کے پیمانے) متعارف کروا رہی ہے،

کمپنی کے اندر مؤثر مالیاتی انتظام سے بورڈ پوری طرح مطمئن ہے مستقبل قریب یا مستقبل بعید میں ہمیں کسی قسم کی کوئی مالیاتی رکاوٹیں نظر نہیں آ رہیں، اس لئے اضافی نقد رقوم اس انداز سے دوبارہ سرمایہ کاری میں استعمال کر لیا گیا ہے جس کے ذریعے کمپنی کو مزید منافع حاصل ہو سکے۔

سرمائے کی ترکیب اور مالی صورتحال

آپکی کمپنی نے اس سال بھی صفر قرضے کی پالیسی اپناتے ہوئے خود کو سوفیصدی حصص بر مبنی کمپنی ہی رکھا ہے، کمپنی کی مفرد بیلنس شیٹ پر بھی صفر فیصد قرضے ظاہر کئے گئے ہیں، آپکی کمپنی کی جانب سے وافر مقدار میں پیدا کی جانے والی نقد رقوم اور قرضوں سے پاک کاروبار آپکی کمپنی کی سب سے بڑی طاقت ہیں۔ اس سے نہ صرف کمپنی کو یہ موقع ملتا ہے کہ وہ ایسے شعبوں میں مزید سرمایہ کاری کرے جس سے لاگت میں کمی لائی جا سکے بلکہ کمپنی کو قرض فراہم کرنے والے اداروں کا اعتماد بھی بحال رہتا ہے کہ وہ ہمارے ساتھ کاروبار کرتے ہیں۔ اس سال ہمارے ذخائر میں 18 فیصد اضافہ ہوا ہے اور اب بڑھ کر ہمارے ذخائر 66 بلین روپے ہو چکے ہیں۔ اس اضافے کی بنیادی وجہ کمپنی کے منافع کی شرح میں اضافہ ہے۔ کمپنی کے سرمائے کی ترتیب میں کسی قسم کی توجہ طلب تبدیلی نہیں کی گئی ہے اور نہ ہی کمپنی کے تمویلی طریق کار میں کوئی تبدیلی لائی گئی ہے۔

انتظامات برائے تمویل

آپکی کمپنی نا صرف متعامل سرمائے کی حامل ہے بلکہ اسے پاکستان کے مختلف بینکوں سے قلیل المدتی اور طویل المدتی قرضوں کی سہولت بھی حاصل ہے۔ حالیہ نقد رقوم کی اضافی ترسیل کی وجہ سے ان تمویلی مواقع سے فائدہ نہیں اٹھایا گیا۔ البتہ کمپنی کو حاصل تمویلی ذرائع سے مستقبل میں بقدر ضرورت نقد رقوم کے بندوبست کیلئے فائدہ اٹھایا جا سکتا ہے۔ چونکہ لکی سیمنٹ کی ساکھ مارکیٹ میں ایک باعتماد ادارے اور مستقل کھلاڑی کی ہے اس لئے ہمیں قرض کی سہولت فراہم کرنے والے تمام ادارے ہمارے مالیاتی نظام کے نظم وضبط پر مکمل یقین رکھتے ہیں۔

مختلف شعبوں میں کاروباری کارکردگی پر نظر

آئی سی آئی کا حصول کمپنی کی اس پالیسی کا حصہ ہے کہ کاروبار کو نئی جہتوں اور سمتوں میں پھیلایا جائے، اس سلسلے میں لکی سیمنٹ کی کاروباری سرگرمیوں کو درج ذیل پانچ مسلمہ کاروباری شعبوں میں لایا گیا ہے جس کا جائزہ ذیل میں پیش ہے:

شعبے	آمدن شرح نمو	خام منافع کی شرح	منافع بر مبنی کاروباری سرگرمیوں کی شرح	شعبوں کے اثاثہ جات (بلین روپے میں)	شعبوں کے ذمہ واجب الادا رقوم (بلین روپے میں)
سیمنٹ	1.03٪	48.21٪	41.20٪	41.30	9.53
پولیسٹر	(15.41٪)	(3.63٪)	(6.62٪)	9.08	13.03
سوڈاایش	6.97٪	29.40٪	25.15٪	19.01	2.81
حیاتیاتی سائنسز	12.63٪	28.26٪	11.02٪	10.39	2.19
کیمیکلز	5.11٪	21.31٪	10.40٪	3.92	0.92

کمپنی کے نقد رقوم کی ترسیل سے متعلق اہم ذرائع

ترسیل نقد رقوم سے متعلق حکمت عملی

آپکی کمپنی ایک مؤثر ترسیل نقد رقوم کے نظام کی حامل ہے جس کے تحت نقد رقوم کی آمد اور خرچ کئے جانے سے متعلق محتاط تخمینے لگائے جاتے ہیں اور باقاعدگی کے ساتھ ان امور کی نگرانی کی جاتی ہے۔ متعامل سرمایے (ورکنگ کیپٹل) کا بندوبست بنیادی طور پر کمپنی کے اندرونی ذرائع سے ہی کر لیا جاتا ہے۔

رواں سال کے دوران کمپنی نے اپنے کاروباری افعال کے ذریعے 21.75 بلین روپے حاصل کئے جس میں سے 5 بلین روپے انکم ٹیکس کی ادئیگی، 1.54 بلین روپے سرمایہ کاری کی مد میں، 1.50 بلین روپے طویل المیعاد سرمایہ کاری کی مد میں اور 2.89 بلین روپے حصص داران کو منافع کی تقسیم کی مد میں خرچ کئے گئے۔

سرمایہ کاری

1×660 میگاواٹ، سپر الیکٹریکل، بر مبنی کوئلہ پاور پروجیکٹ

حکومت کے مشورے پر آپکی کمپنی کی انتظامیہ حالیہ متعلقہ حکام کے ساتھ بات چیت میں مصروف ہے کہ کمپنی بر آمد شدہ کوئلے کے علاوہ تھر سے دریافت ہونے والے کوئلے کو بھی بطور ایندھن استعمال میں لانے کی کوئی تدبیر کرے۔ اس سے قبل ای پی سی کنٹریکٹروں سے پرجیکٹ کے ڈیزائن کے بارے میں بات طے ہوچکی تھی لیکن تھر کے کوئلے کو اس پروجیکٹ میں استعمال کرنے کی غرض سے اس پرجیکٹ کے ڈیزائن میں کچھ تبدیلیاں کرنا ہونگی۔ پروجیکٹ ان تبدیلیوں کے سلسلے میں ای پی سی کے ساتھ حتمی معمالات طے کرنے کا ہدف اکتوبر 2016 تک حاصل کرلیا جائے گا۔ یہ پروجیکٹ اپنے اصل مقام پورٹ قاسم کراچی پر لگایا جائے گا۔

مالی سال 30 جون 2016 کی جامع آڈٹ شدہ مالیاتی رپورٹ میں لکی الیکٹرک پاور کمپنی لمیٹڈ کے کل اثاثوں کی اصل قدر ظاہر کردی گئی ہے جو کہ بلو اسطہ 100 فیصد آپکی کمپنی کا ایک ذیلی ادارہ ہے۔

سیمنٹ پلانٹ ڈی آر کونگو میں مشترکہ منصوبے میں سرمایہ کاری

پروجیکٹ کی سائٹ پر تعمیراتی کام تکمیل کے مراحل میں ہے تاکہ مطلوبہ کمرشل آپریشنز تاریخ (سی او ڈی) مؤرخہ اکتوبر 2016 تک پایہ تکمیل کو پہنچ جائے۔

ڈی آر کونگو پلانٹ کے 50 فیصد حصص کمپنی کے پاس ہونے کی وجہ سے آنے والے اہم مالیاتی نتائج کو کمپنی کی مالیاتی دستاویزات برائے سال 30 جون 2016 میں بھی ظاہر کیا گیا ہے

پچاس (50) میگاواٹ کے بادبانی فارم کی منسلکہ کمپنی میں سرمایہ کاری بر مبنی حصص

اللہ تعالیٰ کی رحمت سے یہ پروجیکٹ ستمبر 2016 کے مہینے میں اپنی مدت تکمیل پوری کرچکا ہے اور نیشنل گرڈ میں بجلی بہم سپلائی کررہا ہے۔

پروجیکٹس۔نئے و جاری

براؤن فیلڈ توسیع (اضافی لائن کی تنصیب) بمقام کراچی پلانٹ

پبلک اور نجی شعبوں میں تعمیرات کے بڑھتے ہوئے رجحان اور انفرااسٹرکچر کی تعمیرات بالخصوص چین کی جانب سے سی پیک کے منصوبے کے شروع کئے جانے کے بعد قوی امید ہے کہ سیمنٹ کی کھپت میں کئی گناہ اضافہ ہو گا، اس اضافے کے پیش منظر آپکی کمپنی نے سیمنٹ کی پیداواری صلاحیت میں اضافے کا فیصلہ کیا ہے اور اس غرض سے کراچی میں ایک نئی پیداواری لائن لگائی جارہی ہے جس کی پیداواری صلاحیت 1.25 ملین ٹن سالانہ ہو گی اس پر آنے والی لاگت کا تخمینہ 30 ملین امریکی ڈالر ہے۔ یہ اضافی پروڈکشن لائن 2017 کے کلینڈر سال کے آخر تک فعال کر دی جائے گی۔

پاکستان کے صوبہ پنجاب میں گرین فیلڈ سیمنٹ پلانٹ کی جامع کوششیں

آپکی کمپنی حکومت پنجاب سے مذاکرات کر رہی ہے کہ اس پروجیکٹ کیلئے زمین حاصل کی جاسکے، اسی طرح اس پروجیکٹ کو شروع کرنے کیلئے سپلائر سے ضروری آلات کی سپلائی کیلئے بھی بات چیت جاری ہے۔ امید ہے کہ یہ دونوں اہداف ستمبر 2016 کے آخر تک حاصل کر لئے جائیں گے۔

پیسکو کو بجلی کے ترسیل

جولائی 2016 میں نیپرا کے پاس نرخوں کی نظر ثانی کیلئے درخواست جمع کروادی گئی ہے، تاہم نیپرا کی جانب سے نظر ثانی شدہ نرخ کاروباری اعتبار سے معقول نہیں تھے اس لئے آپکی کمپنی نے یہ فیصلہ کیا ہے کہ اس معاملے کی اب مزید پیروی نہ کی جائے۔

پیزو کے مقام پر 10 میگاواٹ کا ڈبلیو ایچ آر پلانٹ۔بھٹی

اس پروجیکٹ کے سلسلے میں سپلائر سے آلات کی سپلائی کا عمل زیر تکمیل ہے، پروجیکٹ کیلئے مطلوبہ سول ورکس کا عمل پروجیکٹ کی سائٹ پر پہلے ہی سے شروع کیا جاچکا ہے۔ امید کی جاتی ہے کہ یہ پروجیکٹ دسمبر 2016 تک مکمل کر لیا جائے گا۔

مقاصد جن کیلئے امداد فراہم کی گئی	مالی سال2016-2015	2015-2014
صحت کیلئے اقدامات کے سلسلے میں مریضوں کی امداد	154,200	170,300
تعلیم (وظائف)	36,117	36,341
عام عطیات	52,963	37,529
کل عطیات	243,280	244,170

حکومت سے واجب الوصول ٹیکس

یہ معاملہ کمپنی کی آڈٹ شدہ رپورٹ میں مزکور آڈٹ رپورٹ مؤرخہ 30 جون 2016 کے نوٹ کے حوالے سے بیان کیا جارہا ہے جس کی نشاندہی بطور خاص آڈیٹروں کی جانب سے کی گئی ہے کہ ایف بی آر نے صدر پاکستان کے سامنے وفاقی ٹیکس محتسب آرڈیننس مجریہ 2000 کی دفعہ 32 کے تحت جاری شدہ ایف ٹی او کی سفارشات کے خلاف درخواست پیش کی تھی تاہم صدر پاکستان نے اپنے حکم سے ان ایف ٹی او کی سفارشات کو منظور کرنے کے احکامات جاری کر دیئے۔ مزکورہ ایف ٹی او کمپنی کے حق میں تھیں۔ سال کے اخیر گزرنے کے بعد ایف بی آر نے ان ایف ٹی او کے خلاف پشاور ہائی کورٹ میں درخواست دائر کر دی- پشاور ہائی کورٹ نے اگلے احکامات آنے تک صدر پاکستان اور ایف ٹی او کے احکامات کو 14 جولائی 2015 کو معطل قرار دے دیا۔ کمپنی ایف بی آر کے مقدمے کے خلاف ایک حلف نامہ داخل کر واچکی ہے جو کہ ابھی تک پشاور ہائی کورٹ میں زیر التواء ہے۔

حیدر آباد الیکٹرک سپلائی کارپوریشن (حیسکو) سے واجب الوصول رقوم

یہ معاملہ آڈیٹر زرپورٹ میں مزکور اہم معاملے کی جانب اشارہ کرتا ہے جس کا ذکر کمپنی کی آڈٹ شدہ سالانہ مالیاتی دستاویزات بابت 30 جون 2016 کے نوٹس میں بھی کیا گیا ہے اس ضمن میں حیدر آباد الیکٹرک کمپنی سے واجب الوصول ان رقوم کو ظاہر کیا گیا ہے جن کی معیاد تو گزر چکی ہے لیکن انھیں ابھی نقصان کی مد میں ظاہر نہیں کیا گیا۔ ان وصولیوں کا تعلق حیسکو کو فروری 2015 سے جنوری 2016 تک فراہم کی جانے والی بجلی سے ہے۔ کمپنی نے سندھ ہائی کورٹ کے روبرو حیسکو کے خلاف واجبات کی عدم ادئیگی کیلئے ایک درخواست بھی دائر کر رکھی ہے جو کہ ابھی تک زیر التواء ہے، نیز کمپنی نے سپریم کورٹ آف پاکستان کے روبرو بھی نیپرا کے خلاف ایک اپیل دائر کر رکھی ہے جس میں نیپرا کے فیصلے بابت نظر ثانی شدہ نرخوں مورخہ 9 جنوری 2013 کے فیصلے کے سلسلے میں سندھ ہائی کورٹ کے فیصلے مورخہ 2 ستمبر 2015 کو چیلنج کیا گیا ہے۔ دوران سال کمپنی نے حیسکو کو بجلی کی سپلائی 9 جنوری 2016 سے معطل کر دی تھی، بجلی کی سپلائی کمپنی اور حیسکو کے مابین طے پانے والے بجلی کی فروخت کے معاہدے کی شرائط کی رو سے معطل کی گئی تھی۔

منافع اور تقسیم منافع

سرمائے اور سرمایہ بر مبنی حصص کی حالیہ صورتحال کو مدنظر رکھتے ہوئے بورڈ نے یہ تجویز پیش کی ہے کہ 10 روپے فی حصص کا حتمی منافع برائے مالی سال 30 جون 2016 ادا کیا جائے گا۔

ہمارا یہ فیصلہ کمپنی کے اس عزم کی پاسداری کرتا ہے جس کے تحت کمپنی نے یہ عہد کر رکھا ہے کہ حصص داران کو مستقل بنیادوں پر باقاعدہ منافع ادا کیا جاتا رہے۔ غیر تقسیم شدہ منافع کی صورتحال ذیل میں پیش خدمت ہے:

لکی سیمنٹ لمیٹڈ	روپے ہزاروں میں
کل منافع برائے سال	
سال کے آغاز پر غیر تقسیم شدہ منافع کا میزانیہ	-
منافع دستیاب برائے تقسیم	12,974,443
	12,974,443
تقسیم منافع	
منافع تجویز کردہ برائے سال 2015-2016 بقدر 10 روپے	(3,233,750)
عمومی ذخائر میں انتقال کیلئے مجوزہ رقم	(9,740,693)
سال کے اختتام پر غیر تقسیم شدی منافع کا میزانیہ	-
بنیادی و تحلیلی آمدن فی حصص- روپے میں	**40.03**

قومی ترقی میں حصہ

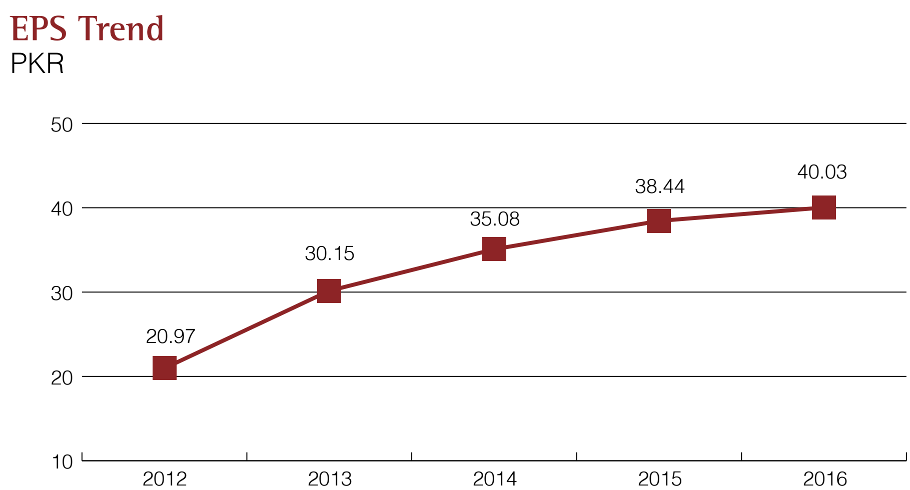
آپکی کمپنی کو اپنی کاروباری معاشرتی ذمہ داری کا پوری شدت کے ساتھ احساس ہے، کمپنی تعلیم، صحت، ماحولیات اور معاشرتی فلاح و بہبود کے دیگر بہت سے شعبوں میں ترقی کیلئے اقدام اٹھانے میں پرعزم ہے، اس سلسلے میں کمپنی برائے راست اپنے مالی وسائل کو بھی بروئے کار لاتی ہے اور بلواسطہ ان مقاصد کے حصول کیلئے سول سوسائٹی اور غیر سرکاری تنظیموں کے تحت چلنے والے فلاحی اداروں کی امداد بھی کرتی رہتی ہے جو معاشرے میں مثبت تبدیلی لانے کیلئے کوشاں ہیں۔

آمدن فی حصص

آپکی کمپنی کی فی حصص آمدن رواں مالی سال کے دوران 40.03 روپے رہی جبکہ گزشتہ سال فی حصص آمدن 38.44 روپے تھی۔

آمدن فی حصص کا رجحان

پاکستانی روپے میں



ٹیکس کی ادائیگی

گزشتہ مالی سال کے دوران ادا کئے گئے انکم ٹیکس 2.94 بلین روپے کے مقابلے میں رواں مالی سال کے دوران آپکی کمپنی نے 5.02 بلین روپے انکم ٹیکس کی مد میں ادا کئے۔ جبکہ رواں مالی سال کے دوران 440.19 ملین روپے کا پروویژن برائے مؤخر ٹیکس بھی بنایا گیا ہے۔ اس پروویژن کے بعد کل قابل ادائیگی مؤخر ٹیکس اب بتاریخ 30 جون 2016 کو 5.77 بلین روپے تک پہنچ چکا ہے۔

قومی خزانے میں حصہ

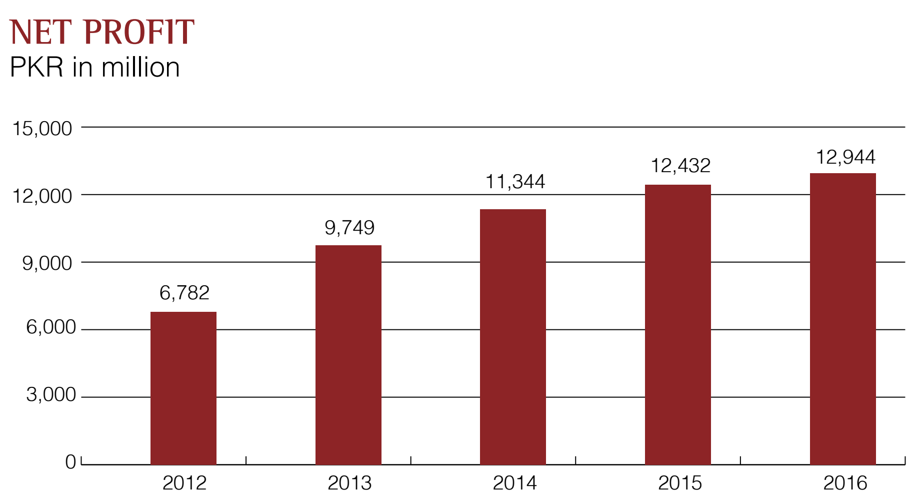
آپکی کمپنی نے اس سال انکم ٹیکس، ایکسائز ڈیوٹی، فروختگی ٹیکس اور دیگر سرکاری ٹیکسوں کی مد میں 17 بلین روپے (بمطابق 2015 13 بلین روپے) جمع کروائے۔ نیز اس سال وطن عزیز کیلئے آپکی کمپنی نے سیمنٹ کی برآمدات کی مد میں تقریباً 83 ملین ڈالر کا زرمبادلہ بھی کمایا۔

کل منافع

آپکی کمپنی نے کل منافع قبل از ٹیکس میں گزشتہ سال کے مقابلے میں رواں سال کے دوران 15.6 فیصد کا اضافہ کیا ہے، گزشتہ سال کے مطابق کل منافع 15,912 ملین روپے تھا جو کہ سال رواں میں بڑھ کر 18,400 ملین روپے ہو چکا ہے۔ اسی طرح کل منافع بعد از ٹیکس میں بھی گزشتہ سال مقابلے میں 4.1 فیصد کا اضافہ ہوا ہے۔ گزشتہ سال یہ منافع 12,432 ملین روپے تھا جبکہ رواں سال کے دوران کل منافع بعد از ٹیکس 12,944 روپے رہا۔

کل منافع

اعداد ملین روپے میں



تجزیہ برائے لاگت برائے فروختگی

تجزیہ برائے خام منافع

DISTRIBUTION OF REVENUE
(Percentage)

Distribution of Cost of Sales
(Percentage)

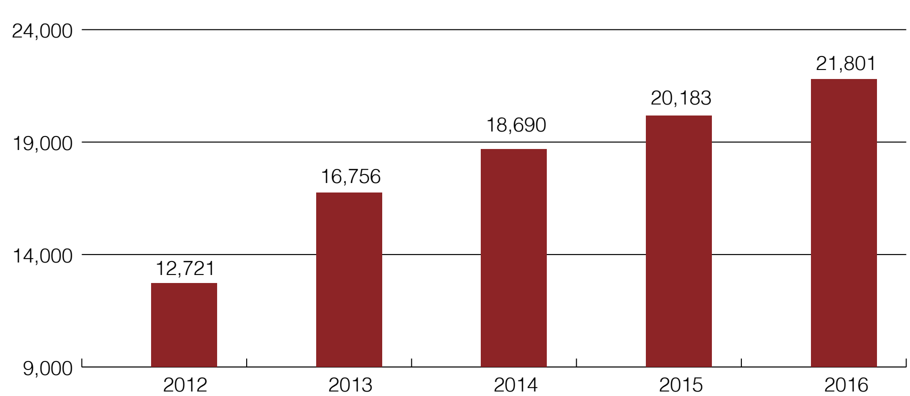
خام منافع

گزشتہ سال آپکی کمپنی کا خام منافع 45.1 فیصد رہا جس میں رواں سال میں بہتری آئی ہے اور اب سال رواں کے دوران یہ منافع 48.2 فیصد رہا۔

خام منافع

اعداد ملین روپے میں

GROSS PROFIT
PKR in million



ب۔مالیاتی کارکردگی

آپکی کمپنی کی مالیاتی کارکردگی برائے مالی سال 2015 -2016 کا تقابلی جائزہ بلحاظ گزشتہ سال درج ذیل ہے:

اعداد ملین روپے میں ماسوائے آمدن فی حصص کے

تفصیلات	مالی سال2015 -2016	مالی سال2014 -2015	تبدیلی فیصد میں
آمدن	45,222	44,761	**1.0٪**
خام منافع	21,801	20,183	**8.0٪**
آمدن بلحاظ کاروباری سرگرمیاں	18,632	16,138	**15.5٪**
آمدن قبل از سود، ٹیکس، فرسودگی	21,201	18,428	**15.0٪**
کل منافع	12,944	12,432	**4.1٪**
آمدن فی حصص	40.03	38.44	**4.1٪**

آمدن

رواں مالی سال کے دوران گزشتہ سال کے مقابلے میں کل فروختگی کی بنیاد پر آپکی کمپنی کی آمدن کی شرح نمو 1.0 فیصد رہی۔اس شرح نمو کا سہرا فروختگی کے حجم میں اضافے کو جاتا ہے۔

لاگت برائے فروختگی

سال رواں کے دوران آپکی کمپنی کی لاگت برائے فروختگی فی ٹن میں گزشتہ سال کے مقابلے میں 6.6 فیصد کی کمی واقع ہوئی ہے۔لاگت میں کمی کی بنیادی وجہ تیل اور کوئلے کے نرخوں میں کمی اور اس کے علاوہ پیزو اور کراچی کے مقامات پر ڈبلیو ایچ آر پلانٹس کی مثبت کارکردگی ہے۔

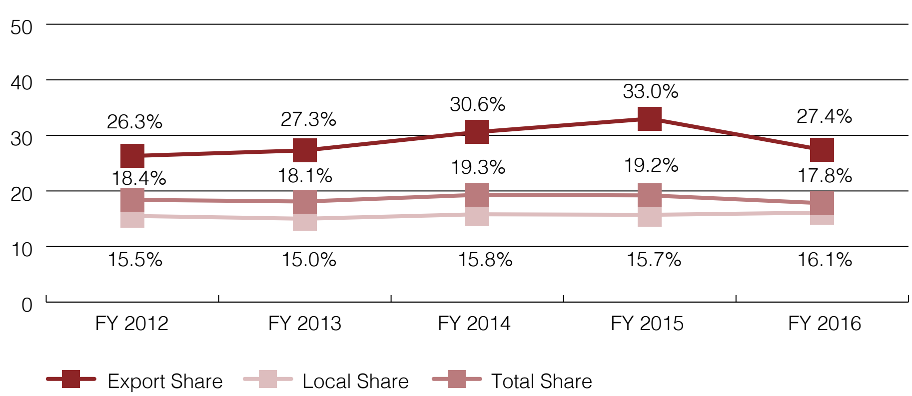
مارکیٹ میں حصہ	مالی سال 2015-2016	مالی سال 2014-2015	اضافہ / (کمی) فیصد میں
مقامی فروختگی	16.1%	15.7%	**2.5%**
برآمدات			
بوری بند	25.5%	30.2%	**(15.6%)**
کھلا سیمنٹ	100.0%	100.0%	**0.0%**
کل	27.4%	33.0%	**(17.0%)**
مجموعی کل	17.8%	19.2%	**(7.3%)**

بحوالہ: اے پی سی ایم اے ویب سائٹ۔

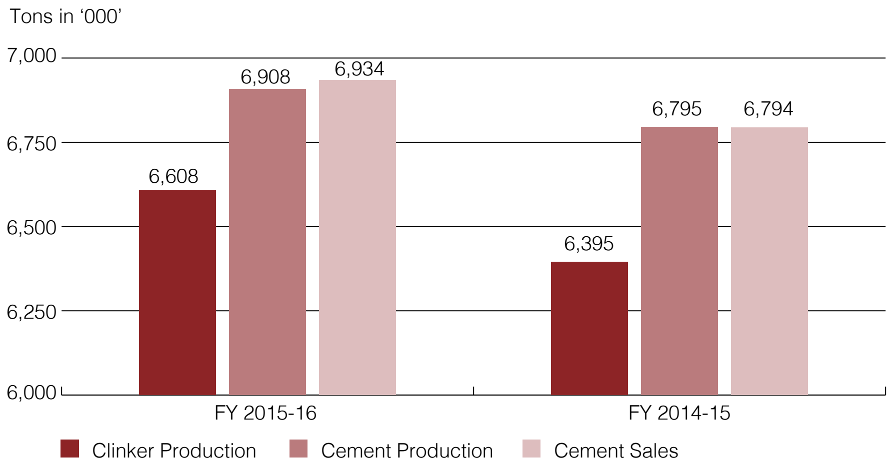
آپکی کمپنی کے مارکیٹ میں حصے کا سال بہ سال تقابلی تجزیہ درج ذیل ہے:

لکی سیمنٹ لمیٹڈ کا مارکیٹ میں حصہ سال بہ سال

YEARWISE LUCKY CEMENT MARKET SHARE



پیداواری حجم و حجم برائے فروختگی کا جائزہ بصورت گراف ذیل میں پیش ہے:



آپکی کمپنی اور سیمنٹ کی مجموعی صنعت کے مابین مالی سال 2015 -2016 کے دوران مال کی روانگی بلحاظ تقابل برائے مالی سال 2015 -2016 ذیل میں پیش خدمت ہے:

تفصیلات	مالی سال 2015 -2016	مالی سال 2014 -2015	اضافہ / (کمی)	
	ٹن ہزاروں میں			
سیمنٹ کی صنعت				
مقامی فروختگی	33,000	28,206	4,794	**17.0٪**
برآمدات:				
بوری بند	5,728	6,904	(1,176)	(17.0٪)
کھلا سیمنٹ	145	291	(146)	(50.1٪)
کل برآمدات	**5,873**	**7,195**	**(1,322)**	**(18.4٪)**
مجموعی کل	**38,873**	**35,401**	**3,472**	**9.8٪**
لکی سیمنٹ				
مقامی فروختگی	**5,327**	**4,421**	**906**	**20.5٪**
برآمدات				
بوری بند	1,462	2,082	(620)	**(29.8٪)**
کھلا سیمنٹ	145	291	(146)	**(50.1٪)**
کل برآمدات	**1,607**	**2,373**	**(766)**	**(32.3٪)**
مجموعی کل	**6,934**	**6,794**	**140**	**2.1٪**

ڈائریکٹرز جائزہ

آپکی کمپنی کے ڈائریکٹر انتہائی مسرت کے ساتھ آپکی خدمت میں کمپنی کے نتائج پیش کر رہے ہیں۔ نتائج ھذا مالی سال 30 جون 2016 سے متعلق آڈٹ شدہ مفرد اور یکجا مالیاتی دستاویزات پر مبنی ہیں۔

جائزہ

مالی سال 30 جون 2016 کے دوران پاکستان میں سیمنٹ کی صنعت کی شرح نمو 9.8 فیصد کے لحاظ سے 38.87 ملین ٹن فیصد رہی جو کہ گزشتہ برس 35.40 ملین ٹن تھی۔ مقامی سطح پر سیمنٹ کی فروخنگی میں شرح نمو 17.0 فیصد اضافہ ریکارڈ کیا گیا ہے، گزشتہ سال فروخنگی کے حجم 28.21 ملین ٹن کے مقابلے میں رواں مالی سال کے دوران مقامی فروخنگی کا حجم 33.00 ملین ٹن رہا، جبکہ بر آمدات کی مد میں 18.4 فیصد کی کمی ریکارڈ کی گئی ہے۔ گزشتہ سال کی بر آمدات 7.19 ملین ٹن کے مقابلے میں رواں سال بر آمدات کا حجم 5.87 ملین ٹن رہا۔

مالی سال 2015-2016 کے دوران آپکی کمپنی کی مجموعی شرح نمو 2.1٪ کے لحاظ سے 6.93 ملین ٹن رہی جبکہ گزشتہ سال کی فروخنگی 6.79 ملین ٹن تھی۔ مقامی سطح پر فروخنگی میں رواں مالی سال 2015-2016 کے دوران 5.33 ملین ٹن کے لحاظ سے شرح نمو 20.5 فیصد رہی جبکہ گزشتہ سال کی مقامی فروخنگی 4.42 ملین ٹن تھی۔ تاہم بر آمدات میں 32.2٪ کی کمی واقع ہوئی ہے، گزشتہ سال کی بر آمدات 2.37 ملین ٹن کے مقابلے میں رواں مالی سال 2015-2016 کے دوران بر آمدات 1.61 ملین ٹن رہیں۔

اس سال آمدن فی حصص 40.03 روپے رہی جو کہ گزشتہ برس کی آمدن فی حصص 38.44 کے مقابلے میں 4.1٪ زیادہ تھی۔

کاروباری کارکردگی

الف۔ کارکردگی برائے پیداوار و فروخنگی

آپکی کمپنی کی جانب سے حجم برائے پیداوار و فروخنگی کا جائزہ برائے مالی سال 2015 – 2016 بلحاظ تقابلی جائزہ گزشتہ مالی سال ذیل میں پیش کیا جار ہا ہے۔

تفصیلات	مالی سال 2015-2016	مالی سال 2014-2015	اضافہ / (کمی) فیصد میں
	ٹن ہزاروں میں		
پیداوار برائے کلنکر	6,608	6,395	3.3٪
پیداوار برائے سیمنٹ	6,908	6,795	1.7٪
فروخنگی برائے سیمنٹ	6,934	6,794	2.1٪


www.jamapunji.pk
Jama Punji
سرمایہ کاری سمجھداری کے ساتھ
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk
Key features:
Licensed Entities Verification
Scam meter*
Jamapunji games*
Tax credit calculator*
Company Verification
Insurance & Investment Checklist
FAQs Answered
Stock trading simulator (based on live feed from KSE)
Knowledge center
Risk profiler*
Financial calculator
Subscription to Alerts (event notifications, corporate and regulatory actions)
Jamapunji application for mobile device
Online Quizzes
jamapunji.pk
@jamapunji_pk
Jama Punji is an Investor Education Initiative of Securites and Exchange Commission of Pakistan
SECP
*Mobile apps are also available for download for android and ios devices

Head Office

6-A Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street,
Karachi-75350, Pakistan.
UAN: (+92-21) 111-786-555 Fax: (+92-21) 34534302
Email: info@lucky-cement.com

Liaison Offices

Islamabad

ISE Tower (16th Floor), 55-B, Jinnah Avenue,
Islamabad
Tel.: 051-2895370-75, Fax: 051-2895376
E-mail: dm@lucky-cement.com

Multan

Office Number 607, 6th Floor,
The United Mall, Abdali Road,
Multan (near Ramada Inn Hotel)
Tel: (+92-61) 4540556-7, Fax: (+92-61)-4540558
Email: multan@lucky-cement.com

Lahore

17-C/3, Gulberg III, near Hussain Chowk, Lahore.
UAN: (+92-42) 111-786-555
Tel: (+92-42) 35772508
Fax: (+92-42) 35772512
Email: lahore@lucky-cement.com

Peshawar

Syed Tower, Room No. 5, 6 & 7, 3rd Floor
Opposite Custom House, University Road,
Peshawar.
UAN: (+92-91) 111-786-555
Tel: (+92-91) 5844903
Fax: (+92-91) 5850969
Email: peshawar@lucky-cement.com

Quetta

F1, First Floor, Institute of Engineers Building,
Zarghoon Road, Quetta.
Tel: (+92-81) 2837583
Fax: (+92-81) 2829267
Email: quetta@lucky-cement.com

Dera Ismail Khan

2nd Floor, State Life Building,
East Circular Road, DI Khan
Telephone: (+92-966) 717313
Fax: (92-966)717315

Plants

Pezu Plant

Main Indus Highway, Pezu,
Distt. Lakki Marwat, Khyber Pakhtunkhawa
Tel: (+92-969) 580123-5
Fax: (+92-969) 580122

Karachi Plant

104 km milestone from Karachi to Hyderabad (58 km towards Karachi)
Fax: (+92-21)35206421

www.lucky-cement.com

6 - A Muhammad Ali Housing Society,
A Aziz Hashim Tabba Street, Karachi - 75350, Pakistan
Tel : 92 21 111 786 555, Email : info@lucky cement.com