LUCKY CEMENT

Shaping Tomorrow

Annual Report 2017

Shaping Tomorrow

The science of success has been mastered by Lucky Cement. Our passion for progress cannot be limited by geography and our commitment knows no boundaries. With an ever-watchful eye on expansion, diversification and growth, we are shaping the future for you today and tomorrow.

Contents

Concrete Foundations

1993
- Incorporated in Pakistan

1994
- Listed on Karachi, Lahore and Islamabad Stock Exchanges (now Pakistan Stock Exchange)

1996
- Started commercial production with 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 Pakistan's largest cement producer

2006
- Investment 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 (WHR) project at both Karachi and Pezu plants
- Further invested in Logistics / Multi-purpose 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 Basra, Iraq
- Acquisition of ICI Pakistan Limited

2013
- 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 1 x 660MW Coal Fuel Power project in Karachi
- Became the only Pakistani company to be listed in Forbes 'Asia's 200 Best Under a Billion' list

2015
- 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 50MW Wind Farm project in September 2016
- Implementation of SAP S/4 HANA across the company

2017
- Diversified into automotive business with incorporation of Kia Lucky Motors Pakistan Limited to manufacture, assemble and sell Kia motor vehicles in Pakistan
- Started commercial operations in DR Congo

Defining
Success

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 FOCUSED

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

ETHICS AND INTEGRITY

- Honesty
- Integrity
- Transparency
- Professional conduct

SOCIAL RESPONSIBILITY

- Sustainable Development
- Philanthropy driven projects
- Community Development
- Environment friendly initiatives

ENTREPRENEURSHIP

- Value Addition and Creation
- Robust Ownership
- Loyalty branding
- Identifying and Capitalizing on Opportunities
- Business driven approach

INNOVATION

- Creative Solutions
- Cutting edge innovations
- Process automation
- Improving upon industry benchmarks

EXCELLENCE

- Setting up Industry Benchmarks
- Continuous Improvement
- Always open to new initiatives
- Adoption of world class technologies

Company at a Glance

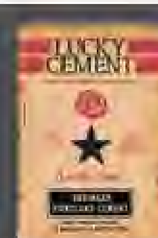
Over the years, Lucky Cement in Pakistan has evolved into a premium cement manufacturer by delivering consistent quality, providing unmatched customer satisfaction, utilizing state-of-the-art vertical and horizontal grinding technology, and most importantly, benefiting from low production costs with the history and experience of over 20 years of cement production (totaling 7.75 MTPA) in Pakistan via its plants in Pezu and Karachi, Lucky cement now has production footprints in Iraq and DR Congo and a global customer base.

CORE BRANDS

Lucky Cement produces cement to suit every need. Variations of Ordinary Portland Cement (OPC) and Sulphate Resistant Cement (SRC) are manufactured to meet the needs of a wide range of customers. The following cement brands are available domestically

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

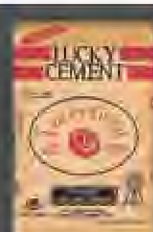
Lucky Cement (Regular):
Lucky Cement Regular is an OPC brand and sells primarily in the North region markets of Pakistan.



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

Lucky Sulphate Resistant Cement:
Developed specially for use along shorelines and canal linings, Lucky SRC sells nationwide.

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



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

LOCAL AND INTERNATIONAL MARKETS

In the last 20 years of history, Lucky Cement has grown in leaps and bounds. Within the country, it has developed a distribution network that allows its locally produced cement to be made easily available in every part of the Country. From the port of Karachi to the picturesque valley of Kashmir and from the upcoming spectacular Gwadar city project to the highlands of Gilgit-Baltistan – Lucky Cement is found everywhere!

Internationally, Lucky Cement has made significant strides too. Lucky Cement has recently acquired OPC-53 Grade certification from Bureau of Indian Standards (BIS), enabling the company to offer additional variety to the Indian market. On the western front or more specifically east African markets continue to remain the stronghold of the Company and a major source for earning foreign exchange for the country.

QUALITY ASSURANCE OF PRODUCTS

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

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

- Bureau of Indian Standards
- 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 products are 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 a prerequisite to export cement in European Union markets.

Competitive Edge

GLOBAL PRESENCE

Lucky Cement has been following a business strategy of having its presence not only in the local Pakistani market, but also in the international markets by way of exports. It is the only Pakistani cement manufacturing company having manufacturing facilities outside Pakistan. Lucky's cement grinding plant in Basra, which has been operational since 2014 is currently under expansion and will have an additional grinding capacity of 0.871 MTPA from November 2017, which will actually double from its existing capacity to a total of 1.742 MTPA. The cement plant with capacity of 1.2 MTPA in DR Congo started commercial operations from December 2016 and has been ramping up on cement production satisfactorily.

SAP ENTERPRISE SYSTEM

Lucky Cement has yet again proven that they are the unparalleled leaders in the Pakistani cement market, as Project ASPIRE is one of the first few SAP S/4 HANA projects in the world!

SAP S/4 HANA gives Lucky Cement the edge to run simply in a digital and networked world. The future scalability of the new system is an exceptional benefit that will facilitate addition of new business processes effortlessly into the system. Furthermore, the new system will allow all employees to access real-time data to make timely decisions in their respective business areas.

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 to save energy, 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 (WHR) systems at its plants. The WHR system encapsulates all the wasted heat (which was previously being released in the atmosphere) from the production line and power generators and utilizes it to generate electricity, which not only conserves energy, but also increases process efficiency. Lucky Cement has set up 2 WHR Plants at Karachi having cumulative generation capacity of 20.5 MW and 3 WHR Plants at Pezu having cumulative generation capacity of 25.20 MW.

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 its 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 to own state-of-the-art infrastructure and a logistics terminal at Karachi Port. The existing four cement silos at the port have a cumulative 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 to carry varying quantities of cement upto 55 Metric Tons of cement.

ADVANCED QUALITY CONTROL

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

ECONOMIES OF SCALE

The benefits of utilizing state-of-the-art technology and latest infrastructure accrue in the form of lower costs of production. Lucky Cement enjoys an edge over its competition and sustains its overhead costs due to lower fixed costs per ton. The company's 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

Lucky Cement boasts an articulated prime mover fleet that comprises eighty-eight (88) vehicles, utilizing specialized and custom-made attachments including fifty (50) 48 ft. trailers and seventy (70) bulkers of varying capacities and tonnages. These are used in combination with the articulated prime mover fleet to ensure highest levels of service and efficiency.

A well-synchronized logistics' system does not only strengthen the overall capabilities of the company, but is also a source of immense competitive advantage in this highly competitive industry.The company's integrated sales structure offers superior quality cement within the shortest possible lead-time. The seamless management of all product delivery solutions is managed by a dedicated team to ensure that whatever the needs of the market, Lucky Cement remains a step ahead of the competition.

An important junction in the supply chain is the management of logistics services. LCL's Logistics department has seen continuous improvement in its operations. The increase in the average daily haulage and improvements in the asset utilization is clear indication of the progress made.

Furthermore, a commitment to the highest possible safety standards is upheld at every stage of operations – from environmental and safety compliance of vehicles to human resource development. Driver training sessions were held in collaboration with Total PARCO, to reinforce the importance of defensive driving and precautionary measures before and while driving.

LARGEST PORTFOLIO OF INSTITUTIONAL CLIENTELE

Lucky Cement Limited is one of the largest producer of the finest quality cement in Pakistan. Our highly qualified management coupled with the state-of-the-art production technology has earned the company the reputation of being the most trusted supplier in the served markets.

This consistency in quality together with timely provision of customer services has resulted in maintaining the largest pool of highly satisfied customers across the globe. The only company in the region having the most advanced and exhaustive transportation network to ensure timely supplies, Lucky Cement enjoys the most diversified pool of customers.

Besides catering to the needs of institutional customers, we work along with strategic Government Institutions like DGP Army, FWO, NLC, CWO and Naval Housing and play our part in the development of the nation. Owing to our 24/7 service network across the Country; we are the first choice of majority Chinese infrastructure development projects working under the China Pakistan Economic Corridor (CPEC) initiative. CPEC initiative has not only opened new horizons of growth and prosperity for the country but has also provided us the opportunity to once again prove our strength by capturing a major segment of this business as well.

BRAND EQUITY

Lucky Cement has a wide network of dealers and resultantly has an edge in selling its products throughout Pakistan. The brand is synonymous with progress. The competitive edge stems from the fact that a team of thorough marketing professionals backs the brand name and a competent sales-force have made it possible to make Lucky Cement accessible to all businesses nationwide. This combo has resulted in Lucky Cement becoming the leading cement company because of its ability to connect with its local market. Whether the talk is about exports, production processes, advertising or brand equity, Lucky Cement has constantly raised the bar for competition.

Business Strategies

Our business is focused on the delivery of five strategic priorities which aim to increase upon sustainable growth and cost efficiency to support value creation for all our stakeholders. Everyone at Lucky Cement has a role to play in delivering these strategic priorities.

Holding and growing local market share

Focus on reinforcing our strength while designing our business strategies for the local market.

Increasing our share in the international market

Channeling our resources towards development of new markets to become more accessible to the global construction industry.

Efficiency

Strive for continuous efficiency improvement to bring down our energy consumption and costs by optimum utilization of available 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 through ensuring sustainable consumption of planet's available resources

HR Excellence

We believe in people development. 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 the Company 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 stakeholders and applies to all Board Members, Senior Management and Employees of the Company.

CORPORATE GOVERNANCE PRACTICES

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

COMPLIANCE OF APPLICABLE LAWS

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

TRANSACTIONS' TRANSPARENCY

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

REFRAIN FROM INSIDER TRADING

Employees working in the Company are required to refrain from Insider Trading and are required to comply with the Insider Trading Regulations laid down and updated by SECP from time to time.

SECONDARY EMPLOYMENT BY EMPLOYEES

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

COMPANY ASSETS FORTIFICATION

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

PROTECTION OF PRIVACY AND CONFIDENTIALITY

Company recommends that all its employees maintain the exclusivity of Company's trade secrets and confidential information acquired during and after performance of their employment.

However, the Board Members and Senior Management can disclose any such information if it is considered part of public domain by the board or required to be disclosed in accordance with the applicable laws.

CONFLICTS OF INTERESTS

While representing the Company in dealings with third parties all Lucky Cement employees shall not allow themselves to be placed in a position in which an actual or apparent conflict of interest exists. All such activities shall be conducted strictly on an arm's length business basis.

Employees are expected to be honest and ethical in dealing with each other, with customers, suppliers, dealers, vendors and contractors to avoid compromises on the ability of transacting business on competitive basis. All employees shall exercise great care in situations in which a pre-existing personal relationship exists between an individual and any third party or official of an agency with whom the Company has an existing or potential business relationship. Moreover, no employee shall influence decisions to be made by the Company if any relative is a supplier or competes with the company in any manner, thereof. All Lucky Cement employees shall avoid conducting business except with the prior approval of the Management requiring proper disclosure with:

I. A relative,
II. A Private Limited Company in which 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,

Code of Conduct

ANTI-BRIBERY / CORRUPTION

Lucky Cement employees shall not be engaged in any kind of bribery or corruption for conducting the Company's business. Employees must not get involved in money laundering or financing of terrorism and shall not be part of any dealings with any person who is engaged or is on any sanctioned lists or practice or is subject to any criminal or civil penalties related to narcotics trafficking or corruption or is politically exposed person or with persons engaged in any litigation or arbitral proceedings against the Company. This prohibition applies everywhere and under all circumstances.

EQUAL EMPLOYMENT OPPORTUNITY

The Company believes in providing equal opportunities to all its employees. 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 will be taken against any person who is found to be in breach of such rule.

BORROWING MONEY

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

RECEIVING OF GIFTS, PAYMENTS OR FAVORS

All Company 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 on health and safety measures in carrying 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 newspapers or magazines 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 only 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.

Geographical Locations

Karachi	Head Office Karachi Plant
Quetta	Marketing Office
Multan	Marketing Office
Lahore	Marketing Office
Islamabad	Central Marketing Office
Peshawar	Marketing Office
Dera Ismail Khan	Marketing Office
Lakki Marwat	Pezu Plant

Company Information

BOARD OF DIRECTORS

Muhammad Yunus Tabba – Chairman
Muhammad Ali Tabba
Muhammad Sohail Tabba
Jawed Yunus Tabba
Mariam Tabba Khan
Zulekha Tabba Maskatiya
Muhammad Abid Ganatra
Tariq Iqbal Khan

MANAGEMENT TEAM

Chief Executive Officer	Muhammad Ali Tabba
Executive Director	Noman Hasan
Director Finance & Chief Financial Officer	Irfan Chawala
Chief Operating Officer	Amin Ganny
Chief Strategy & Investment Officer	Sajid Feroze
Chief Operating Officer - International Businesses	Wajahat Athar
Company Secretary	Faisal Mahmood

BOARD COMMITTEES

Audit Committee

- Tariq Iqbal Khan – Chairman
- Muhammad Sohail Tabba
- Jawed Yunus Tabba
- Mariam Tabba Khan
- Zulekha Tabba Maskatiya
- Muhammad Abid Ganatra

Human Resource and Remuneration Committee

- Mariam Tabba Khan – Chairperson
- Muhammad Ali Tabba
- Muhammad Sohail Tabba
- Jawed Yunus Tabba
- Zulekha Tabba Maskatiya

Budget Committee

- Muhammad Sohail Tabba – Chairman
- Muhammad Ali Tabba
- Jawed Yunus Tabba
- Muhammad Abid Ganatra

Share Transfer Committee

- Jawed Yunus Tabba – Chairman
- Mariam Tabba Khan
- Muhammad Abid Ganatra

BANKERS

Allied Bank Limited
Allied Bank Limited – Islamic Banking
Askari Bank Limited
Askari Bank Limited – Islamic Banking
Bank Alfalah Limited – Islamic Banking
Bank AL-Habib Limited
Bank AL-Habib Limited – Islamic Banking
Citibank N.A.
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Bank Limited – Islamic Banking
Habib Metropolitan Bank Limited
Habib Metropolitan Bank Limited – Islamic Banking
Industrial and Commercial Bank of China Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

AUDITORS

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

REGISTERED OFFICE

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

HEAD OFFICE

6-A, Muhammad Ali Housing Society,
A.Aziz Hashim Tabba Street,
Karachi – 75350
UAN: (021) 111-786-555
Website: www.lucky-cement.com
Email: info@lucky-cement.com

PRODUCTION FACILITIES

1. Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan
2. 58 Kilometers on Main Super Highway, Gadap Town, Karachi, Pakistan

SHARE REGISTRAR/TRANSFER AGENT

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

Muhammad Yunus Tabba
Chairman

Chairman's Profile

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

Directorship

- Asrit Kedam Hydro Power Project Limited
- 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 Officer

CEO's Profile

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

He started his career with Yunus Brothers Group (YBG) - a family conglomerate in 1991. YBG is one of the premier business houses in Pakistan with diversified interests in Building Materials, Chemicals, Pharmaceuticals, Energy, Textiles, Automotives and Real Estate Development.

Muhammad Ali Tabba serves on the Board of Trade Development Authority of Pakistan (TDAP) – a global trade development arm of Pakistan's 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, Muhammad Ali Tabba is the Chairman 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 has also served in the past as the Chairman of All Pakistan Cement Manufacturing Association (APCMA), a regulatory body of cement manufacturers in Pakistan. He has also been appointed by the Government of Pakistan to serve on the Board of Directors of Oil and Gas Development Company (OGDC).

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

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

Directorship

- Al-Mabrooka Cement Manufacturing Company Limited
- All Pakistan Cement Manufacturer Association
- Asrit Kedam Hydro Power Project Limited
- Aziz Tabba Foundation (Trustee)
- Cirin Pharmaceuticals (Private) Limited
- Fashion Textile Mills (Pvt) Limited
- Gadoon Textile Mills Limited
- ICI Pakistan Limited
- Karachi Education Initiative
- Kia Lucky Motors Pakistan Limited
- LCL Holdings Limited
- LCL Investment Holdings Limited
- Lucky Air (Private) Limited
- Lucky Al Shumookh Holdings 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
- Lucky Knits (Private) Limited
- Lucky Landmark (Private) Limited
- Lucky Paragon Readymix Limited
- Lucky Rawji Holdings Limited
- Lucky Textile Mills Limited
- Luckyone (Private) Limited
- Lucky Wind Power Limited
- NutriCo Pakistan (Private) Limited
- NutriCo International (Private) Limited
- NutriCo Morinaga (Private) Limited
- Nyumba Ya Akiba S.A.
- Oil & Gas Development Company Limited
- Pakistan Business Council
- Pakistan International Airlines Corporation Limited
- Security Electric Power Company Ltd
- Trade Development Authority of Pakistan
- Triple Tree (Private) Limited
- 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 businessman in Pakistan with vast experience in the manufacturing, energy, real estate and cement sectors gained during an illustrious career spanning over two decades.

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

Muhammad Sohail Tabba is also the Chief Executive of Lucky Energy Private Limited and Yunus Energy Limited in addition to Lucky One Private Limited. He is the Chairman of Lucky Paragon Readymix Concrete and a Director on the Board of Lucky Cement Limited – Pakistan's leading cement manufacturer and exporter. In December 2016, Mr Sohail Tabba was appointed as a Director on the Board of Kia Lucky Motors Pakistan Limited (a subsidiary of Lucky Cement Limited).

Mr. Tabba 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. Tabba's philanthropic and social engagements include being the founding member of the Child Life Foundation and the Italian Development Council. He also serves as a Director for the Tabba Heart Institute and the Aziz Tabba Foundation. He has also previously served on the Board of Governors at Hamdard University Pakistan.

Directorship

- Asrit Kedam Hydro Power Project Limited
- Aziz Tabba Foundation (Trustee)
- Childlife Foundation (Trustee)
- Cirin Pharmaceuticals (Private) Limited
- FITE Development & Management Company
- Gadoon Textile Mills Limited
- ICI Pakistan Limited
- Kia Lucky Motors Pakisan Limited
- LCL Holdings Limited
- LCL Investment Holdings Limited
- Lucky Air (Private) Limited
- Lucky Al Shumookh Holdings 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
- Lucky Rawji 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
- Nyumba Ya Akiba S.A.
- 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 Officer and Director of a renowned textile mill. His untiring efforts helped him acquire deep insight and expertise into the export and manufacturing activities. He has been instrumental in managing the textile concerns of the Yunus Brothers Group and has transformed Lucky Textile Mills into one of the premier Textile Companies in Pakistan. He is also the Chairman of the Shares Transfer Committee of the Board of Lucky Cement Limited.

Jawed Yunus Tabba is also the Chief Executive Officer of Lucky Textile Mills Limited which is among the top five Home Textile Exporters from Pakistan. Lucky Textile Mills has been a story of rapid expansion and diversification in the textile industry under his leadership and guidance.

He has a rich experience in Textile Industry and is also managing the Real Estate Project Luckyone, which is the Largest Mall in Pakistan. Luckyone is currently touted as a multi-faceted - first of its kind regional shopping mall which will revolutionize the shopping experience in Pakistan.

Jawed Tabba is also extensively engaged in community welfare projects which include the Aziz Tabba Foundation, which is working extensively in the field of social welfare, education, health and housing.

Directorship

- Asrit Kedam Hydro Power Project Limited
- Aziz Tabba Foundation (Trustee)
- Gadoon Textile Mills Limited
- ICI Pakistan Limited
- Kia Lucky Motors Pakisan Limited
- Lucky 1888 Mills Pakistan (Pvt) 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 Limited
- Y.B. Holdings (Private) Limited
- Y.B. Pakistan Limited
- Yunus Energy Limited
- Yunus Textile Mills Limited
- Yunus Wind Power Limited

Board of Directors

MARIAM TABBA KHAN

Mariam Tabba Khan, took over the charge of the not-for-profit Tabba Heart Institute (THI) as Chief Executive Officer in June, 2005, immediately after the sad and sudden demise of her philanthropist father, Abdul Razzak Tabba. Although she had acquired a master's degree, MBA, she was not involved in her father's business ventures in his lifetime. But after his death she took the challenge of establishing and running the state-of-the-art Tabba Heart Institute. The hospital is serving both affording and non-affording patients, with dedication, attentiveness and commitment, maintaining a high standard of professionalism and humanistic care with respect, sincerity and transparency, in her leadership. The hospital, an ISO 9001 and ISO 14001 certified facility, is recognized by the College of Physicians & Surgeons Pakistan (CPSP) for imparting post-graduate training in Cardiology, Cardiothoracic surgery, Interventional Cardiology and Cardiothoracic Anesthesia. Also, THI is giving a Diploma in Cardiac Nursing, recognized by Pakistan Nursing Council (PNC).

She is a popular full time CEO of the hospital and her presence gives an energetic boost to her entire team.

Directorship

- Aziz Tabba Foundation (Trustee)
- Asrit Kedam Hydro Power Project Limited
- Fashion Textile Mills (Pvt.) Limited
- Gadoon Textile Mills Limited
- Kia Lucky Motors Pakisan Limited
- LCL Holdings Limited
- LCL Investment Holdings Limited
- Lucky Air (Private) Limited
- Lucky Cement Limited
- Lucky Energy (Private) Limitedd
- 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

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, 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)
- Asrit Kedam Hydro Power Project Limited
- Gadoon Textile Mills Limited
- 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

MUHAMMAD ABID GANATRA

Muhammad Abid Ganatra has been associated with 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 (ICAP) and Institute of Cost & Management Accountants of Pakistan. He has also gained a Master's Degree in Economics and Bachelor's in Law.

Directorship

- Cirin Pharmaceuticals (Private) Limited
- ICI Pakistan Limited
- ICI Pakistan PowerGen Limited
- InterGro Life Limited
- Lucky Cement Limited
- NutriCo International (Private) Limited
- NutriCo Morinaga (Private) Limited
- NutriCo Pakistan (Private) Limited
- ICI Pakistan Management Staff Provi dent Fund - Trustee
- ICI Pakistan Management Staff Gratuity Fund - Trustee
- ICI Pakistan Management Staff Defined Contribution Superannuation Fund-Trustee
- ICI Pakistan Management Staff Pension Fund - Trustee
- ICI Pakistan Non-Management Staff Pension Fund – Trustee

TARIQ IQBAL KHAN

Tariq Iqbal Khan is a fellow member 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 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
- Audit Oversight Board - Member
- CAS Management (Pvt) Limited
- FFC Energy Limited
- High Altitude Sustainability Trust - Trustee
- Human Element Foundation - Trustee
- International Steel Limited
- Islamic International Medical Trust
- Khyber Pakhtunkhwa Oil & Gas Co Ltd
- Lucky Cement Limited
- National Refinery Limited
- Packages Limited
- Pakistan Engineering Academy Endowment Fund
- Pakistan Oil Fields Limited
- Silkbank Limited

Company Profile

Lucky Cement Limited

Founded in 1993, Lucky Cement Limited stands as the flagship company of Yunus Brothers Group (YBG). Lucky Cement is one of the largest producers and leading exporters of quality cement in Pakistan and is listed on the Pakistan Stock Exchange (PSX). The company has also issued Global Depository Receipts (GDRs), listed and traded on the Professional Securities Market of the London Stock Exchange.

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

Lucky Cement strives to remain an efficient and low cost producer and is one of the pioneers to introduce and install Waste Heat Recovery and Refuse Derived Fuel (RDF) and Tyre Derived Fuel (TDF) Plants in Pakistan. It also has self-sufficient Captive power generation facility of 180 MW and also supplies additionally generated electricity to support the National grid. Lucky Cement owns a fleet of Bulkers & Trailers, which gives added advantage in terms of logistics and efficient deliveries to all types of customers spread across the length and breadth of the Country.

Lucky Holdings Limited

Lucky Holdings Limited (LHL) is a subsidiary of Lucky Cement Limited and was incorporated in Pakistan in the year 2012 as a public unlisted Company limited by shares under the Companies Ordinance, 1984. Lucky Cement holds 75% shares of LHL. As of June 2017; LHL held 74.16% shares in ICI Pakistan Limited. The main source of earning of LHL is dividend and royalty income.

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 also has investments in the business of manufacturing and sales of pharmaceutical products and infant milk powder. ICI Pakistan is listed on PSX.

LCL Holdings Limited

LCL Holdings Limited (LCLHL) is a wholly owned subsidiary of Lucky Cement Limited and 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 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.

Kia Lucky Motors Pakistan Limited

Kia Lucky Motors Pakistan Limited (KLM) was incorporated in Pakistan in December 2016 as a public unlisted company. The objective of the company is to carry out the business of assembling, marketing, distribution and sales of Kia vehicles, parts and accessories in Pakistan in collaboration with Kia Motors Corporation, South Korea [part of Hyundai Motor Group]. KLM was awarded with category "A" greenfield investment status in June 2017 by the Ministry of Industries and Production and is the first company to get such status under Automotive Development Policy 2016 – 2021.

Nyumba Ya Akiba S.A.

Nyumba Ya Akiba S.A. (NYA) was incorporated as a limited liability company in the Democratic Republic of Congo (DRC) and is a wholly owned subsidiary of LuckyRawji Holdings Limited. NYA has set 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 started commercial production in December 2016.

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.

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.

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.

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 greenfield cement grinding unit of 0.871 million tons per annum capacity in Basra, Iraq which started commercial production in 2014. An ongoing brownfield expansion in Iraq grinding unit is expected to come online during last Quarter of 2017 with additional capacity of 0.871 million tons per annum.

Group Profile

The Yunus Brothers Group (YBG) is one of the biggest conglomerates in Pakistan with diversified interests in textiles, building materials, real estate, power generation, chemicals, pharmaceuticals, food and automotive. The group was established in 1962 as a trading house and then grew rapidly over the years. Currently YBG is one of the largest export houses and cement manufacturer in Pakistan. The Group's annual turnover is approximately USD 1.712 billion including the annual export turnover around USD 471 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, food and real estate.

Y.B. Pakistan Limited

Yunus Brothers started business in 1962 as partnership by (Late) Mr. Abdul Razzak Tabba and Mr. Muhammad Yunus Tabba. Initially, trading in grey cloth was the main business. However, with time the firm started businesses 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. The company has diversified portfolio of investment in various segment of businesses.

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 installation of state-of-the-art automatic machinery and merger with Fazal Textile Mills Limited, it has increased its installed spindles capacity to 321,000. GTML has 2 manufacturing facilities, located at Gadoon Amazai (Khyber Pakhtunkhwa) and Karachi (Sindh). The Company also has a captive power plant with a generation capacity of around 57 MW. GTML is listed on 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. 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 and has its own captive power generation facility of 6 MW.

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 3,700 employees. In a span of 10 years it became the no. 1 home textile exporter of Pakistan with almost 10% share of all home textiles exported. The company has its international warehousing, distribution and design development offices in USA, UK and France.

Lucky Commodities (Pvt.) Ltd (LCPL)

Lucky Commodities, a trading arm of the YBG and is the largest supplier of South African coal in Pakistan. Founded on three core values; integrity, quality and reliability, LCPL aims to provide exceptional customer service with utmost dedication and efficiency.

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 industrial sector by fulfilling their coal requirements.

Besides providing premium coal to its customers, LCPL aims to deliver services with quality, reliability and efficiency.
It provides:

- One window solution for all your 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

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 one of the most sophisticated and highly efficient gas generator sets.

Yunus Energy Limited

Yunus Energy Limited was incorporated as a Special Purpose Vehicle (SPV), with a corporate structure of a public unlisted company under SECP regulations, in the year 2011, to exclusively develop a 50 MW Wind Power Project in Deh Kohistan, Jhimpir, District Thatta. The project achieved financial close in February 2015 and initiated commercial operations in September 2016. Project has been financed by a syndicate of seven commercial banks for a debt tenor of 12 years. The total project cost is PKR 12.0 billion circa and the debt-equity ratio is 75:25.

Project is equipped with state-of-the-art European technology. Wind Turbine Generators (WTGs) have been manufactured by Nordex Energy Germany, one of the top WTG manufacturers from Europe; Electrical Balance of Plant has been supplied by Alstom France, a leading grid solution provider; whereas construction activities have been carried out by Descon Engineering Limited, the biggest construction and engineering company of Pakistan.

It is a clean energy project, harnessing the renewable wind resource for the generation of electric power without any carbon emissions. The project is supplying electricity to the national grid on a regular basis post achieving COD (Commercial Operations Date) in September 2016.

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 has also developed its retail network to reach household consumers. The Company also plans to venture into value added dairy products. The farm is located at Super Highway, Karachi. Lucky Foods aims to be a leading player in food related products, across Pakistan and in the export market.

Aziz Tabba Foundation

Aziz Tabba Foundation

Aziz Tabba Foundation is a not-for-profit organization, recognized in 1987. It is a platform of social activities dedicated in serving humanity in some vital areas of life. The Foundation renders its services to fulfill the need of underprivileged people by providing them Shelter, Education, Marriage, Health Care and Vocational Training Program facilities to bring prosperity and change to unleash the potential to transform the Society.

The Foundation has two State of the Art Cardiac and Kidney hospitals known as Tabba Heart Institute and Tabba Kidney Institute, which provide support in fulfilling the gap of specialized and modern treatment of Kidney and Heart related diseases in the country.

The Foundation has also successfully launched the Laptop Support Program and Self Employment Scheme recently. Aziz Tabba Foundation's Laptop Support Program is a venture to enhance the compass of research and quality education in the country and amplify the access to information technology. The impetus and enthusiasm behind this scheme is to help students mount above problems and hurdles they face in their path to gain knowledge and excel professionally. Self-Employment Policy is devised with the objective to provide motorcycles to deserving males in order for them to explore better job opportunities in various Food Chains, Courier Services or Transportation Companies so they can survive with rising inflation and lack of employment opportunities.

Tabba Kidney Institute

Tabba Kidney Institute

Tabba Kidney Institute started its services as Aziz Tabba Dialysis Centre in 1995 as a Hemodialysis unit with four dialysis machines. Over the years, it grew into one of the largest Hemodialysis centres in the country. In 2010, it became an ISO certified institution, and became the only ISO 9001:2008 certified renal care facility in Pakistan.

At present, Tabba Kidney Institute (TKI) is a 100-bed tertiary care centre providing comprehensive services in both Pediatric and Adult nephrology and urology. TKI has now become the major referral centre from all over the Pakistan and abroad for Pediatric and Adult Nephrology and Urology care. Currently, TKI is the only Kidney hospital in private sector providing complete reconstructive, laparoscopic and minimally invasive surgery both in pediatric and adult urology. TKI Urology is also supported by specialized clinics like Antenatal, Adolescent, Infertility, Uro-Oncology, Prostate, Stricture, Stone and female Urology.

Teaching, Training and Research are integral part of healthcare; they are necessary for improvement, innovation and transfer of knowledge to the next generation. To achieve the objective of teaching and training, the Abdul Razzaq Tabba Teaching, Training & Research Centre was also established in 2017.

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

Tabba Heart Institute

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 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, the hospital includes a cardiac emergency room, consultant clinics, clinical laboratory, pharmacy and one-of-a-kind 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 to promote a culture of healthy living.

Lucky Exim (Pvt.) Ltd

Lucky Exim, an indenting arm of (YBG), is the largest indenters of South African coal in Pakistan.

Lucky Exim is the preferred supplier of customers as the business is conducted with integrity, unparalleled service and professionalism. Therefore, customers are provided with premium coal that offers the best value for money without compromise on quality.

With an initial focus on coal trading, the company plans to diversify its trade activities to various energy and dry bulk commodities.

Luckyone (Private) Limited

Luckyone Mall is the largest mall in South Asia. It is a multifaceted, first-of-its-kind regional shopping mall that will revolutionize the shopping experience in Pakistan. It includes Pakistan's largest food court, atrium and indoor theme park, besides a ramp for fashion shows and a large area for musical concerts. Luckyone Mall offers the largest parking structure in Pakistan with more than 3000 parking spaces, and guaranteed uninterrupted power supply.

Lucky Knits (Pvt.) Ltd.

Lucky Knits (Private) Limited was established in 2004 and emerged as one of the leading value added fashion garment company of the country. The company is involved in the manufacturing and exports of knitted apparel with the product line ranges from T- shirts, Polos, Hoodies, Trousers and undergarments having large variety of styles in casual and sportswear. Lucky Knits has state of the art vertically integrated manufacturing facility including knitting, dyeing, cutting, printing, stitching, finishing and packing.

CEO's Message

Dear Stakeholders,

I am pleased to report that Lucky Cement Limited concluded the financial year 2016-17 as yet another successful year of operations. We continued to fulfill our promise and commitment to all our stakeholders by achieving significant growth in local dispatches, improving productivity and increasing profitability. These objectives enabled us to improve our competitiveness and create value for all the stakeholders. This was yet another top performing year for Lucky Cement Limited during which we recorded a net profit after tax of Rs. 13.69 billion.

We are paying constant attention towards innovation across the organization and digitalization has long been identified as a key driver of our business success and we have made further progress in integrating it into all the dimensions of our business and processes. The steadfast dedication of our team ensures that their distinct energies earn an unmatched performance in the whole industry.

Our focus on pro-environment innovations stresses key area of reduction in carbon footprint. We have established our faith in continuous improvement and excellence in the areas of industrial growth, community development as well as our operational framework. Lucky Cement is fully geared to advance its key strategic initiatives and will remain focused to improve performance and sustainable growth. We are focusing ever more closely on customer needs, driving new ways to innovate by embracing digital technology in our operations and relentlessly adhering to a mindset of continuous improvement and operational excellence.

In the fiscal year 2016-17, we witnessed further growth in the domestic market that has helped the company register a growth of 13.9% to reach 6.07 million tons, compared to 5.33 million tons achieved in 2015-16. Our exports continue to experience a decline due to global trend of higher import regulations and tariff on imported cement. To offset declining exports, our company is consolidating its position further to take advantage of local growth in times to come.

We have continuously maintained our position as a low cost producer through investment in technology and modernization throughout the manufacturing process. Our debt-free financial position and free cash-flow generating ability enables us to smartly invest in projects and avenues which would continue to generate sustainable growth in our portfolio and further increase shareholder value. Combined with our focus on good corporate governance and global best practices, Lucky Cement Limited is all set to scale greater heights of excellence.

I would like to thank all our shareholders and stakeholders for their continued support in the execution of our strategy to deliver on growth and profitability, to strengthen our competitiveness and to secure the long term sustainability of our business.

Muhammad Ali Tabba
Chief Executive Officer

Organogram


CHIEF EXECUTIVE
BOARD OF DIRECTORS
HR & REMUNERATION COMMITTEE
SHARES TRANSFER COMMITTEE
BUDGET COMMITTEE
AUDIT COMMITTEE
EXECUTIVE DIRECTOR
CHIEF OPERATING OFFICER
DIRECTOR FINANCE & CHIEF FINANCIAL OFFICER
CHIEF STRATEGY & INVESTMENT OFFICER
CHIEF OPERATING OFFICER INTERNATIONAL BUSINESSES
HEAD OF INTERNAL AUDIT & COMPLIANCE

Senior Management

MUHAMMAD ALI TABBA
Chief Executive Officer

NOMAN HASAN
Executive Director

IRFAN CHAWALA
Director Finance &
Chief Financial Officer

AMIN GANNY
Chief Operating Officer

SAJID FEROZE
Chief Strategy &
Investment Officer

WAJAHAT ATHAR
Chief Operating Officer-
International Businesses

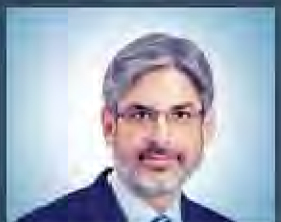
KALIM MOBIN
Director Marketing (North)

MASHKOOR AHMED
Director Operations (Karachi)

MUHAMMAD SHABBIR
Director Operations (Pezu)

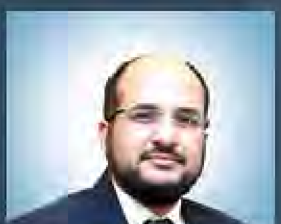
SAIFUDDIN A. KHAN
GM Marketing (South)

MALIK SAFDAR
GM Marketing (North)



AMIN HUSSAIN
GM Supply Chain

ADNAN QAZI
GM Information Technology
and Systems



WAQAS ABRAR
GM Human Resource

SYED NUSRAT ALI
GM Production (Karachi Plant)

SYED HASAN MAZHAR RIZVI
GM Power Generation (Karachi)

MUHAMMAD IQBAL
GM Power Generation (Pezu)

HUMAYUN KHAN
GM Govt. Relations &
Administration (Islamabad)

AHMED WASEEM KHAN
GM Internal Audit &
Compliance

FAISAL MAHMOOD
Company Secretary

USMAN JAVED ALTAF
Head of Legal

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Awards and Accolades

Lucky Cement wins 32nd MAP Corporate Excellence Award

During the year, Lucky Cement, won the prestigious Management Association of Pakistan's Top "Amir S. Chinoy Corporate Excellence Award 2016" in the Industrial category amongst all corporate sector organizations in Pakistan.

The company was competing for the award amongst 198 top performing corporates in the country in the first round, and after multiple phases of screening, Lucky Cement emerged as the top company in Pakistan in the Industrial category.

Corporate Social Responsibility (CSR) Summit

Lucky Cement Limited received the CSR Award for its Waste Management & Recycling policies at the 9th Corporate Social Responsibility (CSR) Summit, organized by National Forum for Environment and Health (NFEH) in January 2017. The award was given to Lucky Cement for its outstanding efforts during 2016 to mitigate the discharge of industry effluents into the atmosphere. The need to minimize environmental degradation through its activities, products and services is a priority at Lucky Cement.

Brand of the Year Award (BOYA)

Lucky Cement Limited was recently awarded with the prestigious "Brand of the Year Award" for the year 2015-2016. This is Lucky Cement's 5th BOYA award, thus proving its stance as a market leader in the cement industry.

Corporate Social Responsibility Summit & Awards

Lucky Cement Limited was awarded for its Stakeholder & Employee Engagement efforts at the 6th Corporate Social Responsibility Summit & Awards ceremony, organized by The Professionals Network (TPN). The ceremony was held in January 2017, and recognized Lucky Cement's efforts during 2016 for its active role in fulfilling its corporate social responsibility towards society.

3rd International Summit & Awards on Environment, Health, Safety and Security

Lucky Cement Limited won the Health, Safety and Environment Award in the category of "The Responsibility for Health and Safety," at the 2017 International Environment, Health & Safety Awards Gala. The ceremony was organized by The Professionals Network (TPN) in association with the 3rd International Summit on Environment, Health, Safety & Security.

HR Excellence

Developing our human resources is the key focus at Lucky Cement. As we continue our journey of growth, the role and 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. Our competent and committed employees in turn, propel the engine of our efficiency driven culture.

Hiring & Retaining Talent

We strongly believe that our people are our most valuable and essential asset. To continue our legacy of being unparalleled leaders of the cement industry we endeavor to attract top talent at all levels & aspire to be a destination of choice. We strive to retain and develop our existing employees by keeping them motivated and engaged. Different initiatives within the organization including differentiated pay ensure that top performers are being recognized and rewarded. We provide our top performers with different challenging and learning opportunities to keep them motivated and engaged.

Our internal talent assessment tool identifies high potential employees and the company takes them through various trainings to further groom them. This helps the employees cement their existing skill set while learning new ones which would come in handy during their growth within the organization.

We have continued active recruitment, both technical and others, for our international operations in Iraq & DR Congo.

Performance Management

The goal of performance management at Lucky Cement is to align the performance of our human resources with our organizational goals. We have continued improvement and effectiveness in our performance management process by effective and result oriented goals. Our systems are designed to ensure transparency and fairness at all levels. We have tried to diminish chances of biasness and prejudice by ensuring all management positions have clear and specified goals. Employees are rewarded for performance as well as displaying behavior which are aligned with our core values.

Employee Engagement Activities

The purpose of employee engagement activities is to keep employees engaged and motivated. These activities also serve to develop team building and interaction among employees belonging to different departments. During the year various activities including Eid Milan gathering, Family Fest etc. were organized for employees and their families. In addition cricket matches are regularly organized for employees of both our plants and the Head Office as well.

Climatic Survey

Following best human resource practices, Lucky Cement keeps also keeps a track of company's environment and culture. At Lucky, we constantly seek opportunities and avenues for improvement in our processes and systems. To get independent employee feedback, the company conducted a climatic survey. This is a totally anonymous survey which ensures candid and honest employee feedback. The results offer perspective to identify companywide strength, weaknesses and opportunities. This in turn impacts our ability to drive sustainable growth together.

Job Rotation

The key focus of job rotation is to enrich both the organization as well as the individual through enhanced learning and exposure. We are encouraging employee job rotation at all levels within the organization. Those employees who wish to explore other functions are being facilitated with a transfer to the department of choice on a priority basis. We are actively looking into rotating high performers.

Learning & Development

Over the past few years Lucky Cement has focused on talent development which has helped develop a culture of learning. The goal has been simple to enable our employees to progress holistically. Internally we have conducted numerous soft skills workshops covering all locations on various topics that cover our identified competencies that are necessary for growth and development of our employees. We have also sent a few of our employees abroad for various international trainings.

Salary Surveys

Lucky Cement participates in various salary surveys which helps us in aligning our remuneration packages with market standards. It also helps us to offer market competitive salaries while maintaining internal equity of the organization.

Succession Planning

Succession planning entails development of high potential employees to become business leaders in future. Lucky Cement firmly believes in the growth of its employees and continuously focuses on the development of its existing talent. We have incorporated the 9-Box Performance & Potential Matrix approach and identified the best talent available within the Company. This talent is then developed for strategic positions within the company. This strategy is increasing the availability of experienced and capable employees who prepared to assume senior roles within the company once the opportunity arises.

Head Count Rationalization

With a growth driven strategy in both the local and international markets, there is always a chance for the organization becoming heavy in terms of human resources. To ensure that this does not happen we follow head count rationalization strategy. The objective of this strategy is to keep the company lean and efficient.

We work tirelessly and diligently with all Department Heads within the company to ensure careful scrutiny at the time of hiring. Each and every position that falls vacant is analyzed carefully to assess if there is a need to re-hire a resource. If the position needs to be re-filled, it is first considered a chance for the existing employees to apply for it.

Human Resource Strategy

The HR Committee reiterated our HR Strategy focus in the various meetings held during the year. The following are the broad pillars of this strategy:

SAP Implementation:

With the implementation of SAP S4/HANA, the HCM (Human Capital Management) module has been implemented to strengthen our database and streamline information generation which will further enable us to make improved, efficient and quality decisions.

Preferred Employer

We strive hard to attract top talent at all levels within the organization. We aspire to be a destination of choice by providing market competitive compensation and a conducive professional environment.

We endeavor to be the best in industry performance, sustainable growth and employee attraction.

Build People Capability

We aim to fill key positions from within the company bench as we provide a culture that is conducive to the growth and development of talent. We have a strong focus on trainings and development of our people. Further, job rotations ensure that we develop quality resources who have a broad exposure to the business.

Systemize, Measure, Reward

We continue to have a strong focus on structured development of our processes to fulfill our business needs through clearly defined authority matrices, policies, procedures and systems. Reward and recognition will continue to be tied to transparent performance management systems and procedures.

Health, Safety and Environment

Lucky Cement's philosophy is to provide a safe working environment to its employees by operating responsibly with minimum impact on the planet. We are committed to cultivate an environment which ensures safety and security embedded at its core. By fortifying our safety and security 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, SAFETY & ENVIRONMENT.

Being an OHSAS 18001 and ISO 14001 certified organization, we continuously implement practices that offer health, safety & Environment development of our work Place.

Lucky Cement has taken safety measures according to the differences in the nature of the work environment at our Plants and the Corporate Head Offices. At all sites of Lucky cement, it is declared that safety is everybody's responsibility therefore every area/ functional head is the owner of safety practices under the umbrella of HSE principles. Moreover, there is a dedicated HSE department which ensures necessary compliance with the health and safety matters. The operations teams at all locations fully collaborate in implementation of OH&S policies and procedures.

We keep educating our workforce with the good HSE practices along with equipping them with modern-day safety equipments and skills at our plants. The workforce is provided with appropriate 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.

The Lucky workforce is routinely updated about the occupational Health, Safety & Environment through a continuous process of training and coaching at different levels. To enhance the safety awareness and to build a culture of continual improvement in the personal and process safety a comprehensive communication structure is established such as Daily/ Weekly/ Monthly Safety Talks.

CARDIOPULMONARY RESUSCITATION (CPR) – BASIC LIFE SUPPORT (BLS)

Basic Life Support (BLS) is a first-aid resuscitation that educates and equips individuals to recognize various life-threatening emergencies. We conducted a comprehensive BLS workshop to educate our employees about the necessary safety precautions that can assist victims who are suffering from cardiac arrest or choking incidents. By teaching our employees the basic life support medical practices of CPR, we are maintaining a safe and healthy work setting.

FIRE FIGHTING & MOCK DRILLS

Safety of our employees lies at the core of our operational framework. 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.

CONSUMER PROTECTION MEASURE

Lucky Cement is committed to provide top-notch quality cement and is gravely 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 the South African and Kenyan standards, a safety notice is imprinted on the packaging material of cement sold in the mentioned markets. This informs the customers about the safety measures to be taken such as suitable safety clothing, dust masks etc. Along with this, 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

Our brilliant progress is the result of strong bonds with all our stakeholders. All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behavior, and energy conservation are integral part of our business model. Lucky Cement has come to a point where it has become imperative to work outside its comfort zone.

Environment

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

Reduction in CO_2 Emissions – further sustainability initiatives!

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.

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

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.

Waste Heat Recovery Plant – acquisition of green technology!

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

Lucky Cement has five Waste Heat Recovery Plants: Three in Pezu and two in Karachi. The WHR plant at Pezu are on line A,B and C,D with a capacity of 10MW each. The third is used for Power Generation with a capacity of 5MW. Karachi has a WHR unit on line E,F,G with a capacity of 15MW and a power generation plant with a capacity of 5.5MW.

The company has significantly reduced its cost by co-generating electricity by the wasted heat.

The design of these plants hinges around the idea of encapsulating all the wasted heat from the production system and using this heat to generate steam from boilers, which eventually runs the turbine engines, thus producing electricity.

Being one of the leading cement manufacturers in Pakistan, Lucky Cement has the responsibility and opportunity to contribute in bringing sustainability in the cement industry. Lucky Cement has extensively invested in implementing projects that reduce energy consumption and address issues of environmental degradation. Projects like Waste Heat Recovery (WHR), Tyre Derived Fuel (TDF) and Refused Derived Fuel (RDF) have not only reduced our production costs, but have significantly reduced carbon emissions.

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

Tree Plantation at Karachi and Pezu Plant – "Sustaining GREEN" initiative at Lucky Cement!

Lucky Cement has always been proactive in promoting activities that deal with environment-preservation. Tree plantation drives are at the forefront of its sustainable eco-friendly practices and the areas surrounding its Karachi and Pezu cement plants bear testimony to this fact. Till date, Lucky Cement has planted over 30,000 tree saplings within the surrounding area of each plant, with a further 5,500 trees to be planted this summer. A green belt project, spanning across some of the old mining areas of the Karachi plant, was initiated to implement sustainable mining practices.

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.

Particulate Matter

Bag houses are installed in the entire production system and dropping distances during material transfers are kept as 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.

Sustainability

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 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 semicircle 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.

Recycling

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.

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.

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

Bricks waste: Brick waste from the lining of the kiln is also sold to the contractors for re-use 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 for recycling and re-use 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

Lucky Cement Limited conducted CSR activity at SOS Children's Village

On account of Universal Children's Day and International Volunteer Day, Lucky Cement celebrated its 5th Employee Volunteer Program at SOS Children's Village in Malir, Karachi. Keeping the tradition alive, nearly 30 volunteers from Lucky Cement supported in conducting various activities with the children including puzzle-making competitions, picture coloring contests and a Pakistan Quiz where trophies and medals were also distributed to the winners.

The primary objective of SOS Childrens' Villages Pakistan is to provide children deprived of their natural parents, a situation which is as close as possible to a normal home.

EDUCATION

Education plays a key role in our CSR efforts. Following on from last year, Lucky Cement has sustained its goal of promoting quality education in the country by granting several merit-based scholarships to students of different institutes of Pakistan.

Girls' Education

Lucky Cement remains fully committed for the cause of women empowerment in the country and continued its support for the two leading Government girls' schools in Karachi in collaboration with Zindagi Trust. With the primary focus of social intervention in the development of women education in the Country, the Company hopes that its support for these schools can transform them into model educational institutions for the girls of Pakistan.

SCHOLARSHIPS/FINANCIAL ASSISTANCE

Lucky Cement has collaborated 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. During the year, Lucky Cement 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, during the current year also, Lucky Cement generously granted 17 scholarships to deserving students with an aim of improving the standard of education provided to them.

Institute of Business Administration

Lucky Cement continues to collaborate with Institute of Business Administration (IBA), to provide educational assistance to 45 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 excellent 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.

HEALTH AND OTHER COMMUNITY PROJECTS

Health Projects

Lucky Cement joined hands with various institutions from the healthcare industry to provide better, efficient and accessible treatment to the public.

Tabba Heart Institute

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

Pakistan Association of the Blind

Pakistan Association of the Blind is an NGO that provides educational and rehabilitation services for those suffering from blindness, in Sindh. Lucky Cement generously offered financial assistance to alleviate the sufferings of the needy patients.

Child Life Foundation

Child Life Foundation (CLF) is one of the largest non-profit organizations in Pakistan, which dedicates itself to saving children's lives. Lucky Cement donated generous amounts to CLF with the aim of providing medical facilities and treatments for the needy children.

Special Olympics Pakistan

Lucky Cement is a staunch supporter of living an active and healthier lifestyle in order to prolong life. 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 noble cause.

RURAL DEVELOPMENT PROGRAMS

Lucky Cement realizes the importance of giving back to the community because that is the real reason why the company has achieved the level of success that it currently enjoys.

Lucky Cement also took the initiative to provide medical facilities for the local population free of cost. A dispensary clinic called "Lucky Welfare Dispensary" was set up, and a state-of-the-art ambulance that was equipped with the latest first aid medical apparatus, was also provided at both, Karachi and Pezu Plants to serve the local community.

Since Lucky Cement firmly believes that an active lifestyle leads to a healthier lifestyle, a number of sports activities were held at Pezu. Many district-level teams were encouraged to participate and the response was excellent. The promotion of sporting activities provides the local masses with education and awareness about the health benefits associated with engaging in physical activities.

To empower the community and to improve income-earning possibilities, 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

Corporate Governance Framework

The main philosophy of business followed by the sponsors of Lucky Cement for the last 24 years has been to create value for all stakeholders through fair business practices, which translate into policies approved by the Board of Directors and implemented throughout the company to enhance the economic and social value for all the stakeholders of the company.

Transparency, accountability and adherence to ethical practices, lie at the core of Lucky Cement's business processes and are implemented through the **Code of Conduct,** corporate governance regulations, **Code of Business Ethics,** strong internal controls and **Whistle Blowing Policy.**

Compliance with the Best Practices of Code of Corporate Governance:

Living up to its standard the Board of Directors has, throughout the financial year 2016-17, complied with the requirements for Code of Corporate Governance, the listing regulations of the Pakistan Stock Exchange and the requirements for Financial Reporting framework of Securities & Exchange Commission of Pakistan (SECP).

Report of the Board's Audit Committee on adherence to the Code of Corporate Governance, statement of compliance by the Chief Executive Officer of the Company with the Code of Corporate Governance, besides review report by the Company's Auditors are attached with this Report.

Directors' Compliance Statement:

The Board is pleased to state that:

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

Business Ethics and Anti-Corruption

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

Conflict of Interest of Board Members

In order to avoid any known or perceived conflict of interest, formal disclosure of vested interests is encouraged under the Code of Business Ethics implemented by the Board. The Code comprises of not only the principles provided under the regulatory requirements but encompasses global best practices as well.

The board members are responsible for appropriate self-disclosure in transparent manner and in the case of doubtful situation, are advised to discuss it with the chair of the meeting for guidance.

Board members' suggestions and comments during their proceedings are accordingly recorded for evaluation, in addition to description and quantification of any foreseen conflict of interest prior to finalization of the proceedings' agenda.

IT Governance Policy

Recognizing IT Governance as a critical part of overall corporate governance, the Company has aligned itself to efficient use of Information Technology resources in achieving its operational and strategic objectives while increasing shareholders' value. The Company has formed an IT Steering Committee that provides strategic leadership, establishes Company-wide IT priorities and oversees all IT policies. The Committee is governed by approved roles and responsibilities.

Corporate Governance Framework

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;
- Influencing development and design of technology services, policies and solutions; and
- Business Continuity Management including Disaster Recovery.

The Company's IT Governance Policy encompasses:

- Engaging stakeholders to establish priorities for technology investment that are aligned with Company's goals and objectives
- Promoting governance, transparency, accountability and dialogue about technology that facilitates effective strategy adoption
- Securing network and data
- Keeping the IT function proactive from an innovation perspective, providing ideas to the business
- Maximizing return on technology investment with controlled spending, while providing the company with a coherent and integrated IT architecture and management structure
- Ensuring compatibility, integration and avoidance of redundancy

Whistle Blowing Policy

In view of our commitment to create an atmosphere where people can freely communicate their concerns or raise an alert against possibility of occupational fraud, non-compliance with Company's policies, Code of Conduct and regulatory framework, an effective Whistle Blowing Mechanism has been implemented. This policy is designed to enable Directors, officers and all employees of the company to raise complaints at designated platform. The company is committed to achieving and maintaining the highest standards of openness, integrity, ethical values and accountability. Hence it expects all of its employees to do the same. In the interest of the Company, it is the responsibility of every employee to ensure that any inappropriate event does not occur.

All those who come in the ambit of Whistle Blowing Policy are encouraged to participate without fear of reprisal or repercussions, in confidentiality, under defined reporting channels. Such communications are investigated independently and reported at the highest level.

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.

Policy for Safety of Records

Company's policy for safety of records extends beyond the regulatory requirements and the Company makes a conscious effort for the safety of all its records. The records include books of accounts, documentation pertaining to secretarial, legal, contractual, taxation and other matters.

The objective of the Policy for Safety of Records is:

- To safeguard company's record by taking effective actions pertaining to the creation, confidentiality, maintenance and disposal of the documents.
- To develop a systematic management system of Company's record to assist in a smooth and synchronized Record Managing Process.
- To hold company records for as long as legally required and to dispose off as per the record retention policy.

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.
- Real-time back up of data at on and off-site locations
- Lucky Cement has purpose built record rooms at its Head Office and at Karachi and Pezu Plants for maintenance of official documents and records.
- Maintenance of a fire-proof vault for the safekeeping of legal documents and conduct trainings to deal with fire hazards.
- To ensure back-up of all the relevant Legal, Administrative, Operational and other documents, intellectual property and records in case of any hazard.
- Ensure and Maintain Digital backup of all the records, wherever deemed necessary.

Investors' Relations Section on Lucky Cement Limited's website

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

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

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

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' and Shareholders' grievances effectively and ensuring Investors'/Shareholders' satisfaction, an Investor Grievance Policy has been formulated. The objective of this Policy is to safeguard and protect the interest of all the investors and shareholders, while ensuring that their grievances are resolved quickly and efficiently. The Company has internally established a mechanism for investor services and grievances handling and has hired the services of an independent Share Registrar in addition to having a dedicated section (Corporate secretariat) to resolve all issues of the investors.

The salient feature of our Investors' Grievance Policy are as follows:

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

Social and Environmental Responsibility Policy

Lucky Cement has a very high regard for its Social and Environmental Responsibility. The company ensures that all social and environmental dimensions are considered when developing its strategies, policies, practices and procedures. We have consistently demonstrated our steadfast commitment by acting responsibly towards our connected community and environment. We believe that success of the Company is best reflected in development of the community.

Lucky Cement's Social and Environmental Responsibility Policy is aligned with all our corporate statements while confirming the company's steadfast commitment to sustainable development within the country.

The following items are the guiding principles for Lucky Cement's activities:

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

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

Stakeholder Engagement Policy and Procedures

Lucky Cement is fully committed to developing effective working relationships with all our stakeholders and makes efforts to resolve issues that occur while carrying out its business dealings. We believe that Company's value depends on the trust placed in us by our stakeholders and promote dialogue with them. Lucky Cement proactively advises all stakeholders of its business operations keeping in mind corporate policies and government regulations.

Throughout all its business dealings, Lucky Cement has provided stakeholders with opportunities to provide meaningful input into management decision-making. The policy, to a certain extent, allows stakeholders to understand how their views affect the company's decision-making process.

The company endeavors to provide full and fair disclosure of all material information to its stakeholders besides providing a wide range of information about strategy and financial information through its Annual Report and website for all stakeholders.

The policy enables Lucky Cement to utilize a variety of methods to stimulate stakeholder engagement and to understand how to best deal with them. The strategies resulting from various engagements are tailored to suit business decisions, activities and processes.

Corporate Governance Framework

With respect to engagement with its stakeholders, Lucky Cement is committed to:

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

Frequency of engagements is based on the corporate and business requirements as laid down by the Code of Corporate Governance, contractual obligations or as and when required. Employee communication is undertaken through in-house newsletters, Climatic surveys, employee portals and electronic bulletin boards.Details on the mode of engagement in addition to their impact on Company's operations of the following stakeholders is included in this report:

- Institutional Investors / Shareholders
- Customers and Suppliers
- Banks and other lenders
- Media
- Regulators
- Analysts
- Employees
- Local community and general public

Human Resource Management Policy & Succession Planning

As we continue our journey of growth, the role and the development of human resources becomes all the more critical. The Company has a demonstrated track record of employing talented human resources across all its functions, which ensures availability of competent personnel for each department, in terms of an individual's potential, qualification, experience and professional attitude amongst other factors.

At Lucky Cement, we form and retain a motivated workforce fully equipped to steer the Company towards achieving its vision and mission through our consistent focus on grooming by way of training and development in addition to providing them with market commensurate compensation packages. This is in line with Company's progressive and forward looking Succession Planning Policy, which transforms existing talent into a competent workforce capable of occupying future strategic positions.

The Policy is periodically updated in line with the Company's requirements and career growth objectives.

Calendar of major events

Annual General Meeting		Sept 2017
1st	Quarterly Board of Directors' Meeting	Oct 2017
2nd	Quarterly Board of Directors' Meeting	Jan 2018
3rd	Quarterly Board of Directors' Meeting	April 2018
Budget Committee Meeting		June 2018

Stakeholders Engagement

Lucky Cement has achieved remarkable progress, which would not have been possible without strong relationships with our key stakeholders. This has proven to be the guiding force, which has added great value to 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 the customers and dealers.

ACTIVITY	DESCRIPTION	FREQUENCY
Dealers, Retailers, Block-Makers Get-together	Lucky Cement organizes get-togethers and appreciation days for dealers, retailers and block makers. This provides the Company with an opportunity to engage directly with them, seek feedback and apprise them of future corporate plans.	Annually
Market Visits by sales force	Company's sales force is actively involved in outdoor assessments, meeting dealers and retailers. They collect information about market trends and analyze this information to create further value propositions for the customers.	Continuous
Customer Services and Support Desk	Carrying on with the tradition of being a market leader, Company has a dedicated customer hotline to discuss any customer issue in using cement. Dedicated technical experts are available and can be reached via email or telephone call.	Continuous
Customer Satisfaction Survey	Customer satisfaction surveys are conducted annually among all dealers, retailers, block makers and institutional clients periodically to keep the team informed about changing customer demands.	Annually
Customer Satisfaction Feedback	Timely customer feedback is pivotal to the Company's success. A customer feedback form is handed to all customers once the transaction is completed. This ensures constant customer engagement and supports the company in finding out 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. Lucky Cement actively engages with the media and disseminates news and other happenings regularly to its stakeholders. We continuously engage with media through:

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

Corporate Briefing

Corporate / Security analyst briefings are interactive sessions between the management of the company and the investor community whereby the company takes the opportunity to apprise the local and foreign investors about the business environment and economic indicators of the country, explain its financial performance, competitive environment in which the company operates, investment decisions, challenges faced as well as business outlook. The company uses different platforms in this regard such as road shows organized by the Pakistan Stock Exchange, foreign fund managers and local investment houses.

The idea behind company's investor engagement through these briefings is to give the right perspective of the business affairs of the company to the investors (both existing and potential) which helps them in making their investment decisions.

During the year the Company attended various road shows organized by Pakistan Stock Exchange and world renowned fund managers in the USA, UK and UAE as well as road shows organized by Pakistan based investment houses in Karachi.

Investors and Shareholders

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

Being a global company, we enforce the importance of satisfying our investors by employing the following techniques:

ACTIVITY	DESCRIPTION	FREQUENCY
Annual General Meeting	The Company convenes AGM in accordance with the Companies Act, 2017. 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 uploads its quarterly, half-yearly and annual reports on its website. Annual Reports in printed form are sent to its shareholders. Quarterly and half-yearly financial statements are provided to shareholders on their demand. The Company being, listed, also communicates its results to Pakistan and London stock exchanges (where the Company is listed).	Quarterly
Press Releases	The company updates its shareholders on various news and other updates of potential interests through press releases	As and when required
Investors Relations	The Company continuously engages with its local and foreign shareholders and investors at various forums and also conducts periodic corporate briefings after publication of financial results.	Continuous

Regulators

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

Chairman's Report

Review Report by the Chairman on Board's overall Performance u/s 192 of the Companies Act 2017:

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Lucky Cement Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

The Board has recently completed its annual self-evaluation for the year ended June 30, 2017 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.

The overall assessment as Satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. Vision, mission and values: Board members are familiar with the current vision, mission and values and support them. The Board revisits the mission and vision statement from time to time.

2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, Society at large) whom the Company serves. The Board has a strategic vision of how the organisation should be evolving over the next three to five years. Further Board sets annual goals and targets for the management in all major performance areas.

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

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

5. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in important board decisions.

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

Muhammad Yunus Tabba
Chairman/Dirctor

Karachi: July 31, 2017

Directors' Report

The Directors of your Company have the pleasure in presenting to you the financial results of your Company which include both, stand-alone and consolidated audited financial statements for the fiscal year ended June 30, 2017.

Overview

Cement industry in Pakistan grew by 3.7% to 40.32 million tons during the fiscal year ended June 30, 2017 compared to 38.87 million tons last year. While local sales volume registered a growth of 8.0% to 35.65 million tons during the fiscal year compared to 33.00 million tons last year; export sales volume registered a decline of 20.6% to 4.66 million tons during the year under review compared to 5.87 million tons last year.

Your Company achieved an overall growth of 3.1% with total sales volume of 7.15 million tons during the fiscal year 2016-17 compared to 6.93 million tons last year.

While local sales volume of your Company registered a growth of 13.9% to 6.07 million tons during the current fiscal year compared to 5.33 million tons last year; export sales volume declined by 32.7% to 1.08 million tons during the fiscal year 2016-17 compared to 1.61 million tons last year.

The EPS for the fiscal year ended June 30, 2017 was recorded at PKR 42.34 which is 5.8% higher than last year's EPS of PKR 40.03.

Directors' Report

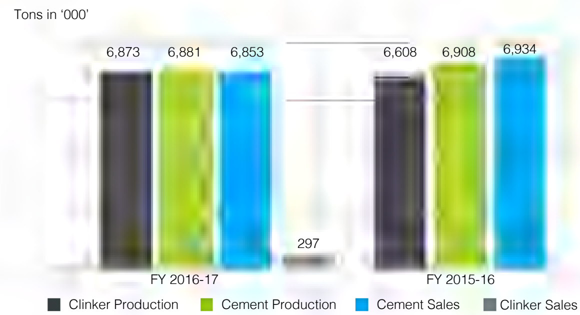
Business Performance

a. Production & Sales Volume Performance

The production and sales statistics of your Company for the fiscal year 2016-17 compared to last year are as follows:

Particulars	FY 2016-17	FY 2015-16	Increase/ (Decrease) %
	Tons in '000'		
Clinker Production	6,873	6,608	4.0%
Cement Production	6,881	6,908	(0.4%)
Cement Sales	6,853	6,934	(1.2%)
Clinker Sales	297	-	100.0%

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 2016-17 with last year is presented below:

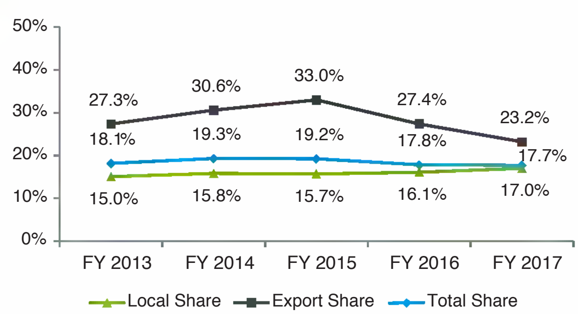
Particulars	FY 2016-17	FY 2015-16	Growth / (Decline) %	
	(Tons in 000)			
Cement Industry				
Local Sales	35,652	33,000	2,652	8.0%
Export Sales				
- Bagged	4,479	5,728	(1,249)	(21.8%)
- Loose	185	145	40	27.6%
Total Exports	**4,664**	**5,873**	**(1,209)**	**(20.6%)**
Grand Total	**40,316**	**38,873**	**1,443**	**3.7%**
Lucky Cement				
Local Sales				
- Cement	5,772	5,327	445	8.4%
- Clinker	297	-	297	100.0%
Total Local Sales	**6,069**	**5,327**	**742**	**13.9%**
Export Sales				
- Bagged	896	1,462	(566)	(38.7%)
- Loose	185	145	40	27.6%
Total Exports	**1,081**	**1,607**	**(526)**	**(32.7%)**
Grand Total	**7,150**	**6,934**	**216**	**3.1%**

Market Share	FY 2016-17	FY 2015-16	Growth / (Decline)%
Local Sales	**17.0%**	**16.1%**	**5.6%**
Export Sales			
- Bagged	20.0%	25.5%	(21.6%)
- Loose	100.0%	100.0%	-
Total Export	**23.2%**	**27.4%**	**(15.3%)**
Grand Total	**17.7%**	**17.8%**	**(0.6%)**

Industry source: APCMA website

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

Yearwise LCL Market Share



b. Financial Performance

The financial performance of your Company for fiscal year 2016-17 compared to last year is presented as follows:

(PKR in million except EPS)

Particulars	FY 2016-17	FY 2015-16	% Change
Gross Revenue	61,602	55,923	10.2%
Net Revenue	45,687	45,135	1.2%
GP	21,298	21,746	(2.1%)
OP	18,573	18,620	(0.3%)
EBITDA	21,205	21,189	0.1%
NP	13,692	12,944	5.8%
EPS	42.34 / Share	40.03 / Share	5.8%

Revenue

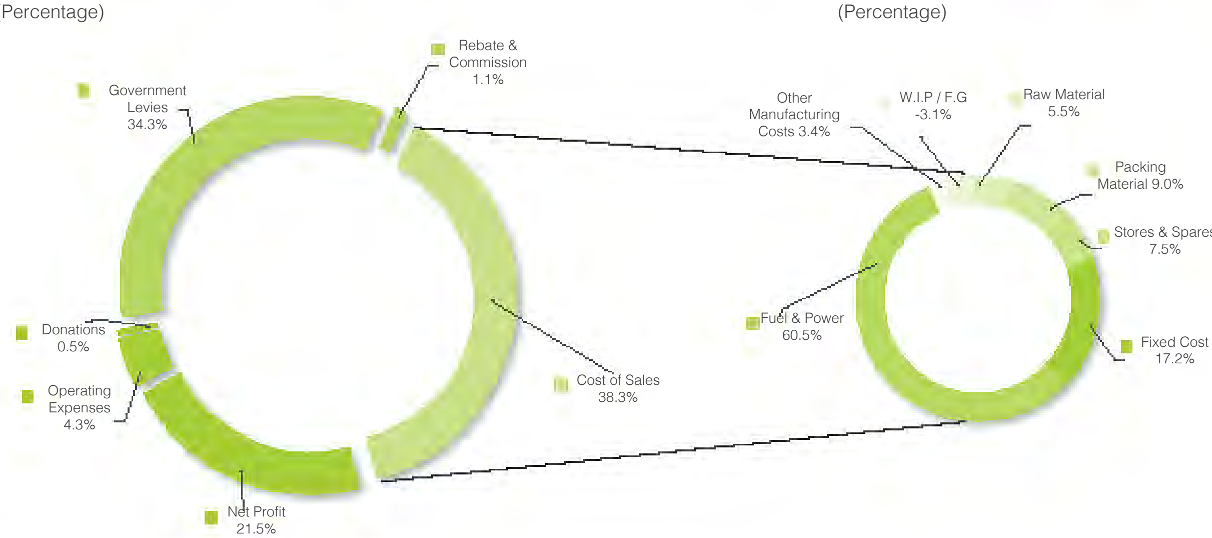
During the fiscal year under review, your Company achieved an overall net sales revenue growth of 1.2% compared to last year. This was mainly attributable to increase in sales volumes.

Cost of Sales

During the fiscal year under review, per ton cost of sales of your Company increased by 1.0% compared to last year. The increase was mainly attributable to increase in coal prices.

Distribution of Gross Revenue
(Percentage)

Distribution of Cost of Sales
(Percentage)



Directors' Report

Gross Profit

Your Company achieved gross profit margin of 46.6% for the year under review compared to 48.2% reported last year.

Net Profit

Your Company achieved profit before tax of PKR 18,778 million during the year under review compared to PKR 18,400 million reported last year. Similarly, after tax profit of PKR 13,692 million was achieved during the year under review compared to PKR 12,944 million reported last year.

Earnings per share

The earnings per share of your Company for the year ended June 30, 2017 was PKR 42.34 compared to PKR 40.03 reported last year.

Taxation

Your Company provided for an amount of PKR 5.03 billion on account of income taxes as compared to PKR 5.02 billion last year. Deferred Tax provision of PKR 53.81 million has been made in the accounts during the year, making the cumulative deferred tax liability of PKR 5.82 Billion as on June 30, 2017.

In accordance with the Finance Act, 2016, reduced income tax rate to the extent of two percent (2%) for listed companies complying with the prescribed Shariah compliant criteria approved by the State Bank of Pakistan, the Securities & Exchange Commission of Pakistan and the FBR, was introduced. During the year FBR issued a notification dated January 10, 2017 enlisting those Shariah compliant criteria. Since your Company's business is 'Halal' and it is already included in KSE Meezan index (KMI-30) on the Pakistan Stock Exchange and has duly fulfilled all the steps necessary to comply with FBR's notification and has, therefore, recorded its current and deferred tax charges by using the reduced income tax rate of 29% and 28% respectively.

Contribution to National Exchequer

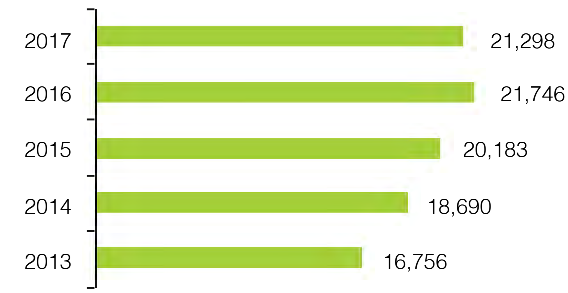
Your company contributed PKR 22 billion (2016: PKR 17 billion) into the Government Treasury on account of Income taxes, excise duty, sales tax and other government levies. Moreover, valuable foreign exchange to the tune of USD 53.5 million was generated by your Company for the Country from export of cement during the year under review.

Dividend & Appropriation

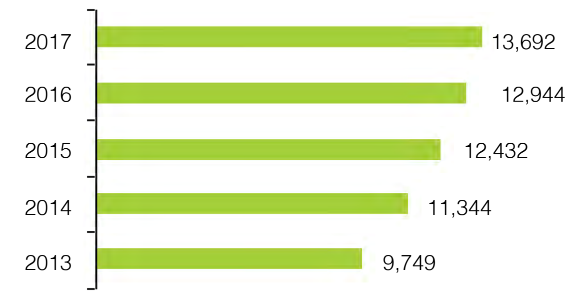
Taking into account planned future investments, financial commitments and capital expenditure plans; the board proposed cash dividend of PKR 12/- per share for the financial year ended June 30, 2017(2016: PKR 10/-).

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

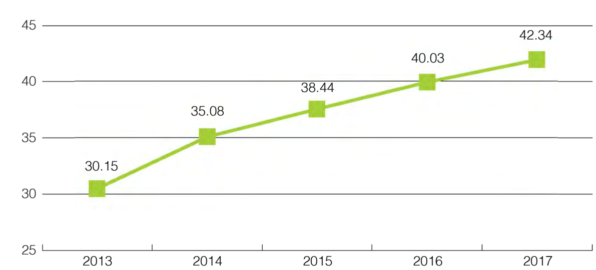
Gross Profit
In PKR Millions



NET PROFIT
In PKR Millions



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	13,695,893
	13,695,893
Appropriations	
Proposed dividend for the Financial Year 2016-17 @ PKR 12/-	(3,880,500)
Proposed transfer to General Reserves	(9,815,393)
Un-appropriated profit at the end of the year	-
Basic and diluted earnings per share – PKR	**42.34**

National Cause Donations

Your Company has a strong sense of Corporate Social Responsibility and is fully committed to support in the areas of women empowerment, education, health and creation of sustainable 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 2016-17	FY 2015-16
Health Initiative and Financial Assistance To Patients etc.	235,769	154,200
Education (Scholarships etc.)	25,200	36,117
General Donation	47,198	52,963
Total Amount Donated	**308,167**	**243,280**

Projects – New and Ongoing

Brownfield Expansion [Installation of additional Line of 1.25 million tons per annum] at Karachi Plant

The construction work at project site is in full swing to achieve commercial operations in December 2017.

Fully integrated green field Cement Plant in Punjab Province of Pakistan – 2.3 million tons per annum

Your Company is still in the process of seeking approvals and necessary authorizations from the Government of Punjab for commencement of this project.

Investments

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

Your company has already executed EPC contract and also finalized draft of the Power Purchase Agreement and Implementation Agreement and also received intimation for coal allocation from Sindh Engro Coal Mining Company (SECMC); however, the implementation is delayed due to limits being imposed by the power purchaser for the use of imported coal beyond a restrictive timeline, even in the contingent event of non-availability of local (Thar) coal by that time. The target to achieve financial close is December 2017 and start of commercial operations by December 2020.

The consolidated audited financial statements of the Company for the year ended June 30, 2017, include the net assets of the above project company i.e. Lucky Electric Power Company Limited which is 100% indirectly owned subsidiary of the Company.

Investment in automotive Manufacturing plant – Kia Lucky Motors Pakistan Limited [KLM]

KLM was awarded category 'A' greenfield investment status in June 2017 by the Ministry of Industries and Production and was the first company to get such status under Automotive Development Policy 2016 - 2021. The target to start plant construction is for second quarter of the financial year 2017-18.

Brown field expansion in Cement Grinding unit in Republic of Iraq – 0.871 million tons per annum

Capacity expansion of the first 50% [i.e. 0.4355 million tons] in Iraq grinding unit is expected to come online by October 2017, whereas, the remaining 50% of the capacity expansion [i.e. 0.4355 million tons] is expected to come online by the end of November 2017.

Equity Investment in Associated Company in 50 MW Wind Farm

The Project achieved COD during the month of September 2016. Company's actual equity investment in the project closed at the cost of PKR 611.365 million as against the estimated investment of PKR 960 million (inclusive of cost overrun support), mainly due to favorable exchange rate parity for PKR versus EURO and reduction in interest rate.

Segmental Review of Business Performance

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

Segment	Revenue Growth	GP Margin	OP Margin	Segment Assets (PKR Bn.)	Segment Liabilities (PKR Bn.)
Cement	1.22%	46.62%	40.65%	50.98	17.55
Polyester	7.16%	0.89%	-2.11%	10.39	13.92
Soda Ash	1.84%	29.86%	25.57%	22.84	4.52
Life Sciences	32.72%	29.72%	10.80%	9.02	3.45
Chemicals	20.31%	22.03%	11.87%	7.43	2.14

Directors' Report

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 20.14 billion was generated from operations of the Company which was mainly allocated towards capital expenditure amounting to PKR 6.20 billion, payment of income tax worth PKR 5.03 billion, long term investments of about PKR 0.89 billion and distribution of dividend to shareholders for PKR 3.22 billion.

The Board of Directors is satisfied that due to efficient and effective financial management system in place, there are no short or long term financial constraints in the foreseeable near future. The available surplus liquidity is being effectively channelized into planned investment projects to generate further revenues.

Capital Structure and Financial position

Your company continued to remain equity financed in this financial year as well 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 flexibility to capitalize on further cost-saving ventures and also gives the company's creditors' confidence in doing business. Our reserves increased by 16 % during the year and now stand at PKR 77 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.

Financing arrangements

Your company has surplus liquidity available and therefore not utilizing any short or long term debt facility. Since Lucky Cement is well regarded in the market as credible and consistent player; all our trade 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. We are committed to create a working environment where employees feel valued, respected, empowered and inspired. Talented people are at the heart of our efficiency driven culture, therefore we actively recognize their abilities and provide wholesome and continuous opportunities for learning and growth.

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 generate a clear focus towards building a result- driven organization. Our talent management systems encourage honest and frequent feedback to provide our employees with a holistic assessment of their behaviors and its impact, thus ensuring that as teams, we harness the best out of our employees and proactively manage performance. We are proud of the empowerment culture at Lucky Cement which gives our team both the responsibility as well as accountability to be the best that they can be.

Management Objective and Strategies

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 vgoals 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.

In the current year the company has successfully inaugurated another WHR (Waste Heat Recovery) plant of 10MW at Pezu Plant. The new plant started its operations in January 2017.

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. After successful implementation of SAP S / 4 HANA last year, which was Pakistan's 1st implementation and one of the first 5 implementations in the world, the company has now started to reap benefits by increasing efficiency, simplifying processes, eliminating redundancies, reducing 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 reflecion 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 Limited's 9 corporate goals" and help us in setting our strategic direction.

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

Directors' Report

Performance on Financial & Non-Financial Measures

Sustainable & Profitable Growth

Market Share	Low Cost Producer	Sales Volume	EPS	Cost Reduction Initiatives
Achieved market share of 17.7% in financial year 2016-17.	The cost of production per ton remains the lowest in the industry. *	Year on year, overall revenue grew by 1.2%	EPS is PKR 42.34 which is 5.8% higher compared to last year	Started operations of another 10MW WHR Project in Pezu

* Based on FY 2015-16 corporate results

Corporate & Brand Image

Awards	Brand	Corporate	International
• 32nd MAP Corporate Excellence Award • Annual Environmental Excellence Award (AEEA) 2016 • MARCON Award 2016 • Brands of the Year 2017 • The Professionals Network: Corporate Social Responsibility Summit Award 2017 • National Forum for Environment and Health Corporate Social Responsibility Award 2017 • The Professionals Network: Environment, Health & Safety Award 2017	• CBM Open Conference – Mohammad Ali Tabba was invited as a guest speaker to talk about Lucky Cement • Sponsored International Conference on Advanced Materials and Processing, ICMAP-17 at Mehran University • Sponsored Enigma event at Institute of Business Administration • Sponsored Spark event by World Memon Organization	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 at the 18th Asia Cement Trade event – Bangkok, Thailand October 2016

Human Resource Development

Succession planning	Performance management	Talent Management	Gender Diversity
Utilize 9 box (Performance & Potential) matrix approach to identify the available talent internally. The tool helps us in identifying and developing employees for important and strategic positions for future.	HR Committee conducted joint review sessions for Performance Management to ensure department's and individual's alignment with the defined Corporate objectives.	Identified the best fit talent externally based on the core competencies and position specifications. Acculturated them through effective onboarding and developed & retained them by distinctive value proposition in order to make them stay energized and motivated to work for the company in the long run.	Aim and are working towards improving gender diversity and becoming a well-known equal opportunity employer. Female employee friendly policies have also been implemented.

HSE (Health, Safety and Environment)

Zero Loss Work Day Injury	Compliance with NEQ Standards	WHR (Waste Heat Recovery) Plant
Due to strict compliance of safety practices, Loss Work Day injuries are further reduced to 54% from the last year.	Emission of stacks are within the permissible limit of NEQ standards due to timely replacement of filter bag and recovery of waste heat.	After installation of WHR plant the emission levels are well maintained as per target.

Business Growth & Diversification

Coal Based Power Project	Kia Lucky Motors Pakistan Limited (KLM)	Expansion of Cement Grinding in Iraq	Cement Plant in Punjab Province	Installation of Additional Line at Karachi Plant
The Company is currently in negotiation with the Power Purchaser to avoid restrictive time limits being imposed for the use of imported coal. The target to achieve financial close is December 2017.	KLM was awarded category 'A' greenfield investment status in June 2017 by the Ministry of Industries & Production under the new Automotive Development Policy. The target to start plant construction is for second quarter of the financial year 2017-18	100% capacity expansion of Cement grinding unit in Iraq is expected to come online by the end of November, 2017	The Company is in the process of seeking approvals and necessary authorizations from Government of Punjab for commencement of this project	The construction work at project site is in full swing to achieve commercial operations in December 2017.

Risk Management

Strategic Risks	Operational Risks	Financial 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.	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.	Debt free balance sheet and natural hedge against foreign currency transactions safeguarded the company from any significant financial risks.However, the Company continues to follow the policy of taking selective forward exchange cover to safeguard against any adverse potential short-term foreign currency exposure.	Due to effective compliance with laws and regulations and transparent financial reporting framework compliance risk posed to the Company remains low. Litigation risks involving significant cases against the Company are handled through reputable Law firms with specialized expertise wherever required.

Corporate Social Responsibility

Charity and Donations	Educational Scholarships	Medical Assistance and Poverty Alleviation	Causes we care about
Continued extending donations to both individuals and institutions 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

Directors' Report

Corporate Social Responsibility

Your Company remains committed towards value-creation for the society in which it operates. Therefore, as practiced in the past, your Company continued its services in the education sector by offering merit-based scholarships to deserving students in leading universities of the country. Your Company remains faithful to the cause of women empowerment in the country and continued its support for the two leading Government girls' schools in Karachi in collaboration with Zindagi Trust. With the primary focus of social intervention in the development of women education in the Country, your Company hopes that its support for these schools can transform them into model educational institutions for the girls of Pakistan. On the other hand, support for The Hub School's maintenance by your Company continued during the current year, as well.

Ensuing its commitment of supporting quality health care projects in the country, your Company continued to extend its support to Aziz Tabba Foundation, which is one of the most prominent philanthropic institutions in Pakistan. Support was provided for the running of its two premium health care institutes in the country, namely Tabba Heart Institute and Tabba Kidney Institute. Furthermore, Lucky Cement also extended its support for the treatment of blind children through Pakistan Welfare Association of the Blind.

In its efforts to sustain the environment, your Company responded appropriately to curtail carbon emissions into the atmosphere. Your Company has a comprehensive air quality measurement program that enables it to identify the limits of pollution parameters in the ambient air in and around the Lucky Cement's plant. 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.

In addition to this, your Company actively engaged its employees in community service at SOS Children's Village. The employees interacted with the children of various age groups, and your Company contributed generously towards the phenomenal work being done by the institution. Further support was also extended towards Special Olympics Pakistan to assist them in organizing healthy athletic activities in the country. Support was also given to various other social improvement initiatives in the country and provided valuable assistance to non-governmental organizations as well.

During the holy month of Ramadan, your Company highlighted the true spirit of charity by providing for basic food needs for many deserving families. Furthermore, your Company generously contributed towards various causes to support Eid related festivities. Your Company also continues to donate towards the cause of community development by supporting CPLC – an institution responsible for the safety and security of citizens in Sindh.

Code of Corporate Governance and System of Internal Controls

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 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.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the company's ability to continue as a going concern.
- 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 Gover nance, we have included the following informa tion in this report:
- Statement of pattern of shareholding (has been given separately).
- Statement of shares held by associated undertakings and related persons (has been given separately).
- 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).

Board of Directors

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

The 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 and ensures that all the Directors of the Board comply with the requirements of Directors Training Certification.

Directors' Report

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 unneces sary litigation and reputational risk.

PERFORMANCE EVALUATION OF THE BOARD

The overall performance of the Board measured on the basis of above mentioned parameters for the year was satisfactory. A separate report by the Chairman on Board's overall performance, as required u/s 192 of the Companies Act 2017 is attached with this Annual Report.

Board Committees and Meetings

AUDIT COMMITTEE

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

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

TERMS OF REFERENCE

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

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

(b) review of 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;

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

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

Budget Committee

BUDGET COMMITTEE - MEETING		
S. No.	NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
1	Mr. Muhammad Sohail Tabba (Chairman) *Non-Executive Director*	1
2	Mr. Muhammed Ali Tabba *Executive Director*	1
3	Mr. Jawed Yunus Tabba *Non-Executive Director*	0
4	Mr. Muhammad Abid Ganatra *Non-Executive Director*	1

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

Terms Of Reference

The terms of reference of the 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 Direc tors 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 Remuneration Committee

HR AND REMUNERATION COMMITTEE - 2 MEETINGS		
S. No.	NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
1	Mrs. Mariam Tabba Khan (Chairperson) *Non-Executive Director*	2
2	Mr. Muhammad Ali Tabba *Executive Director*	2
3	Mr. Muhammad Sohail Tabba *Non-Executive Director*	0
4	Mr. Jawed Yunus Tabba *Non-Executive Director*	1
5	Mrs. Zulekha Tabba Maskatiya *Non-Executive Director*	1

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

Terms Of Reference

The terms of reference of the Human Resource and Remuneration (HR&R) Committee 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 recommenda tions of CEO on such matters for key manage ment 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.

Directors' Report

Shares Transfer Committee

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

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

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 applica tions 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 latest financial year and is satisfied with the achievements for the year. The Board has full confidence in his abilities to manage the company in the most professional and competent manner. He is also responsible for setting the corporate objectives and its alignment with the KPIs for his management team and regularly updates the Board about the performance of the management team in achieving the desired goals.

Vision, Mission and Overall Corporate Strategy Approval by the Board

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

Qualification of CFO and Head of Internal Audit

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

Pattern of Shareholding

Pattern of shareholding of the Company in accordance with the Section 227 (2)(f) of the Companies Act, 2017 and Code of Corporate Governance as at June 30, 2017 is included in this report.

Auditors

The financial statements of the company for the current year 2016-17 were audited by Messrs A.F. Ferguson & Co. Chartered Accountants. The auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of Messrs A.F. Ferguson & Co. Chartered Accountants as auditors for the ensuing year, as suggested by the Audit Committee, subject to approval of the members in the forthcoming Annual General Meeting.

Outlook

Your Company continues to remain optimistic about domestic sales volumetric growth for the upcoming financial year. Domestic sales are expected to remain strong on the back of private and public 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

Your directors take this opportunity to express their deep sense of gratitude to all the stakeholders for their 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: July 31, 2017

Six Years at a Glance

Financial Position (PKR in million)	2012	2013	2014	2015	2016	2017
Assets Employed						
Property, plant and equipment	31,017	31,008	31,937	35,019	33,887	37,488
Intangible Assets	1	5	28	42	127	80
Long term investments	-	5,619	8,158	10,925	12,422	13,314
Long term advance	55	554	72	79	76	85
Long term deposit & deferred cost	3	3	3	3	3	3
Current assets	9,555	13,007	19,672	27,018	39,395	46,368
Total Assets	40,631	50,196	59,870	73,086	85,909	97,337
Financed By						
Shareholders' Equity	33,262	41,035	49,792	59,259	69,323	79,785
Long-term liabilities						
Long term finance	393	127	-	-	-	-
Current portion of long term finance	265	265	127	-	-	-
	658	393	127	-	-	-
Long term deposits and deferred liabilities	3,352	5,187	5,521	6,396	6,969	7,209
Current liabilities	3,624	3,846	4,556	7,431	9,618	10,344
Current portion of long term finance	(265)	(265)	(127)	-	-	-
	3,359	3,580	4,428	7,431	9,618	10,344
Total Funds Invested	40,631	50,196	59,870	73,086	85,909	97,337
Turnover & Profit						
Turnover - net	33,323	37,810	43,083	44,761	45,135	45,687
Gross Profit	12,721	16,756	18,690	20,183	21,746	21,298
Operating Profit	9,010	12,412	14,548	16,138	18,620	18,573
Profit before taxation	8,324	11,746	14,456	15,912	18,400	18,778
Total comprehensive income	6,782	9,714	11,344	12,377	12,974	13,696
Cash Dividends	1,294	1,940	2,587	2,910	2,910	3,234
General Reserve	2,500	5,000	7,871	8,433	9,467	9,741
Profit carried forward	7,685	10,459	11,344	12,377	12,974	13,696
Earning per share (Rupees)	20.97	30.15	35.08	38.44	40.03	42.34
Cash Flow Summary						
Net Cash from Operating Activities	9,375	12,246	13,566	19,003	16,603	16,845
Net Cash used in Investing Activities	(1,030)	(8,094)	(4,949)	(8,130)	(3,353)	(6,688)
Net Cash Outflow from Financing Activities	(7,851)	(2,191)	(2,833)	(3,019)	(2,889)	(3,224)
Increase in Cash and Cash Equivalents	493	1,961	5,785	7,854	10,361	6,933
Cash and Cash Equivalents at beginning of the Year	351	844	2,806	8,591	16,445	26,806
Cash and Cash Equivalents at end of the Year	844	2,806	8,591	16,445	26,806	33,738

Analyses of Balance Sheet

PKR in '000	2012	2013	2014	2015	2016	2017
Share Capital & Reserves	33,261,745	41,035,443	49,792,183	59,258,770	69,322,838	79,784,981
Non Current Liabilities	3,745,172	5,314,888	5,521,483	6,396,392	6,968,744	7,208,757
Current Liabilities	3,624,324	3,845,844	4,555,965	7,430,703	9,617,734	10,343,627
Total Equity & Liabilities	**40,631,241**	**50,196,175**	**59,869,631**	**73,085,865**	**85,909,316**	**97,337,365**
Non Current Assets	31,076,594	37,189,583	40,198,033	46,067,916	46,514,689	50,969,440
Current Assets	9,554,647	13,006,592	19,671,598	27,017,949	39,394,627	46,367,925
Total Assets	**40,631,241**	**50,196,175**	**59,869,631**	**73,085,865**	**85,909,316**	**97,337,365**

Vertical Analysis - %	2012	2013	2014	2015	2016	2017
Share Capital & Reserves	81.86	81.75	83.17	81.08	80.69	81.97
Non Current Liabilities	9.22	10.59	9.22	8.75	8.11	7.41
Current Liabilities	8.92	7.66	7.61	10.17	11.20	10.62
Total Equity & Liabilities	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Non Current Assets	76.48	74.09	67.14	63.03	54.14	52.36
Current Assets	23.52	25.91	32.86	36.97	45.86	47.64
Total Assets	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Horizontal Analysis (i) Cumulative %	2012	2013	2014	2015	2016	2017
Share Capital & Reserves	100.00	23.37	49.70	78.16	108.42	139.87
Non Current Liabilities	100.00	41.91	47.43	70.79	86.07	92.48
Current Liabilities	100.00	6.11	25.71	105.02	165.37	185.39
Total Equity & Liabilities	**100.00**	**23.54**	**47.35**	**79.88**	**111.44**	**139.56**
Non Current Assets	100.00	19.67	29.35	48.24	49.68	64.01
Current Assets	100.00	36.13	105.89	182.77	312.31	385.29
Total Assets	**100.00**	**23.54**	**47.35**	**79.88**	**111.44**	**139.56**

Horizontal Analysis (ii) Year on Year %	2012 vs 2011	2013 vs 2012	2014 vs 2013	2015 vs 2014	2016 vs 2015	2017 vs 2016
Share Capital & Reserves	100.00	23.37	21.34	19.01	16.98	15.09
Non Current Liabilities	100.00	41.91	3.89	15.85	8.95	3.44
Current Liabilities	100.00	6.11	18.46	63.10	29.43	7.55
Total Equity & Liabilities	**100.00**	**23.54**	**19.27**	**22.08**	**17.55**	**13.30**
Non Current Assets	100.00	19.67	8.09	14.60	0.97	9.58
Current Assets	100.00	36.13	51.24	37.34	45.81	17.70
Total Assets	**100.00**	**23.54**	**19.27**	**22.08**	**17.55**	**13.30**

Analyses of Profit & Loss Account

PKR in '000	2012	2013	2014	2015	2016	2017
Turnover	33,322,535	37,810,456	43,083,169	44,761,307	45,135,037	45,687,043
Cost of Sales	20,601,261	21,054,058	24,393,064	24,578,219	23,389,268	24,388,760
Gross Profit	**12,721,274**	**16,756,398**	**18,690,105**	**20,183,088**	**21,745,769**	**21,298,283**
Distribution Cost	3,236,721	3,664,019	3,382,156	3,127,018	2,018,376	1,703,785
Administrative Cost	474,135	680,347	760,269	943,385	1,107,527	1,021,694
Operating Profit	**9,010,418**	**12,412,032**	**14,547,680**	**16,112,685**	**18,619,866**	**18,572,804**
Finance Cost	253,234	75,829	34,225		-	-
Other (Income) / Charges	433,207	590,335	57,090	200,891	219,644	(205,449)
Profit before taxation	**8,323,977**	**11,745,868**	**14,456,365**	**15,911,794**	**18,400,222**	**18,778,253**
Taxation	1,541,561	1,997,106	3,111,962	3,480,196	5,456,037	5,086,004
Profit after taxation	**6,782,416**	**9,748,762**	**11,344,403**	**12,431,598**	**12,944,185**	**13,692,249**
Other Comprehensive Income	-	(34,814)	(663)	(54,636)	30,258	3,644
Total Comprehensive Income	**6,782,416**	**9,713,948**	**11,343,740**	**12,376,962**	**12,974,443**	**13,695,893**

Vertical Analysis - %	2012	2013	2014	2015	2016	2017
Turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	61.82	55.68	56.62	54.91	51.82	53.38
Gross Profit	**38.18**	**44.32**	**43.38**	**45.09**	**48.18**	**46.62**
Distribution Cost	9.71	9.69	7.85	6.99	4.47	3.73
Administrative Cost	1.42	1.80	1.76	2.11	2.45	2.24
Operating Profit	**27.04**	**32.83**	**33.77**	**36.00**	**41.25**	**40.65**
Finance Cost	0.76	0.20	0.08	-	-	-
Other (Income) / Charges	1.30	1.56	0.13	0.45	0.49	(0.45)
Profit before taxation	**24.98**	**31.07**	**33.55**	**35.55**	**40.77**	**41.10**
Taxation	4.63	5.28	7.22	7.78	12.09	11.13
Profit after taxation	**20.35**	**25.78**	**26.33**	**27.77**	**28.68**	**29.97**
Other Comprehensive Income	-	(0.09)	-	(0.12)	0.07	0.01
Total Comprehensive Income	**20.35**	**25.69**	**26.33**	**27.65**	**28.75**	**29.98**

Horizontal Analysis (i) Cumulative %	2012	2013	2014	2015	2016	2017
Turnover	100.00	13.47	29.29	34.33	35.45	37.11
Cost of Sales	100.00	2.20	18.41	19.30	13.53	18.38
Gross Profit	**100.00**	**31.72**	**46.92**	**58.66**	**70.94**	**67.42**
Distribution Cost	100.00	13.20	4.49	(3.39)	(37.64)	(47.36)
Administrative Cost	100.00	43.49	60.35	98.97	133.59	115.49
Operating Profit	**100.00**	**37.75**	**61.45**	**78.82**	**106.65**	**106.13**
Finance Cost	100.00	(70.06)	(86.48)	(100.00)	(100.00)	(100.00)
Other (Income) / Charges	100.00	36.27	(86.82)	(53.63)	(49.30)	(147.43)
Profit before taxation	**100.00**	**41.11**	**73.67**	**91.16**	**121.05**	**125.59**
Taxation	100.00	29.55	101.87	125.76	253.93	229.93
Profit after taxation	**100.00**	**43.74**	**67.26**	**83.29**	**90.85**	**101.88**
Other Comprehensive Income	100.00	(100.00)	(100.00)	(100.00)	(100.00)	100.00
Total Comprehensive Income	**100.00**	**43.22**	**67.25**	**82.49**	**91.30**	**101.93**

Horizontal Analysis (ii) Year on Year - %	2012 vs 2011	2013 vs 2012	2014 vs 2013	2015 vs 2014	2016 vs 2015	2017 vs 2016
Turnover	100.00	13.47	13.95	3.90	0.83	1.22
Cost of Sales	100.00	2.20	15.86	0.76	(4.84)	4.27
Gross Profit	**100.00**	**31.72**	**11.54**	**7.99**	**7.74**	**(2.06)**
Distribution Cost	100.00	13.20	(7.69)	(7.54)	(35.45)	(15.59)
Administrative Cost	100.00	43.49	11.75	24.09	17.40	(7.75)
Operating Profit	**100.00**	**37.75**	**17.21**	**10.76**	**15.56**	**(0.25)**
Finance Cost	100.00	(70.06)	(54.87)	(100.00)	-	-
Other (Income) / Charges	100.00	36.27	(90.33)	251.88	9.33	(193.54)
Profit before taxation	**100.00**	**41.11**	**23.08**	**10.07**	**15.64**	**2.05**
Taxation	100.00	29.55	55.82	11.83	56.77	(6.78)
Profit after taxation	**100.00**	**43.74**	**16.37**	**9.58**	**4.12**	**5.78**
Other Comprehensive Income	-	(100.00)	(98.10)	8,140.72	(155.38)	(87.96)
Total Comprehensive Income	**100.00**	**43.22**	**16.78**	**9.11**	**4.83**	**5.56**

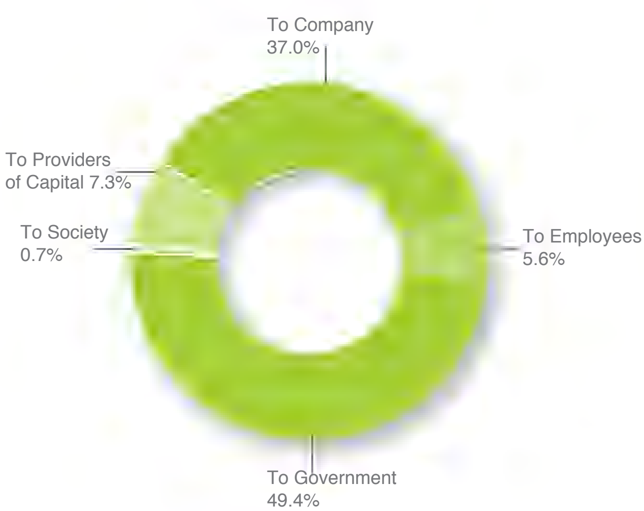
Financial Performance

Financial Ratios	UoM	2012	2013	2014	2015	2016	2017
Profitability Ratios							
Gross profit to sales	percent	38.18%	44.32%	43.38%	45.09%	48.18%	46.62%
Net profit after tax to sales	percent	20.35%	25.78%	26.33%	27.77%	28.68%	29.97%
EBITDA to sales	percent	32.21%	37.81%	38.58%	41.17%	46.95%	46.41%
Operating Leverage	percent	265.61%	280.31%	123.39%	280.73%	1841.56%	-20.67%
Return on Equity after tax	percent	20.39%	23.67%	22.78%	20.89%	18.72%	17.17%
Return on Capital Employed	percent	21.85%	25.97%	24.94%	22.70%	20.18%	18.37%
Liquidity Ratios							
Current ratio	times	2.64 : 1	3.38 : 1	4.32 : 1	3.64 : 1	4.10 : 1	4.48 : 1
Quick/Acid test ratio	times	0.80 : 1	1.66 : 1	2.62 : 1	2.75 : 1	3.31 : 1	3.67 : 1
Cash to Current Liabilities	times	0.23 : 1	0.73 : 1	1.89 : 1	2.21 : 1	2.79 : 1	3.26 : 1
Cash flow from Operations to Sales	times	0.28 : 1	0.32 : 1	0.31 : 1	0.42 : 1	0.37 : 1	0.37 : 1
Activity / Turnover Ratios							
Inventory turnover	times	2.89	3.17	3.40	3.44	3.30	3.05
No. of days in Inventory	days	126.30	115.14	107.35	106.10	110.61	119.67
Debtor turnover	times	39.87	27.81	23.00	21.73	21.37	24.27
No. of days in Receivables	days	9.15	13.12	15.87	16.80	17.08	15.04
Creditor turnover	times	5.58	6.09	6.36	4.69	3.13	2.74
No. of days in Payables	days	65.41	59.93	57.39	77.83	116.61	133.21
Operating Cycle	days	70.04	68.33	65.83	45.07	11.08	1.50
Total assets turnover	times	0.82	0.75	0.72	0.61	0.53	0.47
Fixed assets turnover	times	1.07	1.22	1.35	1.28	1.33	1.22
Investment Valuation Ratios							
Earnings per share (after tax)	rupees	20.97	30.15	35.08	38.44	40.03	42.34
Price / Earning ratio (after tax)	times	5.50	6.96	11.70	13.52	16.20	19.75
Dividend Yield	percent	5.20%	3.81%	2.19%	1.73%	1.54%	1.43%
Dividend Payout ratio	percent	28.61%	26.54%	25.65%	23.41%	24.98%	28.34%
Dividend Cover ratio	times	3.50	3.77	3.90	4.27	4.00	3.53
Cash Dividend per share	rupees	6.00	8.00	9.00	9.00	10.00	12.00
Break up value per share	rupees	102.86	126.90	153.98	183.25	214.37	246.73
Market Value Per Share as on 30th June	rupees	115.39	209.72	410.30	519.62	648.51	836.26
Capital Structure Ratios							
Financial leverage ratio	times	0.02 : 1	0.01 : 1	0.00 : 1	0.00 : 1	0.00 : 1	0.00 : 1
Weighted Average Cost of Debt	percent	6.42%	14.43%	13.15%	0.00%	0.00%	0.00%
Debt to Equity ratio	times	0.01 : 1	0.00 : 1	0.00 : 1	0.00 : 1	0.00 : 1	0.00 : 1
Interest Coverage ratio	times	35.58	163.68	425.06	-	-	-

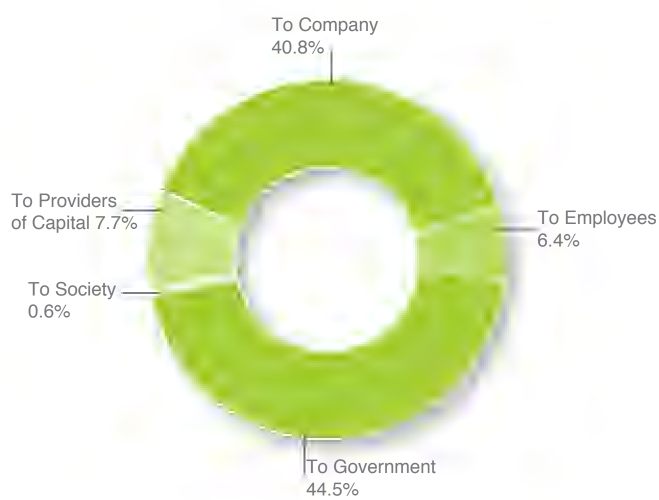
Statement of Value Addition & Wealth Distribution

FINANCIAL POSITION	2017 PKR In '000'	%	2016 PKR In '000'	%
WEALTH GENERATED				
Gross Sales/ Revenues	61,601,934		55,923,115	
Bought-in-material and services	(17,452,644)		(17,862,692)	
	44,149,290	**100.0%**	**38,060,423**	**100.0%**
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	2,486,471	5.6%	2,423,763	6.4%
To Government				
Income tax, sales tax, excise duty and others	21,792,918	49.4%	16,939,485	44.5%
To Society				
Donation towards education, health and environment	308,167	0.7%	243,280	0.6%
To Providers of Capital				
Dividend to shareholders	3,233,750	7.3%	2,910,375	7.7%
To Company				
Depreciation, amortization & retained profit	16,327,984	37.0%	15,543,520	40.8%
	44,149,290	**100.0%**	**38,060,423**	**100.0%**

WEALTH DISTRIBUTION 2017 - (Percentage)



WEALTH DISTRIBUTION 2016 - (Percentage)



Notes on Analyses

Comments on six year Statement of Comprehensive Income analysis

Turnover

Revenues grew from PKR 33.3 billion in 2012 to PKR 45.7 billion in 2017 with an increase of 37.1%. This is mainly due to increase in domestic sales volume and net retention.

Cost of Sales

Cost increased from PKR 20.6 billion in 2012 to PKR 24.4 in 2017 billion with an increase of 18.4%. This is mainly due to increase in prices of fuel & power and raw material inputs.

Gross Profit

GP increased from PKR 12.7 billion in 2012 to PKR 21.3 billion in 2017 with an increase of 67.4%. This is mainly attributed to use of efficient and cost effective alternative energy sources as well as utilization of Waste Heat Recovery which curtailed power cost and lead to increase in GP.

Finance Cost

Currently there is no finance cost.

Net Profit

Net Profit increased from PKR 6.78 billion in 2012 to 13.69 billion in 2017 with an increase of 101.9%. This is mainly attributable to increased sales volumes as well as continuous performance improvement and 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 investments in new projects.

Non Current Liabilities

There is an increase of 92.5% in NCL from 2012 to 2017 mainly because of deferred tax liability.

Non Current Assets

There is an increase of 64% in NCA from 2012 to 2017 mainly due to capital expenditure on Alternative energy, WHR, Ventometic Packing Plant, Vertical Grinding Mill and equity investment in acquisition of ICI, SAP infrastructure implementation and other offshore projects in Iraq & Congo.

Comments on six year Statement of Cash Flows analysis

Lucky has persuasive cash flow system. The liquidity of the Company improved substantially due to improved margins, cost reductions and main reliance on equity thus reducing finance cost over the period . The company has no borrowings as of June 30, 2017 and all the projects and investments are primarily financed by internally generated cash flows.

Analyses of Variation in Interim Period

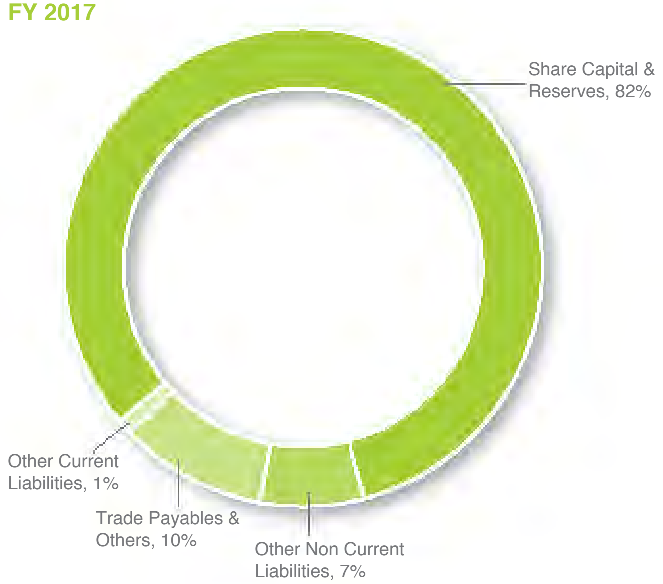
Particulars	Qtr-1	Qtr-2	Qtr-3	Qtr-4	FY 2016-17
Sales Volume (in '000 Tons)	**1,703**	**2,031**	**1,800**	**1,616**	**7,150**
Sales Revenue	10,567	12,875	11,799	10,446	45,687
Cost of Good Sold	5,216	6,559	6,515	6,099	24,389
Gross Profit	5,351	6,316	5,284	4,347	21,298
Gross Profit Margin	51%	49%	45%	42%	47%
Operating Profit	4,614	5,501	4,669	3,789	18,573
Operating Profit Margin	44%	43%	40%	36%	41%
EBITDA	5,229	6,195	5,331	4,450	21,205
EBITDA Margin	49%	48%	45%	43%	46%
Net Profit Before Tax	4,651	5,255	4,762	4,110	18,778
Taxation	1,414	1,455	1,378	839	5,086
Net Profit After Tax	3,237	3,800	3,384	3,271	13,692
Net Profit After Tax Margin	31%	30%	29%	31%	30%
EPS in PKR	10.01	11.75	10.47	10.11	42.34

During the FY 16-17, 1st Quarter's performance was the best in terms of the Gross Profit Margin of 51%, Operating Profit (OP) Margin of 44% and EBITDA Margin of 49% mainly on account of lower cost of sales where the largest decline was in fuel and coal costs due to significant price decrease. Furthermore operational costs also decreased owing to cost saving and performance Improvemet initiatives by the company implemented at the end of 3rd Quarter.However, 2nd Quarter outperformed all the other quarters in terms of bottom-line profitability and Earnings Per Share (EPS); mainly on account of highest sales and 2nd lowest cost of sales. 2nd Quarter contributed cement sales volumes of 2.03 Million Tons and bottom-line profitability of PKR 3.8 Billion in values and 30% in terms of Net Profit after tax margin.

Composition of Balance Sheet

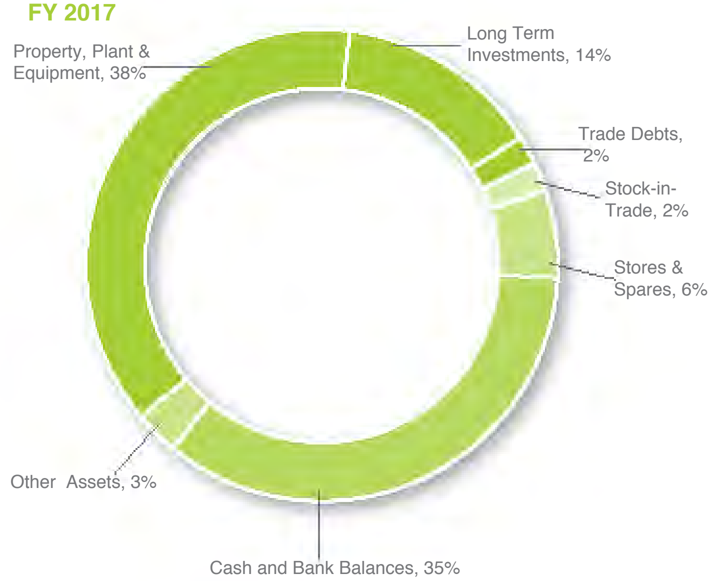
EQUITY AND LIABILITIES - (Percentage)

FY 2017



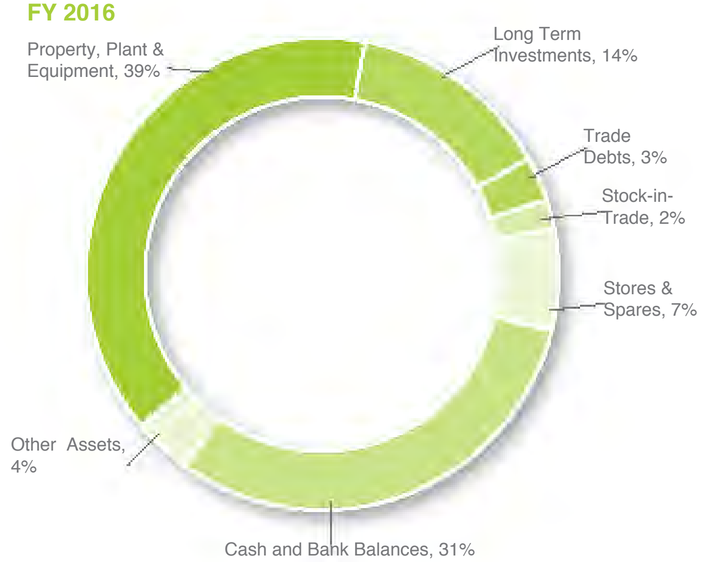
ASSETS - (Percentage)

FY 2017

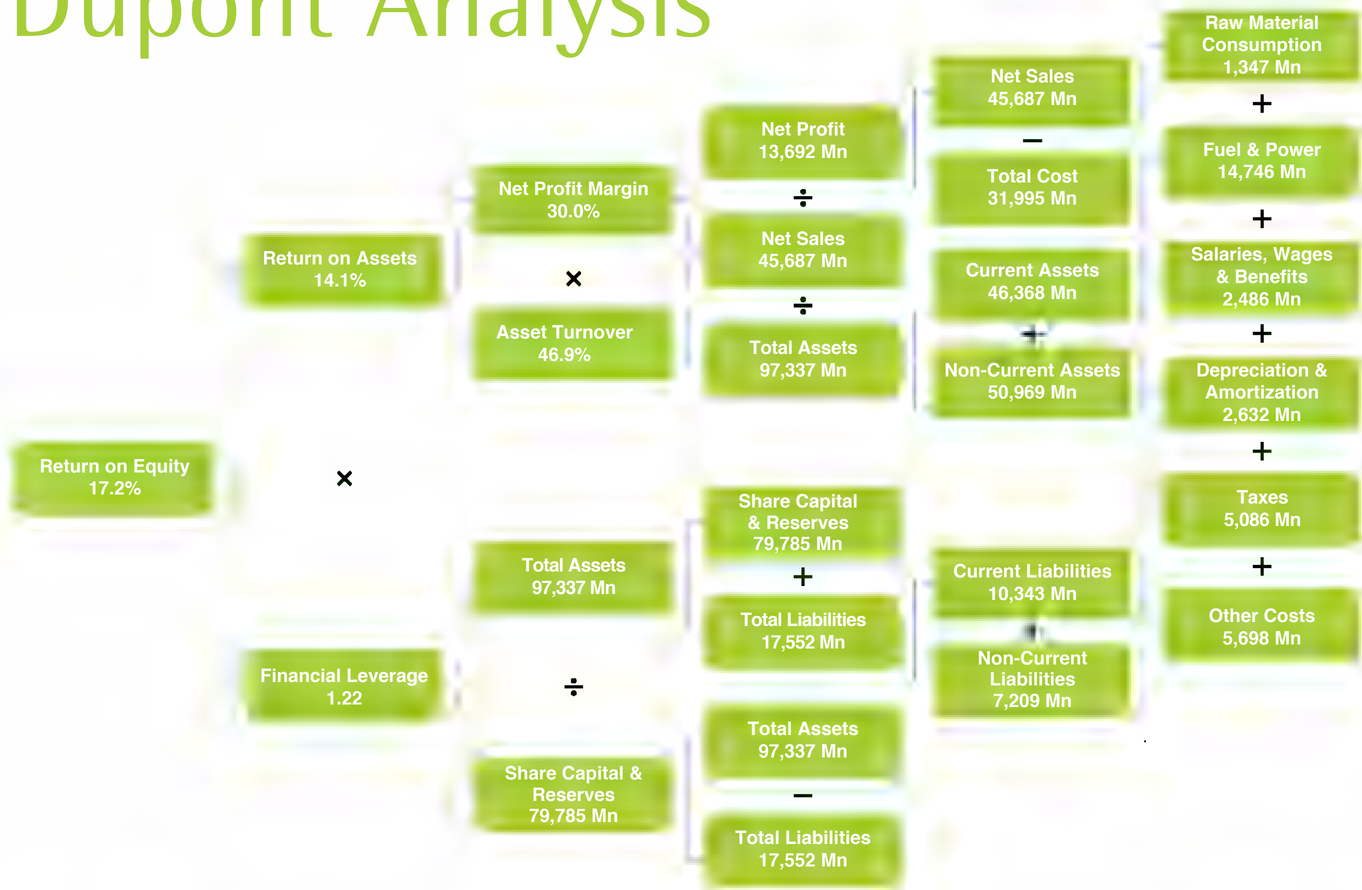


FY 2016

FY 2016



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
2017	30.0%	0.47	1.22	17.2%
2016	28.7%	0.53	1.24	18.7%
2015	27.8%	0.61	1.23	20.9%
2014	26.3%	0.72	1.20	22.8%
2013	25.8%	0.75	1.22	23.7%
2012	20.4%	0.82	1.22	20.4%

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 various cost effective measures, additional income from deposits with Islamic banks and reduced income tax rates for meeting with prescribed Shariah compliance criteria defined by FBR.

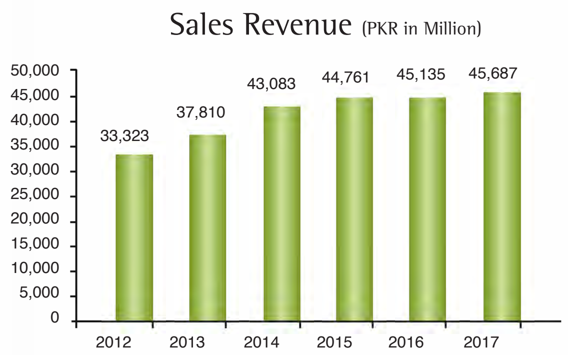
2. The Asset base of the company has improved during the current year mainly on account of cost savings and investment projects.

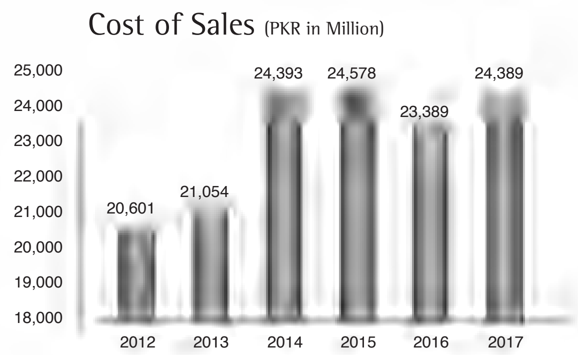
3. The Financial Leverage ratio for the Company has improved due to incremental Assets base and Equity strength of the balance sheet as the Company remains debt free and the Asset base is financed mainly by Equity. The Equity has further strengthened due to improved profitability which has in turn strengthened the retained earnings account.

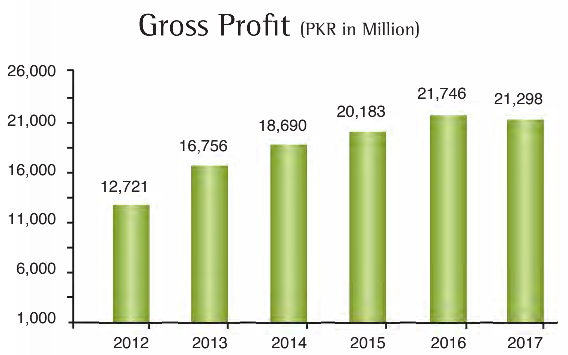
Conclusion

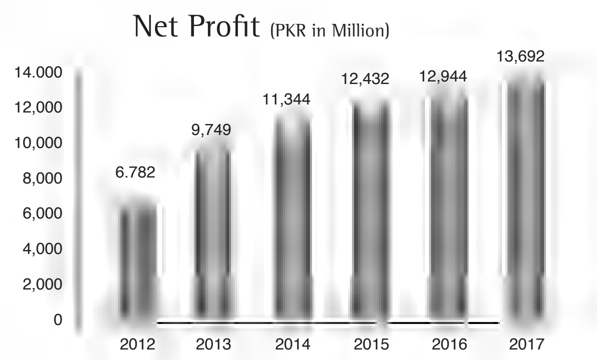
Overall, the operational & assets efficiency and Equity Multiplier are monitored on a regular basis to remain aware of the financial health of the Company. The DuPont analysis for the last 5 years depicts a positive trend in Return on Equity (ROE) of the Company. The ROE showed a remarkable increase in 2013, and gradually declined thereafter due to high reserve base.

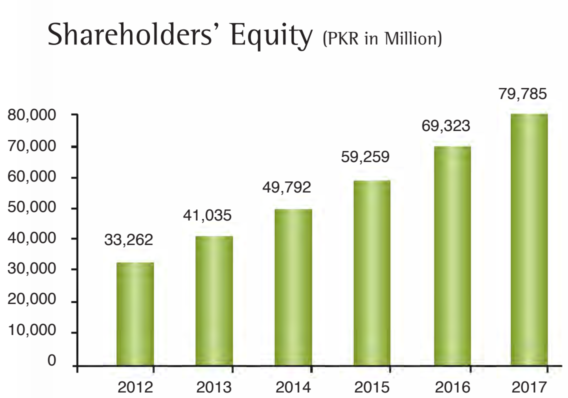
Financials at A Glance

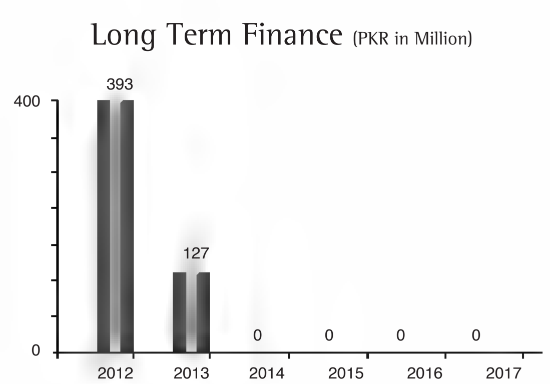








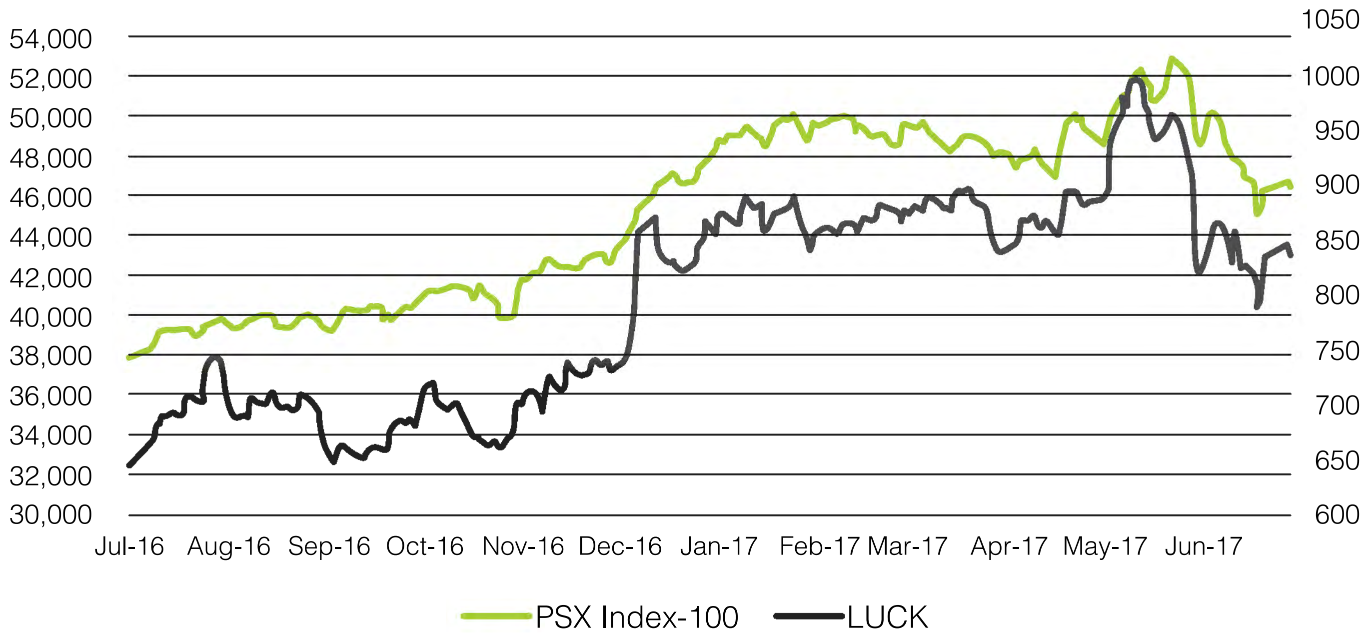




Share Price Sensitivity Analysis

Share Price Sensitivity

Data Source: Pakistan Stock Exchange



Lucky Cement Shares (LUCK) are traded on Pakistan Stock Exchange and London Stock Exchange. Our free float is 36.28% and market capitalization at the end of day of fiscal year was PKR 270 Billion. There are many factors which might 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 LCL is involved in both export and import (exports of cement and import of fuels) 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 LCL with respect to market is 1.11.

Diversification

The Company has diversified both in terms of geographical location and nature of business. Our growing global 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 Limited has been growing with the prime objective of maximizing value for all the stakeholders. The company uses it strengths to capitalize on opportunities, overcome its weaknesses and avert threats. Keeping this in perspective, our pursuits consist of diverse strategies having external and internal origins.

The goal of Board of Directors is to minimize all risks and taking advantage of potential opportunities in order to systematically and sustainably improve the value of the company for all stakeholders.

Strengths

Lucky Cement Limited, a part of YBG, is one of the largest cement producers in Pakistan. It is not only the market leader in Pakistan's cement industry but it also enjoys top preference by quality conscious customers. The company is the lowest cost producer in the industry while grossing the highest profits and highest EPS. Lucky Cement Limited's capacity utilization is higher than the industry average and its balance sheet is recognized as the most de-leveraged 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. Lucky Cement owns a fleet of Bulkers & Trailers, which gives added advantage in terms of logistics and efficient deliveries to all types of customers spread across the length and breadth of the Country. 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 and 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 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 Waste Heat Recovery and alternate fuels. The carbon emissions by Lucky Cement are well below the country's regulatory limits.

Weaknesses

Although Lucky Cement has a significant 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 for the company. The positive demographic trends like growing population, increasing urbanization and rising income levels are the key demand drivers. The launch of China–Pakistan Economic Corridor initiative presents a great opportunity for long term growth of the industry. Furthermore, with increased Government's spending on infrastructure development, construction of highways, dams, energy projects and various housing schemes, the local demand of cement is likely to increase. On the back of all these developments, the focus has shifted more towards the domestic market.

Threats

Exports remained challenging mainly due to devaluation of currency of key export markets versus US dollar as well as 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 sales which in effect supported to 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 Limited is considered vital to the creation and enhancement of shareholders' value. The uncertainties and risks that may influence the achievement of our corporate goals and objectives are managed while opportunities are tapped into. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on the Company and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored.

Corporate Analysis

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 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. Moreover, efforts are being made to develop new and more profitable markets for its exports 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.	Power plants at both the sites are dual fired and sufficient amount of alternative fuel is maintained for use in case of any shortage. Moreover, during the year company used FO for power generation as it was more economical than gas. 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, which support in reducing our dependence on coal, if there is an increase in coal prices in the international market.
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 teams. Initiatives are taken to increase workplace diversity, resulting in a more effective workforce. Strategy on succession planning is in place to support the management in assessing employee performance for future growth and identified potential placements.
Information System Risk Loss of confidential information due to data theft	Information is transmitted through secure connections and firewalls are in place to prevent malicious activities. Appropriate data back-up mechanism is in place. Moreover, alternative processing sites are also available. Periodic systems audit is performed to identify any weaknesses/non-compliances and any areas for further improvement. Moreover, periodic log reviews further ensure that system related controls are in place and working effectively.

Corporate Analysis

OPERATIONAL RISKS	
TYPE OF RISKS	**MITIGATING ACTION**
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. Company has taken appropriate insurance cover to protect its assets from such risks. Welfare of employees as well as local communities is ensured, resulting in harmonious and peaceful conditions at all sites and their vicinities.
Maintenance Risk Possibility of production loss due to capacity or breakdown factor	Effective technical monitoring programs with regards to preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization.
Technology Risk Technological shift rendering the company's production processes inefficient	Major investments are made regularly to continuously improve product quality and process efficiency. Addition of Vertical Grinding Mills to produce finer quality of cement is one such example. The company has always led by bringing innovative technologies to its processes.

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 its books as required by the Companies Ordinance, 1984 and International Financial Reporting Standards. The Company has a strong Internal Audit function. Financial Statements are audited by well reputed audit firms.
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 in Islamic products 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. In addition, the Company continues to follow the policy of taking selective forward exchange cover to safeguard against any adverse potential short-term foreign currency exposure
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 Company. Such credit reflects a fractional part of company's sales.

Corporate Analysis

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 obligations 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. Company's effluent emissions are regularly monitored. Regular environmental audits are also performed.
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, use of prescribed safety gadgets, equipment and safe practices. There is a dedicated HSE function at both the plants. Periodic review of safety related incidents and internal audits ensure process effectiveness.

Materiality Approach

In addition to disclosure of all events/transactions required by law, 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 estimations with respect to residual value, depreciation / amortization methods and depreciable lives of assets as also disclosed in notes 4.3 and 4.4 of the standalone & 4.3 to 4.5 of consolidated financial statements 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 note 4.9 to standalone and note 4.8 to 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 4.11 and 4.10 to standalone and consolidated financial statements, respectively.

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 26.1 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 is as follows:

- Management is responsible for the development and execution of an effective Business Continuity Plan.
- The development of the plan must be done keeping in mind the on-going business needs and the environment it is operating in.
- 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.
- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extra ordinary event.
- Employees are imparted multi-skill training which helps in the continuity of business activities.
- To ensure protection of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire.
- The Company has also deployed adequate security staff at both plants to ensure uninterrupted cement production regardless of the political situation and other external factors.
- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance whereas backup of virtual assets and data is created on a routine basis.

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

Role of the Chairman

The prime responsibility of the Chairman is 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.
- Responsible for ensuring integrity, credibility, trustworthiness and active participation of Board members in key matters of the Company.
- Responsible for managing conflict (if any) amongst the Board members and ensure freedom of opinion.
- Responsible for reviewing the Board performance and suggest the training and development of Board members on individual and collective basis.
- Responsible for receiving from the management and sharing relevant and up-to-date information with the Board members and Shareholders.
- Responsible for promoting highest moral, ethical and professional values and good governance throughout the company.

Role of the CEO

The prime responsibility of the Chief Executive Officer 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) of 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.
- Responsible for working 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.
- Responsible for ensuring that all strategic and operational risks are appropriately managed to an acceptable level and that adequate system of internal controls is in place for all major operational and financial areas.
- Responsible for employing the best talent at key positions and devising succession planning of the top management.
- Responsible for promoting highest moral, ethical and professional values and good governance throughout the company.

Report of the Audit Committee

The Audit Committee of Lucky Cement Limited has six (6) non-executive directors, out of which one (1) is independent director, who is also the Chairman of the Committee. The Chairman of the Committee, Mr. Tariq Iqbal Khan, is Fellow Member of Institute of Chartered Accountants of Pakistan (ICAP). During the year four meetings of the Audit Committee were held which were also attended by CFO, Secretary of the Committee and Head of Internal Audit. The external auditors 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, 2017 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 Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the External Auditors of the Company.

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

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

5. Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements. Applicable International Financial Reporting Standards were followed in the preparation of financial statements of the Company and consolidated financial statements on a going concern basis, for the financial year ended June 30, 2017, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company and its subsidiaries for the year under review.

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

7. The financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. As per the requirements of Circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017, notified by the SECP, companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprising such International Financial Reporting Standards issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 will be applicable for the year ended June 30, 2017.

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

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

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

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

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

Internal Audit Function

13. 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.

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

15. 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.

16. 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.

17. 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

18. The external auditors of the Company, M/s. A.F. Ferguson & Co., Chartered Accountants, have completed their audit assignment of the standalone and consolidated financial statements and the "Statement of Compliance with the Code of Corporate Governance" of the Company for the year ended June 30, 2017 and shall retire on the conclusion of the 24th Annual General Meeting.

19. The Board Audit Committee has reviewed and discussed audit observations with the external auditors. The final Management Letter including such audit observations is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements under the listing regulations and shall therefore, accordingly be discussed in the next Board Audit Committee meeting.

20. M/s. A.F. Ferguson & Co., Chartered Accountants has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP and have indicated their willingness to continue as auditors for the year ended June 30, 2018.

TARIQ IQBAL KHAN
CHAIRMAN AUDIT COMMITTEE

Karachi: July 31, 2017

Proceedings of the last AGM and EOGM

PROCEEDINGS OF THE LAST ANNUAL GENERAL MEETING HELD ON OCTOBER 29, 2016

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.

He informed the members that the Company achieved an overall growth of 2.1% during the fiscal year 2015-2016 while local sales volume of the Company registered a growth of 20.5%. He further elaborated that the per ton cost of sales decreased due to a fall in the price of coal and fuel and positive contributions of WHR plants in Pezu and Karachi. He also informed that due to the expected growth in cement demand driven by CPEC, Company had decided to install a new cement production line at Karachi Plant which would be operational by the end of Calendar year 2017. The Chairman shared that the company generated valuable foreign exchange to the tune of USD 83 million by exports of cement to various international markets.

Final cash dividend @ 100% i.e. PKR 10/-share was approved by the shareholders in the meeting, which was to be distributed amongst the shareholders whose names appeared on the Register of Members as on October 15th, 2016.

It was also decided that M/s. A.F. Ferguson & Co would replace M/s. EY Ford Rhodes as external auditors for the year ended June 30th, 2017.

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

PROCEEDINGS OF THE LAST EXTRAORDINARY GENERAL MEETING HELD ON DECEMBER 30, 2016

The Chairman of the meeting started the Extra Ordinary General Meeting by welcoming all the shareholders of the Company. He informed the members that the Board of Directors of Lucky Cement in its meeting held on December 8, 2016 had decided to invest equity in in the proposed associated Project namely Kia Lucky Motors Pakistan Limited. He further briefed that the investee Company would carryout the manufacturing, assembling, distribution, marketing, sale, after-sale service, import and export of all types of Kia Motor vehicles, parts and accessories under license from Kia Motors Corporation. He gave an overview of the profile of Kia Motors Corporation, the new Auto Policy and the incentives available to green-field investors under the said policy. He also shared details about the current auto industry in Pakistan including top OEM's competing in the industry and informed the members about other potential new entrants of the industry.

He also explained the purpose of this investment which was to diversify and earn additional dividend income for the shareholders of the Company. He also gave the details of this investment such as the cost, proposed location, expected date of commencement and expected date when the investment would start generating cash flows.

In the end, it was resolved by special resolution that the Company would be authorized to make an investment in the form of equity of an amount up to PKR 12,000,000,000/- divided into 1,200,000,000 ordinary shares of PKR 10/- each.

The meeting was then concluded with a vote of thanks to the meeting Chairman.

Statement of Compliance with the Code of Corporate Governance for the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in Rule 5.19 of the Rule Book of Pakistan Stock Exchange (hereinafter collectively refered to as the "Rule Book") 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 of directors. At present the board includes:

CATEGORY:	NAMES:
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 5.19.1.(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 broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the board during the year ended June 30, 2017.

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 normally circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All 8 directors are compliant with necessary requirements of Directors Training Certification.

Statement of Compliance with the Code of Corporate Governance for the year ended June 30, 2017

10. During the year, the Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.

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. The board has formed an Audit Committee. It comprises of 6 members, all 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. The terms of reference of the committee have been formed and advised to the commit tee for compliance.

17. The board has formed a 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 conver sant 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 accor dance 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 Pakistan Stock Exchange.

22. Material / price sensitive information has been disseminated among all market participants at once through Pakistan 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

Review Report To The Members On Statement Of Compliance With Best Practices Of 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 (the Board) of Lucky Cement Limited (the Company) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule book of the Pakistan Stock Exchange 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 a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's 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 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 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, 2017.

A.F. Ferguson & Co.
Chartered Accountants
Dated: Jul 31, 2017
Karachi

Unconsolidated Financial Statements

For the year ended June 30, 2017

Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of Lucky Cement Limited (the Company) as at June 30, 2017 and the related unconsolidated profit and loss account, unconsolidated cash flow statement and unconsolidated 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 accounts 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 accounts and are further in accordance with accounting policies consistently applied;

(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, 2017 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 Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The unconsolidated financial statements of the Company for the year ended June 30, 2016 were audited by another firm of Chartered Accountants whose report dated September 1, 2016 expressed an unmodified opinion thereon and included emphasis of matter paragraphs in respect of other receivable from Hyderabad Electric Supply Company amounting to Rs 1,176.723 million and tax refund due from the Government amounting to Rs 538.812 million (as more fully explained in notes 15.2 and 16 to those unconsolidated financial statements respectively).

AFFerguson & Co.

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: Jul 31, 2017
Karachi

Balance Sheet

As at June 30, 2017

	Note	2017	2016
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	37,488,137	33,887,375
Intangible assets	6	79,657	126,549
		37,567,794	34,013,924
Long-term investments	7	13,313,520	12,422,020
Long-term loans and advances	8	84,951	75,570
Long-term deposits	9	3,175	3,175
		50,969,440	46,514,689
CURRENT ASSETS			
Stores and spares	10	5,894,079	5,993,969
Stock-in-trade	11	2,509,273	1,588,469
Trade debts	12	1,582,689	2,181,788
Loans and advances	13	619,161	447,049
Trade deposits and short-term prepayments	14	39,774	38,948
Accrued return		165,289	125,984
Other receivables	15	1,235,019	1,274,026
Tax refunds due from the Government	16	538,812	538,812
Short term investments	17	45,452	400,000
Cash and bank balances	18	33,738,377	26,805,582
		46,367,925	39,394,627
TOTAL ASSETS		97,337,365	85,909,316
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	19	3,233,750	3,233,750
Reserves	20	76,551,231	66,089,088
		79,784,981	69,322,838
NON-CURRENT LIABILITIES			
Long-term deposits	21	84,630	70,666
Deferred liabilities	22	7,124,127	6,898,078
		7,208,757	6,968,744
CURRENT LIABILITIES			
Trade and other payables	23	9,269,882	8,550,760
Taxation - net		1,073,745	1,066,974
		10,343,627	9,617,734
		17,552,384	16,586,478
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		97,337,365	85,909,316

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba	**Muhammad Ali Tabba**	**Irfan Chawala**
Chairman / Director	Chief Executive	Chief Financial Officer

Unconsolidated Profit And Loss Account

For the year ended June 30, 2017

	Note	2017	2016
		(PKR in '000')	
Gross sales	25	61,601,934	55,923,115
Less: Sales tax and federal excise duty		15,227,058	10,086,623
Rebates and commission		687,833	701,455
		15,914,891	10,788,078
Net sales		45,687,043	45,135,037
Cost of sales	26	(24,388,760)	(23,389,268)
Gross profit		21,298,283	21,745,769
Distribution cost	27	(1,703,785)	(2,018,376)
Administrative expenses	28	(1,021,694)	(1,107,527)
Other expenses	29	(1,788,023)	(1,640,105)
Other income	30	1,993,472	1,420,461
Profit before taxation		18,778,253	18,400,222
Taxation			
- current		(5,032,196)	(5,015,844)
- deferred		(53,808)	(440,193)
	31	(5,086,004)	(5,456,037)
Profit after taxation		13,692,249	12,944,185
Other comprehensive income :			
Other comprehensive income which will not be reclassified to profit and loss account in subsequent periods			
Gain on remeasurements of post retirement benefit obligations		9,488	40,508
Deferred tax thereon		(2,354)	(10,250)
		7,134	30,258
Other comprehensive income / (loss) which may be reclassified to profit and loss account in subsequent periods			
Unrealized loss on remeasurement of availabe for sale investment		(4,106)	-
Deferred tax thereon		616	-
		(3,490)	-
		3,644	30,258
Total comprehensive income for the year		13,695,893	12,974,443
		(PKR)	
Earnings per share - basic and diluted	32	42.34	40.03

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba	**Muhammad Ali Tabba**	**Irfan Chawala**
Chairman / Director	Chief Executive	Chief Financial Officer

Unconsolidated Cash Flow Statement

For the year ended June 30, 2017

	Note	2017	2016
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	33	20,136,484	20,433,489
Income tax paid		(5,025,425)	(4,997,212)
Gratuity paid		(73,490)	(96,688)
Increase in long-term deposits (liabilities)		13,964	1,420
Income from deposits with islamic banks and other financial institutions		1,802,440	1,258,414
(Increase) / decrease in long-term loans and advances		(9,381)	3,411
Net cash generated from operating activities	33.1	16,844,592	16,602,834
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,203,337)	(1,536,390)
Sale proceeds on disposal of property, plant and equipment		60,054	45,281
Long-term investments made		(891,500)	(1,497,000)
Short term investments realised / (made)		347,068	(365,078)
Net cash used in investing activities		(6,687,715)	(3,353,187)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(3,224,082)	(2,888,687)
Net increase in cash and cash equivalents		6,932,795	10,360,960
Cash and cash equivalents at the beginning of the year		26,805,582	16,444,622
Cash and cash equivalents at the end of the year	18	33,738,377	26,805,582

The annexed notes from 1 to 42 form an integral part of these unconsolidated **financial** statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2017

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves General reserves	Revenue reserves Unappropriated profit	Total reserves	Total equity
	(PKR in '000')					
Balance as at July 01, 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 share 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
Transfer to general reserve	–	–	9,740,693	(9,740,693)	–	–
Final dividend at the rate of PKR 10/- per share each for the year ended June 30, 2016	–	–	–	(3,233,750)	(3,233,750)	(3,233,750)
Profit after taxation	–	–	–	13,692,249	13,692,249	13,692,249
Other comprehensive income for the year	–	–	–	3,644	3,644	3,644
Total comprehensive income for the year	–	–	–	13,695,893	13,695,893	13,695,893
Balance as at June 30, 2017	3,233,750	7,343,422	55,511,916	13,695,893	76,551,231	79,784,981

The annexed notes from 1 to 42 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

1 THE COMPANY AND ITS OPERATIONS

1.1 Lucky Cement Limited (the Company) was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance) and is listed on the Pakistan Stock Exchange. The Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Company is manufacturing and marketing of cement. The registered office of the Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. 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 investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

2 STATEMENT OF COMPLIANCE

These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP) companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these 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 unconsolidated financial statements:

Property, plant and equipment

Estimates with respect to residual value, depreciation method and depreciable lives of property, plant and equipment as disclosed in notes 4.3 and 5.1 to these unconsolidated financial statements. Further, the Company reviews the carrying value of assets for impairment, if any, on each reporting period.

Impairment of financial and non-financial assets

Estimates with respect to impairment of financial and non-financial assets as disclosed in note 4.24 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

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realizable value as disclosed in notes 4.9 and 4.10 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 / receivables as disclosed in note 4.11 to these 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 obligation.

Income taxes

In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past.

Future estimation of export sales

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

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2016.

4.1 Accounting convention

These financial statements have been prepared under the historical cost convention except otherwise stated.

4.2 Initial application of new standards and amendments to approved accounting standards

4.2.1 Amendments to approved accounting standards effective during the year ended June 30, 2017:

There were certain new amendments to the approved accounting standards which became effective during the year ended June 30, 2017 but are considered not to be relevant or have any significant effect on the Company's financial reporting and are, therefore, not disclosed in these unconsolidated financial statements.

4.2.2 Standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2017:

There are certain new standards and amendments to the approved accounting standards that will become effective for the Company's annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have a significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated financial statements. Further, the new standards are yet to be adopted by the SECP. In addition to the foregoing, the Companies Act 2017 which is not effective on these unconsolidated financial statements, has added certain disclosure requirements which will be applicable in future.

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 items in operating fixed assets and capital work-in-progress, signifies historical cost and financial charges on borrowings as stated in note 4.20 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 unconsolidated financial statements. On plant and machinery depreciation is charged on higher of estimated useful life and units of production method. Depreciation on additions is charged from the date of acquisition / transfer of asset, whereas depreciation on disposals is charged till the date of disposal.

The assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each 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 the profit and loss account applying the straight line method at the rate mentioned in note 6 to these unconsolidated financial statements.

4.5 Investments in subsidiaries

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

4.6 Investments in associates

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

4.7 Investments at fair value through profit or loss

An investment is classified as 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 the 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 upon initial recognition 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 the 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 Available-for-sale investment

Investments which are intended to be held for an indefinite period of time but may be sold in response to the market condition, management decision or need for liquidity are classified as available for sale. Available for sale investments are recognised initially at fair value plus any directly attributable transaction cost. After initial recognition, these are stated at fair values unless fair values cannot be measured reliably, with any resulting gains and losses being taken to other comprehensive income until the investment is disposed off or impaired. At the time of disposal, the respective surplus or deficit is transferred to the profit and loss account.

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current.

Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the trade date which is the date that the Company commits to purchase or sell the investment.

4.9 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 estimated cost necessarily to be incurred in order to make the sale, which is generally equivalent to the estimated replacement cost.

4.10 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 cost necessary to make the sale.

4.11 Trade debts and other receivables

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

4.12 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.

4.13 Long-term and short-term borrowings

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

4.14 Staff retirement benefits

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

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

All remeasurement gains and losses are recognised in other comprehensive income.

4.15 Compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact of such valuation will not be material.

4.16 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.

4.17 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.

4.18 Taxation

Current

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

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.

4.19 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.

4.19.1 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 goods to customers.

4.19.2 Other income

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

Mark-up 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.

4.20 Borrowing cost

Borrowing and other related cost 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.

4.21 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rate ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and on translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date are recognized in the profit and loss account.

4.22 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.

4.23 Offsetting

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

4.24 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 of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

4.25 Dividend and appropriation to reserves

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

4.26 Functional and presentation currency

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

		Note	2017	2016
			(PKR in ‘000’)	
5	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets - tangible	5.1	33,086,307	33,261,489
	Capital work-in-progress	5.6	4,401,830	625,886
			37,488,137	33,887,375

5.1 Operating fixed assets - tangible

	Leasehold land	Freehold land	Buildings on leasehold land	Buildings on freehold land	Plant and machinery	Generators	Quarry equipment	Vehicles including cement bulkers	Aircraft	Furniture and fixtures	Office equipment	Computer and accessories	Other assets (Laboratory equipment etc.)	Total
	(PKR in '000')													
As at July 1, 2015														
Cost	1,393,802	301,277	7,106,061	93,685	24,369,457	12,228,141	1,537,305	1,121,368	744,664	69,830	163,873	111,467	279,844	49,520,774
Accumulated depreciation	(74,139)	-	(3,052,773)	(2,038)	(6,977,267)	(3,919,219)	(606,108)	(563,671)	(176,988)	(45,570)	(118,790)	(83,667)	(165,751)	(15,785,981)
Net book value	1,319,663	301,277	4,053,288	91,647	17,392,190	8,308,922	931,197	557,697	567,676	24,260	45,083	27,800	114,093	33,734,793
Year ended June 30, 2016														
Additions	-	-	4,336	-	1,751	-	6,583	127,892	-	5,293	6,609	10,051	2,591	165,106
Transfers from CWIP (note 5.6)	1,127	-	14,050	161,716	199,727	1,390,873	32,401	41,054	-	8,011	14,985	11,501	45,343	1,920,788
Disposals (note 5.5)														
Cost	-	-	-	-	-	-	(6,150)	(53,858)	-	(8,611)	(4,044)	(9,691)	(1,059)	(83,413)
Accumulated depreciation	-	-	-	-	-	-	5,075	41,711	-	8,408	3,965	9,479	646	69,284
	-	-	-	-	-	-	(1,075)	(12,147)	-	(203)	(79)	(212)	(413)	(14,129)
Depreciation charge for the year (note 5.4)	(21,331)	-	(351,635)	(12,464)	(1,051,176)	(651,686)	(148,146)	(151,505)	(70,960)	(11,521)	(32,522)	(19,778)	(22,345)	(2,545,069)
Net book value as at June 30, 2016	1,299,459	301,277	3,720,039	240,899	16,542,492	9,048,109	820,960	562,991	496,716	25,840	34,076	29,362	139,269	33,261,489
Year ended June 30, 2017														
Additions	-	-	12,812	-	63	34,965	335	325	-	-	14	-	-	48,514
Transfers from CWIP (note 5.6)	-	-	73,072	308,797	288,576	1,426,908	1,601	206,034	-	12,476	27,387	19,290	10,151	2,374,292
Adjustments														
Cost	-	-	(2,684,069)	2,684,069	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	1,695,647	(1,695,647)	-	-	-	-	-	-	-	-	-	-
	-	-	(988,422)	988,422	-	-	-	-	-	-	-	-	-	-
Disposals (note 5.5)														
Cost	-	-	-	-	-	(30,724)	(16,977)	(30,342)	-	-	(118)	(1,493)	(789)	(80,443)
Accumulated depreciation	-	-	-	-	-	19,952	13,222	27,933	-	-	118	1,372	470	63,067
	-	-	-	-	-	(10,772)	(3,755)	(2,409)	-	-	-	(121)	(319)	(17,376)
Depreciation charge for the year (note 5.4)	(21,339)	-	(224,385)	(152,572)	(1,038,745)	(687,591)	(147,667)	(163,277)	(70,959)	(9,287)	(22,024)	(19,249)	(23,517)	(2,580,612)
Net book value as at June 30, 2017	1,278,120	301,277	2,593,116	1,385,546	15,792,386	9,811,619	671,474	603,664	425,757	29,029	39,453	29,282	125,584	33,086,307
At June 30, 2016														
Cost	1,394,929	301,277	7,124,447	255,401	24,570,935	13,619,014	1,570,139	1,236,456	744,664	74,523	181,423	123,328	326,719	51,523,255
Accumulated depreciation	(95,470)	-	(3,404,408)	(14,502)	(8,028,443)	(4,570,905)	(749,179)	(673,465)	(247,948)	(48,683)	(147,347)	(93,966)	(187,450)	(18,261,766)
Net book value	1,299,459	301,277	3,720,039	240,899	16,542,492	9,048,109	820,960	562,991	496,716	25,840	34,076	29,362	139,269	33,261,489
At June 30, 2017														
Cost	1,394,929	301,277	4,526,262	3,248,267	24,859,574	15,050,163	1,555,098	1,412,473	744,664	86,999	208,706	141,125	336,081	53,865,618
Accumulated depreciation	(116,809)	-	(1,933,146)	(1,862,721)	(9,067,188)	(5,238,544)	(883,624)	(808,809)	(318,907)	(57,970)	(169,253)	(111,843)	(210,497)	(20,779,311)
Net book value	1,278,120	301,277	2,593,116	1,385,546	15,792,386	9,811,619	671,474	603,664	425,757	29,029	39,453	29,282	125,584	33,086,307
Annual rates of depreciation	1.01% to 2.63%	-	5%	5%	3.33% to 20%	5%	10%	10% to 20%	10%	20%	33%	33%	10% to 33%	

5.2 The carrying value of major spare parts and stand by equipment included in plant and machinery (2016: generators) amounting to PKR 347.167 million (2016: PKR 401.882 million).

5.3 Disposals include write off with the carrying value amounting to PKR Nil (2016: PKR 0.375 million).

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

	Note	2017	2016
		(PKR in '000')	
Cost of sales	26	2,290,019	2,250,787
Distribution cost	27	86,756	88,716
Administrative expenses	28	166,643	169,576
Cost of sale of electricity		37,194	35,990
		2,580,612	2,545,069

5.5 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 in '000')						
VPT Gas Compressor	19,761	13,844	5,917	10,000	4,083	Negotiation	M/s. Yunus Textile Mills Ltd.
VPT Gas Compressor	10,962	6,108	4,854	5,000	146	- do -	M/s. Yunus Textile Mills Ltd.
Wheel Loader	16,977	13,222	3,755	22,959	19,204	Insurance claim	M/s. EFU General Insurance
Honda City	1,735	1,110	625	1,379	754	Tender	Mr. Noman Ahmed Siddique
Honda City	1,553	1,151	402	1,348	946	- do -	Mr. Farhan Kayani
Honda City	1,541	929	612	1,327	715	- do -	M/s. Isha Enterprises
Honda City	1,516	1,213	303	1,144	841	- do -	Mr. Syed Ur Rehman
Toyota Corolla	1,445	1,356	89	1,139	1,050	- do -	Mr. Adil Ali
Honda City	1,427	1,361	66	1,400	1,334	Negotiation	Mr. Faiz Muhammad Khan (Employee)
Suzuki Cultus	884	672	212	828	616	Tender	Mr. Adil Ali
Laptop	130	54	76	152	76	- do -	M/s. Mega Plus
Items having book value less than PKR 50,000 each	22,512	22,047	465	13,378	12,913	-	Various
	80,443	63,067	17,376	60,054	42,678		
2016	83.413	69,284	14,129	45,281	31,152		

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

	Opening balance	Adjustments	Additions	Transferred to operating fixed assets	Closing balance
	(PKR in '000')				
Building on leasehold land	132,131	(94,125)	787,819	73,072	752,753
Building on freehold land	66,972	81,443	219,207	308,797	58,825
Plant and machinery	50,618	(963)	3,219,927	288,576	2,981,006
Generators	369,398	11,622	1,059,661	1,426,908	13,773
Quarry equipment	58	1,543	373,535	1,601	373,535
Vehicles including cement bulkers	3,863	-	234,449	206,034	32,278
Furniture and fixtures	-	-	12,785	12,476	309
Office equipment	-	-	27,387	27,387	-
Computer and accessories	-	-	19,431	19,290	141
Intangible assets		-	12,448	1,840	10,608
Other assets (Laboratory equipment etc.)	2,846	480	185,427	10,151	178,602
	625,886	-	6,152,076	2,376,132	4,401,830

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	2017	2016
		(PKR in '000')	
Balance as at July 1		126,549	41,921
Add: Additions during the year		2,747	3,333
Transfer from capital work-in-progress	5.5	1,840	105,303
		4,587	108,636
		131,136	150,557
Less: Amortization charge for the year	6.2	(51,479)	(24,008)
		79,657	126,549

6.1 As at June 30

	2017	2016
Cost	190,785	186,198
Accumulated amortisation	(111,128)	(59,649)
Net book value	79,657	126,549

6.2 Amortisation charged for the year has been allocated as follows:

	Note	2017	2016
		(PKR in '000')	
Cost of sales	26	10,008	-
Administrative expenses	28	41,471	24,008
Total		51,479	24,008

7. LONG TERM INVESTMENTS - at cost

	Note	2017	2016
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	1,861,155	1,611,155
Kia Lucky Motors Pakistan Limited	7.4	641,500	-
		12,702,155	11,810,655
Associate			
Yunus Energy Limited	7.5	611,365	611,365
		13,313,520	12,422,020

7.1 Lucky Holdings Limited (LHL) is a public unlisted company incorporated in Pakistan. As of the balance sheet date, the Company owned 75 percent (2016: 75 percent) shareholding of LHL.

As of the balance sheet date, LHL held 74.16 percent (2016: 74.70 percent) shares of ICI Pakistan Limited, a public listed company.

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. During the financial year 2014-2015, the Company had subscribed 20,000,000 ordinary shares of LCLIHL @ US$1/-. each 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. As at the balance sheet date, LCLIHL held 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. As at the balance sheet date, LCLIHL held 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 6,619,091 ordinary shares at PKR 10/- each out of which 6,519,091 (2016: 6,063,536) shares were issued at a premium of PKR 260/- each. As of the balance sheet date, LCLHL owned 100 percent shares in Lucky Electric Power Company Limited. The amount of investment includes advance against future issuance of shares amounting to PKR 100 million (2016: Nil).

7.4 This represents equity investment in Kia Lucky Motors Pakistan Limited (KLM), a public unlisted company incorporated in Pakistan. The Company will ultimately hold 60% shareholding of KLM. The amount includes advance against future issuance of shares amounting to PKR 580 million (2016: Nil).

7.5 Represents 20% equity investment in Yunus Energy Limited comprising 40,700,000 (2016: 40,700,000) shares of PKR 10 each.

	Note	2017	2016
		(PKR in '000')	
8. LONG-TERM LOANS AND ADVANCES - secured, considered good			
Long term loans			
Due from:			
- Employees	8.1	30,616	31,289
- Executives	8.1 & 8.2	56,259	37,872
		86,875	69,161
Less: Recoverable within one year	13	(57,297)	(48,964)
		29,578	20,197
Other advances	8.3	55,373	55,373
		84,951	75,570

8.1 Loans given to executives and employees are in accordance with the Company policy. These loans are return free and are secured against the gratuity of the 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 56.259 million (2016: PKR 37.872 million).

	Note	2017	2016
		(PKR in '000')	

8.2 **Reconciliation of carrying amount of loans to executives**

Balance as at July 1		37,872	30,138
Disbursements during the year		62,148	42,686
Repayments during the year		(43,761)	(34,952)
Balance as at June 30		56,259	37,872

8.3 This represents return free advances given to Sui Southern Gas Company Limited in respect of additional gas line which will be adjusted after the commissioning of gas line in 48 equal monthly installments.

9. LONG-TERM DEPOSITS

Represents return free deposits to Water and Power Development Authority and Central Depository Company of Pakistan Limited.

	Note	2017	2016
		(PKR in '000')	
10. STORES AND SPARES			
Stores		2,292,695	2,137,987
Spares		3,831,457	4,086,055
		6,124,152	6,224,042
Less: Provision for slow moving spares		230,073	230,073
		5,894,079	5,993,969
11. STOCK-IN-TRADE			
Raw and packing materials		578,373	414,702
Work-in-process		1,401,759	886,973
Finished goods		559,141	316,794
		2,539,273	1,618,469
Less: Provision for slow moving packing material		30,000	30,000
		2,509,273	1,588,469
12. TRADE DEBTS - considered good			
Bills receivable - secured		105,286	232,788
Others - unsecured		1,491,436	1,961,498
		1,596,722	2,194,286
Less: Provision for doubtful debts	12.2	(14,033)	(12,498)
		1,582,689	2,181,788

12.1 **The ageing of trade debts as at June 30 is as follows:**

Neither past due nor impaired		1,582,689	2,181,788

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

		Note	2017	2016
			(PKR in '000')	
12.2	**Movement in provision for doubtful debts:**			
	Balance as of July 1		12,498	8,292
	Provision during the year	27	1,535	4,206
	Closing balance		14,033	12,498
13.	**LOANS AND ADVANCES - secured, considered good**			
	Current portion of long term loans and advances to employees & executives	8	57,297	48,964
	Other advances given to employees - return free		12,552	-
			69,849	48,964
	Advances to suppliers and others - return free		549,312	398,085
			619,161	447,049
14.	**TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**			
	Trade deposits - return free			
	Containers		270	105
	Utilities		1,005	1,005
	Others		16,300	15,814
			17,575	16,924
	Prepayments			
	Insurance		10,580	11,712
	Rent		5,467	7,320
	Others		6,152	2,992
			22,199	22,024
			39,774	38,948
15.	**OTHER RECEIVABLES - unsecured, considered good**			
	Rebate on export sales		55,882	65,191
	Due from Collector of Customs	15.1	19,444	19,444
	Hyderabad Electricity Supply Company (HESCO)	15.2	1,157,521	1,176,723
	Insurance claim receivable		-	683
	Others		2,172	11,985
			1,235,019	1,274,026

15.1 The Company had imported cement bulkers during October 19, 2006 to December 5, 2006 under SRO 575(1) of 2006 dated June 5, 2006 for export of loose cement which provided concessionary rate of import duty to an industrial concern. The Company claimed exemption of duty at the time of port clearance. However, the Collector of Customs passed an order allowing provisional release of consignment subject to final approval from the Federal Board of Revenue (FBR) and deposit of post dated cheques for the differential amount of duty. The Company deposited three post dated cheques aggregating PKR 19.444 million for three different consignments of cement bulkers and simultaneously approached the FBR for giving direction to the Collector of Customs, Karachi.

The FBR moved a summary to the Federal Government / Economic Coordination Committee (ECC) on the representation of the Company and finally issued SRO 41(1) of 2007 dated January 7, 2007 which clarified that the imported cement bulkers were also entitled for concessional rate of duty of 5%. The Collector of Customs instead of releasing the post dated cheques, encashed the same on the plea that the effect of SRO will not be 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 an order in favour of the Company and has ordered the Collector of Customs to refund the amount collected within one month from the date of judgement. The judgement has been challenged by the FBR in the Supreme Court of Pakistan which is pending.

15.2 The Company and HESCO entered into a Power Purchase Agreement dated March 22, 2011 (PPA) pursuant to a policy in place at the time for the New Captive Power Plants (NCPPs), which had been reviewed by National Electric Power Regulatory Authority (NEPRA).

Subsequent to the signing of the PPA, NEPRA purported to re-determine the tariff through determination dated January 9, 2013, which was challenged by all the NCPPs in the Sindh High Court. The Sindh High Court decided the case in favor of NEPRA vide judgement dated August 19, 2015.

The Company filed an appeal in the Supreme Court of Pakistan against the Sindh High Court's decision. Detailed hearings were held and the Court's judgement was reserved in November 2016. However, the said judgment has not been announced since then and the case currently stands relisted for hearing.

During the year, the Company and HESCO have entered into an interim agreement dated March 6, 2017, which is subject to the outcome of the above Civil Appeals pending in the Supreme Court.

As per the agreement, HESCO has fulfilled ceratin conditions and also provided an amount of PKR 317 million to the Company which has been netted off against other receivables and the Company is supplying and invoicing electricity from March 8, 2017 on PPA rates.

16 TAX REFUNDS DUE FROM THE GOVERNMENT

A dispute with respect to the calculation of excise duty on retail price of cement arose between the Company and the FBR from the very first day the Company started sales of cement in 1996. The FBR'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."*

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 High Courts also decided the case against the method of calculation of excise duty as interpreted by the FBR.

The FBR preferred an appeal before the Supreme Court of Pakistan against the judgments of all three High Courts of the country. A full bench of the Supreme Court of Pakistan heard the legal counsel of all the parties and finally announced the judgment on April 14, 2007, upholding the judgments of the High Courts and dismissed the appeal of the FBR.

As a result of the full bench judgment of the Supreme Court of Pakistan, the Company filed a refund claim of PKR 538.812 million on May 8, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Company on the basis of legal opinions obtained, recognised this refund claim in the unconsolidated financial statements for the year ended June 30, 2007.

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

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued show cause notice to the Company, raising certain objections against the release of the refund including an objection that the burden of this levy has been passed on to the end consumer. The Company challenged this show cause notice 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 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 alongwith the compensation for the delayed refund. The FTO directed the FBR to verify the claim of the Company and submit a report in the matter. Subsequently, the FBR on the basis of audit conducted submitted a report to the FTO. However, the Company did not agree to the findings of the FBR and argued before the FTO that the report submitted by the FBR is not based on the facts of the case.

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

The FBR filed representation, before the President of Pakistan against the recommendations of the FTO under Section 32 of Federal Tax Ombudsman Ordinance, 2000. However, the President of Pakistan endorsed the recommendations of the FTO of having an audit conducted by independent firms. The FBR filed a Writ Petition in the 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 on the advise of its legal advisor that the ultimate outcome of the case would be in its favor and the full amount would be recovered in due course, therefore no provision for the above receivable has been made in these unconsolidated financial statements.

17 SHORT TERM INVESTMENTS

This represents investment made in 1,769,940 ordinary shares of Pakistan Stock Exchange Limited (2016: Term finance certficates) amounting to PKR 49.558 million (2016: PKR 400 million), being carried at fair value as at June 30, 2017.

18 CASH AND BANK BALANCES

	Note	2017	2016
		(PKR in '000')	
Sales collection in transit		616,206	1,172,202
Cash at bank			
- in current accounts		73,987	47,352
- in Islamic savings accounts	18.1	33,046,285	25,584,933
		33,120,272	25,632,285
		33,736,478	26,804,487
Cash in hand		1,899	1,095
		33,738,377	26,805,582

18.1 **These carry profit at the rate ranging from 3.75% to 6.55% (2016: 3.75% to 7.50%) per annum.**

		Note	2017	2016
			(PKR in '000')	
19	SHARE CAPITAL			
	Authorized capital			
	500,000,000 (2016: 500,000,000)			
	Ordinary shares of PKR 10/- each		5,000,000	5,000,000
	Issued, subscribed and paid-up capital			
	305,000,000 (2016: 305,000,000) Ordinary			
	shares of PKR 10/- each issued for cash		3,050,000	3,050,000
	18,375,000 (2016: 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 US. The Company had issued 15,000,000 GDRs each representing four ordinary equity shares at an offer price of US$ 7.2838 per GDR (total receipt being US$ 109.257 million). Accordingly, based on an exchange rate of PKR 65.90 = US$ 1.00 (which was the exchange rate on the date of final offering circular relating to the GDR issue made by the Company) 60,000,000 ordinary equity shares of a nominal value of PKR 10 each of the Company were issued at a premium of PKR 110 per ordinary equity share (total premium amount being PKR 6,600 million).

The holders of GDRs are entitled, subject to the provisions of the Deposit Agreement, to receive dividend, if any and rank pari passu with other equity shareholders in respect of dividend. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the equity shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated May 8, 2008, the deposited equity shares in respect of which the GDRs were issued may be withdrawn from the depository facility. Upon withdrawal, the holders will rank pari passu with other equity shareholders in respect of dividend, voting and other direct rights of shareholders.

		Note	2017	2016
			(PKR in '000')	
20	**RESERVES**			
	Capital reserve			
	Share premium	20.1	7,343,422	7,343,422
	Revenue reserves			
	General reserve		55,511,916	45,771,223
	Unappropriated profit		13,695,893	12,974,443
			69,207,809	58,745,666
			76,551,231	66,089,088

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

		Note	2017	2016
			(PKR in '000')	
21	**LONG-TERM DEPOSITS**			
	Cement stockists	21.1	36,350	32,886
	Transporters	21.2	47,000	37,780
	Others		1,280	-
			84,630	70,666

21.1 These represent return free security deposits received from stockists and are repayable on cancellation or withdrawal of stockist arrangement and are also adjustable against unpaid amount of sales.

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

		Note	2017	2016
			(PKR in '000')	
22	**DEFERRED LIABILITIES**			
	Staff gratuity	22.1	1,297,714	1,127,211
	Deferred tax liability	22.2	5,826,413	5,770,867
			7,124,127	6,898,078

22.1 The amounts recognized in the balance sheet, based on the recent actuarial valuation carried on June 30, 2017, are as follows:

		Note	2017	2016
			(PKR in '000')	
22.1.1	Present value of defined benefit obligation		1,297,714	1,127,211
22.1.2	**Changes in the present value of defined benefit obligation are as follows:**			
	Balance as at July 1		1,127,211	1,006,711
	Charge for the year	22.1.3	253,481	257,696
	Remeasurement gain recognised in other comprehensive income		(9,488)	(40,508)
			1,371,204	1,223,899
	Payments made during the year		(73,490)	(96,688)
			1,297,714	1,127,211
22.1.3	**Charge for the year recognised in the profit and loss account is as follows:**			
	Current service cost		158,304	157,067
	Finance cost		95,177	100,629
			253,481	257,696
22.1.4	**The charge for the year has been allocated as follows:**			
	Cost of sales	26	179,809	182,174
	Distribution cost	27	19,566	10,248
	Administrative expenses	28	54,106	65,274
			253,481	257,696

		2017	2016
22.1.5	**Principal actuarial assumptions used are as follows:**		
	Expected rate of increase in salary level	8.75%	9.50%
	Valuation discount rate	8.75%	9.00%

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:

	2017 (PKR in '000')
Discount rate +1%	(1,169,827)
Discount rate -1%	1,448,864
Long term salary increases +1%	1,440,758
Long term salary increases -1%	(1,174,146)

22.1.7 Maturity profile of the defined benefit obligation:

Weighted average duration - in number of years	10.68
The retirement will at most continue - year	2028

22.1.8 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

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

		Note	2017 (PKR in '000')	2016
22.2	**Deferred tax liability**			
	This comprises of the following:			
	- Taxable temporary differences arising due to accelerated tax depreciation allowance		6,232,587	6,144,492
	- Deductible temporary differences arising in respect of provisions		(406,174)	(373,625)
			5,826,413	5,770,867
23.	**TRADE AND OTHER PAYABLES**			
	Creditors		1,021,949	753,473
	Accrued liabilities		4,539,322	3,689,332
	Customers running account		1,189,911	2,146,794
	Retention money		34,700	4,967
	Sales tax, excise duty and other government levies		267,967	524,840
	Unclaimed and unpaid dividend		110,441	120,109
	Workers' Profit Participation Fund (WPPF)	23.1	1,242,150	788,563
	Workers' Welfare Fund (WWF)		757,585	519,672
	Others		105,857	3,010
			9,269,882	8,550,760

		Note	2017	2016
			(PKR in '000')	
23.1	**The movement of WPPF payable is as follows:**			
	Opening balance		788,563	719,553
	Allocation for the year and return thereon		1,241,943	1,001,121
			2,030,506	1,720,674
	Payments during the year		(788,356)	(932,111)
			1,242,150	788,563

24 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

24.1 The 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 Peshawar High Court which was 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 disposed off by the Supreme Court on May 8, 2014, so that the Company could exercise the departmental remedy, like other cement manufacturers. However, the Customs department issued recovery notice on which the Company has filed a Constitutional Petition in the Sindh High Court which is currently reserved for judgement. The management is confident of a favourable outcome, accordingly, 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 under SROs 580(1)/91 and 561(1) / 94 dated June 27, 1991 and June 9, 1994 respectively. During June 1997, the Federal Government extended the sales tax exemption to all cement manufacturers of Pakistan and deprived the Company from the advantage of its sales tax exemption. Being aggrieved, the Company filed a writ petition with the Honorable Peshawar High Court. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore, withdrawn on legal advice and a suit was filed for compensation. The civil judge Peshawar granted ex-parte decree in favor of the Company for an amount of PKR 1,693.61 million along with 14% return per annum until the said amount is actually paid.

On August 3, 2011, the Company filed an execution petition for realization of the decretal amount as per the decree granted by the civil court on November 20, 2009 which was challenged by the government. The Civil Judge, Peshawar, dismissed the suit of the Company on December 18, 2012. Dismissal of the suit by the lower court has been challenged by the Company in Peshawar High Court on March 9, 2013. The case is currently 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 was then challenged in the Superior Courts with the main case being heard by the Lahore High Court . The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success, hence, no provision for the above is made in these unconsolidated financial statements.

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

The Company challenged the GIDC Act, 2015 and filed writ petitions in the Peshawar High Court (PHC) and Sindh High Court (SHC) including retrospective treatment of the provisions of the GIDC Act.

On May 30, 2017, the PHC decided the case in favor of the Government. However, the judgment has been suspended by the PHC till the Company files an appeal in the Supreme Court. The Company's legal counsel is of the view that this judgment does not cover all the legal issues raised by the Company and, therefore, the Company has a very good case. Whereas, in the SHC the suit was decided in favor of the Company with the instructions to refund the GIDC collected so far by the Federation. However, the Government has filed an appeal in SHC, where the Company was not made party to such litigation. Currently, no GIDC is charged from the Company.

24.5 On May 10, 2017, the Company received a show cause notice from the Sindh Revenue Board (SRB) demanding payment of Sindh Workers Welfare Fund. The Company has challenged the said notice in SHC on the ground that after the 18th Amendment, SRB cannot collect Workers Welfare Fund (WWF) as the Company is a trans-provincial organization and Federal or respective provincial Governments may collect WWF amounts only after a law is enacted catering to WWF collection from trans-provincial organizations.

The case was fixed on May 31, 2017, wherein the SHC has restrained SRB from taking any coercive action against the Company. The Company's legal counsel is of the view that the Company, being a trans-provincial organization, has a good chance of success.

24.6 Details of the other matters are given in notes 15.1, 15.2 and 16 to these unconsolidated financial statements.

		2017	2016
		(PKR in '000')	
	COMMITMENTS		
24.7	Capital commitments		
	Plant and machinery under letters of credit	2,279,669	1,070,867
24.8	Other commitments		
	Stores, spares and packing material under letters of credit	2,463,123	1,226,102
	Stand by letters of credit issued by the Company on behalf of an associated undertaking	110,000	110,000
	Bank guarantees issued by the Company on behalf of the subsidiary	378,000	334,950
	Bank guarantees issued on behalf of the Company	1,585,744	1,127,557
	Post dated cheques	5,675	13,954

		Note	2017	2016
			(PKR in '000')	
25	**GROSS SALES**			
	Local		55,994,056	47,283,414
	Export		5,607,878	8,639,701
			61,601,934	55,923,115
26	**COST OF SALES**			
	Salaries, wages and benefits	26.1	1,813,121	1,719,233
	Raw material consumed		1,347,185	1,379,713
	Packing material consumed	26.2	2,206,013	2,681,104
	Fuel and power		14,746,456	12,679,264
	Stores and spares consumed		1,818,567	1,829,863
	Repairs and maintenance		370,843	380,090
	Depreciation	5.4	2,290,019	2,250,787
	Amortisation	6.2	10,008	-
	Insurance		87,052	90,496
	Earth moving machinery		204,487	258,088
	Vehicle running and maintenance		28,040	33,806
	Communication		13,251	12,773
	Mess subsidy		21,739	20,746
	Transportation		26,267	44,835
	Travelling and conveyance		2,738	3,393
	Inspection fee for electrical installation		-	2,568
	Rent, rates and taxes		6,708	27,358
	Printing and stationery		1,661	1,832
	Other manufacturing expenses		151,738	123,108
			25,145,893	23,539,057
	Work-in-process:			
	Opening		886,973	614,095
	Closing		(1,401,759)	(886,973)
			(514,786)	(272,878)
	Cost of goods manufactured		24,631,107	23,266,179
	Finished goods:			
	Opening		316,794	439,883
	Closing		(559,141)	(316,794)
			(242,347)	123,089
			24,388,760	23,389,268

26.1 These include a sum of PKR 179.809 million (2016: PKR 182.174 million) in respect of gratuity.
26.2 These are net of duty draw back on export sales amounting to PKR 28.091 million (2016: PKR 41.483 million).

		Note	2017	2016
			(PKR in '000')	
27	**DISTRIBUTION COST**			
	Salaries and benefits	27.1	201,221	183,172
	Logistics and related charges		1,109,114	1,548,644
	Loading and others		179,619	57,336
	Communication		3,960	4,220
	Travelling and conveyance		5,374	5,209
	Printing and stationery		1,058	1,032
	Insurance		20,526	34,426
	Rent, rates and taxes		18,844	17,925
	Utilities		3,542	2,795
	Vehicle running and maintenance		9,682	11,403
	Repairs and maintenance		4,404	1,585
	Fees, subscription and periodicals		1,843	897
	Advertisement and sales promotion		18,229	31,902
	Entertainment		5,755	3,987
	Security service		2,094	2,146
	Depreciation	5.4	86,756	88,716
	Provision for doubtful debt	12.2	1,535	4,206
	Others		30,229	18,775
			1,703,785	2,018,376

27.1 These include a sum of PKR 19.566 million (2016: PKR 10.248 million) in respect of gratuity.

		Note	2017	2016
28	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	28.1	472,129	521,358
	Communication		14,833	11,951
	Travelling and conveyance		60,394	69,489
	Insurance		9,641	11,087
	Rent, rates and taxes		15,890	8,878
	Vehicle running and maintenance		18,257	19,206
	Aircraft running and maintenance		31,759	67,832
	Printing and stationery		8,165	12,204
	Fees and subscription		45,064	44,568
	Security services		9,542	13,410
	Legal fee		35,067	42,952
	Utilities		7,366	7,571
	Repairs and maintenance		29,767	24,207
	Advertisement		3,854	10,946
	Auditors' remuneration	28.2	2,739	2,695
	Cost Auditors' remuneration	28.3	394	358
	Depreciation	5.4	166,643	169,576
	Amortization	6.2	41,471	24,008
	Training cost		12,943	14,097
	Bank charges		12,308	12,023
	Others		23,468	19,111
			1,021,694	1,107,527

28.1 These include a sum of PKR 54.106 million (2016: PKR 65.274 million) in respect of gratuity.

		Note	2017	2016
			(PKR in '000')	
28.2	**Auditors' remuneration**			
	Statutory audit fee - standalone		1,394	1,394
	- consolidation		350	350
	Half yearly review fee		380	380
	Fee for the review of compliance with Code of Corporate Governance		88	88
			2,212	2,212
	Out of pocket expenses and government levies		527	483
			2,739	2,695
28.3	**Cost auditors**			
	Cost audit fee		355	323
	Out of pocket expenses		39	35
			394	358
29	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	23.1	1,241,943	1,001,121
	Workers' Welfare Fund		237,913	395,704
	Donations	29.1	308,167	243,280
			1,788,023	1,640,105

29.1 Donations during the year include donation amounting to PKR 200 million (2016: PKR 154.20 million) to Aziz Tabba Foundation (ATF). 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 Ms. Zulekha Tabba, the Directors of the Company, are also Trustees of ATF.

	Note	2017	2016
		(PKR in '000')	

30 OTHER INCOME

	Note	2017	2016
Income from non-financial assets			
Gain on disposal of property, plant and equipment	5.3	42,678	31,152
Sale of electricity		572,699	361,479
Cost of sale of electricity		(538,959)	(352,442)
		33,740	9,037
Exchange (loss) / gain - net	30.1	(4,365)	2,515
Sale of scrap and others		83,048	37,694
		155,101	80,398
Income from financial assets			
(Loss) / profit on sale of investments in Term Finance Certificates / Mutual Funds		(3,374)	34,922
Income from deposits with islamic banks and other financial institutions		1,841,745	1,305,141
		1,993,472	1,420,461

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

31 TAXATION

31.1 Relationship between income tax expense and accounting profit.

	Note	2017	2016
		(PKR in '000')	
Profit before taxation		18,778,253	18,400,222
Tax at the applicable tax rate of 29% (2016: 32%)		5,445,693	5,888,071
Tax effect under lower rate of tax		(564,339)	(823,394)
Others		204,650	391,360
		5,086,004	5,456,037
Effective tax rate		27%	30%

31.2 The tax assessments of the Company have been finalized upto and including the tax year 2016.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

31.3 In accordance with the Finance Act, 2016, reduced income tax rate to the extent of two percent (2%) for listed companies complying with the prescribed shariah compliant criteria approved by the State Bank of Pakistan (SBP), the SECP and the FBR, was introduced. During the year the FBR has issued a notification dated January 10, 2017 enlisting those shariah compliant criteria. However, criteria has not yet been prescribed by the SBP and the SECP. Since the Company's business is 'halal' and it is already included in KSE Meezan Index (KMI-30) on the Pakistan Stock Exchange, the Company has undertaken all the necessary steps to comply with the FBR's notification and has, therefore, recorded its current and deferred tax charges by using the reduced income tax rate of 29% and 28% respectively.

32 EARNINGS PER SHARE - basic and diluted

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

	Note	2017	2016
		(PKR in '000')	
Profit after taxation (PKR in thousands)		13,692,249	12,944,185
Weighted average number of ordinary shares (in thousands)		323,375	323,375
Basic and diluted earnings per share (PKR)		42.34	40.03

33 CASH GENERATED FROM OPERATIONS

	Note	2017	2016
		(PKR in '000')	
Profit before taxation		18,778,253	18,400,222
Adjustments for non cash charges and other items			
Depreciation	5.4	2,580,612	2,545,069
Amortization on intangible assets	6.2	51,479	24,008
Provision for doubtful debts	12.2	1,535	4,206
Gain on disposal of property, plant and equipment	5.5	(42,678)	(31,152)
Income from deposits with islamic banks and other financial institutions	30	(1,841,745)	(1,305,141)
Provision for staff gratuity	22.1.3	253,481	257,696
(Loss) / profit on sale of investments in Term Finance Certificates / Mutual Funds	30	3,374	(34,922)
Profit before working capital changes		19,784,311	19,859,986
(Increase) / decrease in current assets			
Stores and spares		99,890	(998,546)
Stock-in-trade		(920,804)	(7,724)
Trade debts		597,564	(143,795)
Loans and advances		(172,112)	(193,699)
Trade deposits and short-term prepayments		(826)	(1,350)
Other receivables		39,007	(241,173)
		(357,281)	(1,586,287)
Increase in current liabilities			
Trade and other payables		709,454	2,159,790
		20,136,484	20,433,489

		Note	2017	2016
			(PKR in '000')	
33.1	**CASH FLOWS FROM OPERATING ACTIVITIES (Direct method)**			
	Collections from customers		61,499,167	55,783,526
	Receipts of other income		1,962,211	1,073,755
	Payments to suppliers and service providers		(23,774,075)	(22,855,207)
	Payments to employees		(2,516,738)	(2,218,717)
	Payments relating to income taxes		(5,025,425)	(4,997,212)
	Payments relating to post retirement benefits - net		(73,490)	(96,688)
	Payments relating to indirect taxes		(15,227,058)	(10,086,623)
	Net cash generated from operating activities		16,844,592	16,602,834

34 **REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

34.1 Aggregate amounts charged in these unconsolidated financial statements are as follows:

	Chief Executive		Executives		Total	
	2017	2016	**2017**	2016	**2017**	2016
	PKR in '000'					
Remuneration	**40,000**	40,000	**526,764**	477,704	**566,764**	517,704
House rent allowance	**16,000**	16,000	**237,107**	215,024	**253,107**	231,024
Utility allowance	**4,000**	4,000	**52,671**	47,766	**52,671**	51,766
Conveyance allowance	**-**	-	**52,671**	47,766	**56,671**	47,766
Charge for defined benefit obligation	**5,000**	5,000	**107,737**	107,118	**112,737**	112,118
	65,000	65,000	**976,950**	895,378	**1,041,950**	960,378
Number of persons	1	1	**386**	364	**387**	365

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

34.3 No remuneration has been paid to directors during the year except as disclosed in note 34.4 below.

34.4 An amount of PKR 1,843,750 was paid to 7 non executive directors and PKR 250,000 was paid to 1 executive director during the current year as the fee for attending board meetings (2016: 7 non executive directors were paid PKR 1,453,500 and 1 executive director was paid PKR 178,500).

35 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

35.1 Related parties include subsidiaries, associated entities and key management personnel. Balances with related parties are disclosed in respective notes. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	Note	2017	2016
		(PKR in '000')	
Transactions with Subsidiary Companies			
Reimbursement of expenses to the Company		7,981	6,569
Investments made during the year		891,500	1,090,000
Sale of containers		-	2,500
Purchase of tax loss on account of group tax adjustment		85,426	302,674
Purchases		10,577	-
Sales		65,159	26,724
Bank guarantee		378,000	-

	Note	2017	2016
		(PKR in '000')	
Transactions with Directors			
Sales		516	1080
Dividends		611,307	546,721
Meeting fee		2,094	1,632
Transactions with Associated Undertakings			
Sales		502,920	502,338
Reimbursement of expenses to the Company		2,753	2,257
Reimbursement of expenses from the Company		706	484
Donation		200,000	154,200
Services		25,618	27,478
Purchase of fixed assets		35,100	-
Sale of fixed assets		17,550	-
Dividends		402,052	326,050
Investment		-	407,000
Transactions with key management personnel			
Salaries and benefits		178,137	173,910
Dividends		20	9
Post employment benefits		21,229	37,870

36 PRODUCTION CAPACITY

	Metric Tons	
	2017	2016
Production Capacity - (Cement)	7,750,000	7,750,000
Production Capacity - (Clinker)	7,380,000	7,380,000
Actual Production Cement	6,880,995	6,907,705
Actual Production Clinker	6,873,270	6,607,639

36.1 Cement production capacity utilization is 88.79% (2016: 89.13%) of total installed capacity. Actual production is less than the installed capacity due to planned maintenance shutdown and gap between market demand and supply of cement.

36.2 Clinker production capacity utilization is 93.13% (2016: 89.53%) of total installed capacity.

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to market risk (including return rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's finance and treasury departments oversee the management of these risks.The Company's financial risk-taking activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2017. The policies for managing each of these risk are summarized below:

37.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: return rate risk, currency risk and other price risk.

37.1.1 Return rate risk

Return rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market return rates. As of the balance sheet date the Company is not materially exposed to significant return rate risk.

37.1.2 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. Approximately 9% (2016: 15%) of the Company’s sales are denominated in currencies other than Pakistani Rupee.

As at the balance sheet date, if Pakistani 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 2.699 million (2016: PKR 0.191 million) higher / lower as a result of exchange loss/gain on translation of foreign currency denominated financial instruments.

37.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the balance sheet date, the Company is not exposed to significant other price risk.

37.2 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	2017	2016
		(PKR in '000')	
Long-term deposits		3,175	3,175
Trade debts	12	1,582,689	2,181,788
Loans	8 & 13	86,875	48,964
Trade deposits	14	17,575	30,014
Accrued return		165,289	125,984
Other receivables	15	2,172	12,668
Short term investment	17	-	400,000
Bank balances	18	33,736,478	26,804,487
		35,594,253	29,607,080

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:

	Note	2017	2016
		(PKR in '000')	
Trade debts			
Neither past due nor impaired		1,582,689	2,181,788
Bank balances			
A1+		30,915,639	26,804,357
A1		2,820,839	130
		33,736,478	26,804,487

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

37.3 **Liquidity risk**

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes monitoring of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers. As of the balance sheet date, the Company has unavailed credit facilities aggregating PKR 14,572 million (2016: PKR 15,575 million) out of the total facilities of PKR 19,109 million (2016: PKR 18,039 million), which are secured by a joint hypothecation on certain current assets and second charge on immovable assets of the Company.

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

	Within one year	1 to 5 year	Total
June 30, 2017	**-**	**84,630**	**84,630**
Long-term deposits	**9,168,216**	**-**	**9,168,216**
Trade and other payables	**9,168,216**	**84,630**	**9,252,846**
June 30, 2016	-	70,666	70,666
Long-term deposits	8,563,850	-	8,563,850
Trade and other payables	8,563,850	70,666	8,634,516

37.4 Fair values of financial instruments

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

Fair value hierarchy

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (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

	Note	Level 1	Level 2	Level 3	Total
	----------------------------------- (PKR in '000') -----------------------------------				
Assets					
Financial assets - available for sale					
- Short-term investment	17	45,452	-	-	45,452

There were no transfers amongst levels during the year.

38 CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the year ended June 30, 2017.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

39 **NUMBER OF EMPLOYEES**

The number of persons employed as on the balance sheet date was 2,486 (2016: 2,467) and the average number of employees during the year was 2,477 (2016: 2,409).

40 **GENERAL**

40.1 For better presentation certain prior year's figures have been reclassified consequent to certain changes in the current year's presentation, the impact of which is not considered material.

40.2 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

41 **SUBSEQUENT EVENT**

41.1 The Board of Directors in their meeting held on July 31, 2017 (i) approved the transfer of PKR 9815.393 million (2016: PKR 9,740.693 million) from un-appropriated profit to general reserve; and (ii) proposed final dividend of PKR 12/- per share for the year ended June 30, 2017 amounting to PKR 3,880.500 million (2016:PKR 3,233.750 million) for approval of the members at the Annual General Meeting to be held on September 25, 2017. These unconsolidated financial statements do not reflect this appropriation and the proposed dividend payable.

41.2 The Finance Act, 2017 has amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company, which distributes at least 40% of its after tax profits within six (6) months of the end of the tax year through cash or bonus shares.

The Company filed a Constitutional Petition (CP) before the Sindh High Court (SHC) on July 28, 2017 challenging the vires of Section 5A of the Income Tax Ordinance,2001, and SHC accepted the CP and granted stay against the newly amended section 5A.

Further, the Board of Directors of the Company in their meeting dated July 31, 2017 has proposed cash dividend at the rate of PKR. 12/- per share which amounts to PKR. 3,880.50 million (i.e. 28.34% of after tax profits) for the financial and tax year 2017, which is lower than the minimum prescribed distribution rate.

In case the SHC's decision is not in favor of the Company; the Company will either be required to declare dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Company for the financial year ended June 30, 2017. As at the balance sheet date, no charge has been recorded by the Company in this respect.

42 **DATE OF AUTHORISATION FOR ISSUE**

These unconsolidated financial statements were authorised for issue on July 31, 2017 by the Board of Directors of the Company.

Muhammad Yunus Tabba	**Muhammad Ali Tabba**	**Irfan Chawala**
Chairman / Director	**Chief Executive**	**Chief Financial Officer**

Consolidated Financial Statements

For the year ended June 30, 2017

Auditors' Report on Consolidated Financial Statements to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Lucky Cement Limited (the Holding Company) and its subsidiaries as at June 30, 2017 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 opinions on the financial statements of the Holding Company and its subsidiaries Lucky Holdings Limited and LCL Holdings Limited. The financial statements of LCL Investment Holdings Limited and Kia Lucky Motors Pakistan Limited and consolidated financial statements of ICI Pakistan Limited 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 direct and indirect subsidiaries, 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 auditing standards as applicable in Pakistan 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 subsidiaries as at June 30, 2017 and the results of their operations for the year then ended.

The consolidated financial statements of the Holding Company for the year ended June 30, 2016 were audited by another firm of Chartered Accountants whose report dated September 1, 2016 expressed an unmodified opinion thereon and included emphasis of matter paragraphs in respect of other receivable from Hyderabad Electric Supply Company amounting to Rs 1,176.723 million and tax refunds due from the Government amounting to Rs 538.812 million (as more fully explained in notes 16.3 and 17 to those consolidated financial statements respectively).

A.F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Rashid A. Jafer
Dated: Jul 31, 2017
Karachi

Consolidated Balance Sheet

As at June 30, 2017

	Note	2017	2016
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	7	59,601,233	52,357,646
Intangible assets	8	7,388,387	7,022,261
		66,989,620	59,379,907
Long-term investments	9	11,098,870	10,654,528
Long-term loans and advances	10	467,373	433,207
Long-term deposits and prepayments	11	44,972	39,939
		78,600,835	70,507,581
CURRENT ASSETS			
Stores, spares and consumables	12	7,041,171	7,016,458
Stock-in-trade	13	8,423,173	6,905,826
Trade debts	14	4,172,567	3,821,855
Loans and advances	15	1,061,146	852,484
Trade deposits and short-term prepayments	16	675,814	472,379
Other receivables	17	2,881,844	2,098,339
Tax refunds due from the Government	18	538,812	538,812
Taxation - receivable		1,093,972	2,219,273
Accrued return		181,355	126,286
Short term investments	19	45,452	400,000
Cash and bank balances	20	36,273,319	28,448,471
		62,388,625	52,900,183
TOTAL ASSETS		140,989,460	123,407,764
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	21	3,233,750	3,233,750
Reserves	22	83,736,475	70,337,188
Attributable to the owners of the Holding Company		86,970,225	73,570,938
Non-controlling interests		9,235,325	7,888,373
Total equity		96,205,550	81,459,311
NON-CURRENT LIABILITIES			
Long-term finance	23	8,825,140	8,741,955
Long-term deposits	24	84,630	70,666
Liabilities against assets subject to finance lease	25	798	-
Deferred liabilities	26	9,864,932	9,916,313
Other long term liabilities		2,752,510	2,541,166
		21,528,010	21,270,100
CURRENT LIABILITIES			
Trade and other payables	27	19,225,920	15,978,691
Provision for taxation		1,073,745	1,066,974
Accrued return		177,654	146,321
Short-term borrowings and running finance	28	2,128,905	1,937,184
Current portion of liabilities against assets subject to finance lease	25	2,009	-
Current portion of long-term finance	23	647,667	1,549,183
		23,255,900	20,678,353
		44,783,910	41,948,453
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		140,989,460	123,407,764

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

Consolidated Profit and Loss Account

For the year ended June 30, 2017

	Note	2017	2016
		(PKR in '000')	
Turnover	31.1	109,800,227	98,651,896
Less: Sales tax and excise duty		17,959,806	13,098,661
Rebates and commission		4,457,896	3,490,485
		22,417,702	16,589,146
Net sales		87,382,525	82,062,750
Cost of turnover	31.2	(58,445,580)	(54,214,956)
Gross profit		28,936,945	27,847,794
Distribution cost	33	(4,138,496)	(3,898,109)
Administrative expenses	34	(2,237,067)	(2,089,619)
Finance cost	35	(682,173)	(762,222)
Other expenses	36	(1,899,264)	(1,926,061)
Other income	37	2,068,157	1,478,074
		22,048,102	20,649,857
Share of profit in equity-accounted investments	9.1, 9.2, 9.3 & 9.4	1,582,119	1,179,966
Profit before taxation		23,630,221	21,829,823
Taxation			
- current		(6,475,246)	(5,484,877)
- deferred		235,659	(353,917)
Taxation	38	(6,239,587)	(5,838,794)
Profit after taxation		17,390,634	15,991,029
Attributable to:			
Owners of the Holding Company		16,227,033	14,872,560
Non-controlling interests		1,163,601	1,118,469
		17,390,634	15,991,029
Other comprehensive income:			
Items not to be reclassified to profit and loss account in subsequent periods :			
Gain / (loss) on remeasurements of post retirement benefit obligations		(64,663)	22,478
Deferred tax thereon		15,873	(6,180)
		(48,790)	16,298
Items to be reclassified to profit and loss account in subsequent periods :			
Foreign exchange differences on translation of foreign operations		1,385	148,867
Unrealised loss on remeasurement of available-for-sale investment		(4,106)	-
Deferred tax thereon		616	-
		(3,490)	-
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
		(50,895)	165,165
Total comprehensive income for the year		17,339,739	16,156,194
Attributable to:			
Owners of the Holding Company		16,200,957	15,043,863
Non-controlling interests		1,138,782	1,112,331
		17,339,739	16,156,194
Earnings per share - basic and diluted	39	50.18	45.99

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba	Muhammad Ali Tabba	Irfan Chawala
Chairman / Director	Chief Executive	Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended June 30, 2017

	Note	2017	2016
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	26,376,638	27,489,201
Finance costs paid		(642,124)	(855,730)
Income tax paid		(5,341,353)	(5,639,671)
Income from deposits with islamic banks and other financial institutions		1,821,128	-
Staff retirement benefits paid		(170,175)	(170,128)
Long term loans and advances		(4,662)	(27,711)
Long term deposits - net		-	1,420
Long-term deposits and prepayments		(14,415)	(5,987)
Net cash generated from operating activities		22,025,037	20,791,394
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(11,352,803)	(7,388,790)
Proceeds from disposal of shares in ICI		-	21,412
Investment in associate		(981,300)	(758,568)
Dividend from associate		975,621	1,449,876
Short term investments realised / (made)		896,421	(400,000)
Sale proceeds on disposal of property, plant and equipment		74,569	56,227
Net cash used in investing activities		(10,387,492)	(7,019,843)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans obtained		5,396,186	-
Long-term loans repaid		(6,231,152)	(368,519)
Dividends paid to owners of the Holding Company		(3,224,082)	(2,910,375)
Dividends paid to Non-controlling interest		(389,215)	(303,722)
Payment against finance lease liability		(1,358)	-
Issuance of shares to Non-controlling interests		490,030	-
Net cash (used in) / generated from financing activities		(3,959,591)	(3,582,616)
Net increase in cash and cash equivalents		7,677,954	10,188,935
Cash and cash equivalents at the beginning of the year		26,511,287	16,322,352
Cash and cash equivalents acquired through business combination	6	(44,827)	-
Cash and cash equivalents at the end of the year	40.1	34,144,414	26,511,287

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2017

	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 July 1, 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 share 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
Transfer to general reserves	-	-	9,740,693	-	(9,740,693)	-	-	-
Final dividend at the rate of PKR 10/- per share for the year ended June 30, 2016	-	-	-	-	(3,233,750)	(3,233,750)	-	(3,233,750)
Addition of non-controlling interest in ICI	-	-	-	-	-	-	490,000	490,000
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(399,134)	(399,134)
Decrease in ownership interest in ICI	-	-	-	-	432,080	432,080	117,274	549,354
Non-controlling interest at investment of KLM	-	-	-	-	-	-	30	30
Profit after taxation	-	-	-	-	16,227,033	16,227,033	1,163,601	17,390,634
Other comprehensive income	-	-	-	1,385	(27,461)	(26,076)	(24,819)	(50,895)
Total comprehensive income for the year	-	-	-	1,385	16,199,572	16,200,957	1,138,782	17,339,739
Balance as at June 30, 2017	3,233,750	7,343,422	55,511,916	152,106	20,729,031	83,736,475	9,235,325	96,205,550

The annexed notes from 1 to 49 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba	Muhammad Ali Tabba	Irfan Chawala
Chairman / Director	Chief Executive	Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

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, LCL Holdings Limited and KIA Lucky Motors Pakistan Limited. Brief profiles of the Holding Company, its subsidiaries and associate 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 shares of the Holding Company are quoted on the Pakistan Stock Exchange (PSX). The Holding Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Holding Company is manufacturing and marketing of cement. The registered office of the Holding Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. The Holding Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

1.2 LCL Investment Holdings Limited

The Holding Company has made an investment in LCL Investment Holdings Limited (LCLIHL), incorporated and domiciled in Mauritius. LCLIHL has entered into a joint venture agreement, i.e. Lucky Al Shamookh Holdings Limited (LASHL) with Al Shamookh Group. LASHL is a company with limited liability in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership interest in LASHL.

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

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.

Details of the investments of LHL are as follows:

1.3.1 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on PSX. ICI is engaged in the manufacture of polyester staple fiber, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. The registered office of ICI is situated at 5 West Wharf, Karachi.

1.3.2 ICI Pakistan PowerGen Limited

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

1.3.3 Cirin Pharmaceutical (Private) Limited

Cirin Pharmaceuticals (Private) Limited (Cirin) is a private limited company incorporated in Pakistan and is a wholly owned subsidiary of ICI. Cirin is engaged in manufacturing and sale of pharmaceutical products. The registered office of Cirin is situated at ICI House, 5 West Wharf, Karachi.

1.3.4 NutriCo Morinaga (Private) Limited

NutriCo Morinaga (Private) Limited (NutriCo) is a private limited company incorporated in Pakistan. ICI has 51% ownership in NutriCo. Nutrico is engaged in manufacturing of infant milk powder. The registered office of NutriCo is situated at ICI House, 5 West Wharf, Karachi.

1.4 LCL Holdings Limited

LCL Holdings Limited (LCLHL) 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 Lucky Electric Power Company Limited. The registered office of the Company is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi.

Details of investments of LCLHL are as follows:

1.4.1 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.

1.5 KIA Lucky Motors Pakistan Limited

KIA Lucky Motors Pakistan Limited (KLM) was incorporated in Pakistan as a public unlisted company. The principal line of business of KLM is to carry on the manufacturing, assembling, distribution, marketing, sale, after-sale-service, import and export of all types of KIA motor vehicles, parts and accessories under license from KIA Motors Corporation.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies the financial year of which closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives under the Companies Ordinance, 1984 prevail.

3. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiaries, here-in-after collectively referred to as (the Group).

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit 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.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements of the Holding Company for the year ended June 30, 2016.

4.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except otherwise stated.

4.2 Initial application of new standards and amendments to approved accounting standards

4.2.1 Amendments to approved accounting standards effective during the year ended June 30, 2017:

There were certain new amendments to the approved accounting standards which became effective during the year ended June 30, 2017 but are considered not to be relevant or have any significant effect on the Group's financial reporting and are, therefore, not disclosed in these consolidated financial statements.

4.2.2 Standards and amendments to approved accounting standards that are effective for the Group's accounting periods beginning on or after July 1, 2017:

There are certain new standards and amendments to the approved accounting standards that will become effective for the Group's annual accounting periods beginning on or after July 1, 2017. However, these amendments will not have a significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated financial statements. Further, the new standards are yet to be adopted by the SECP. In addition to the foregoing, the Companies Act 2017 which is not effective on these consolidated financial statements, has added certain disclosure requirements which will be applicable in future.

4.3 Property, plant and equipment

These are stated at cost less accumulated depreciation / amortisation 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 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 plant and machinery, depreciation / amortisation is charged to profit and loss account applying the straight line method at the rates mentioned in notes 7.1 and 8 to these consolidated financial statements. On plant and machinery depreciation is charged on higher of estimated useful life and units of production method. Depreciation on additions is charged from the date of acquisition / transfer of asset, whereas depreciation on disposals is charged till the date of disposal.

The assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each 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 capitalised 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 amortisation 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.

Amortisation 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 8 to these consolidated financial statements. Full month's amortisation is charged in the month of addition, whereas, amortisation on disposals is charged upto the month in which the disposal takes place.

4.5 Goodwill

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the profit 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 (CGU) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units on pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in consolidated profit and loss account. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the consolidated profit or loss on disposal.

4.6 Investments

4.6.1 Available-for-sale investment

Investments which are intended to be held for an indefinite period of time but may be sold in response to the market condition, management decision or need for liquidity are classified as available for sale. Available for sale investments are recognised initially at fair value plus any directly attributable transaction cost. After initial recognition, these are stated at fair values unless fair values cannot be measured reliably, with any resulting gains and losses being taken to other comprehensive income until the investment is disposed off or impaired. At the time of disposal, the respective surplus or deficit is transferred to the profit and loss account.

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current.

Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the trade date which is the date that the Group commits to purchase or sell the investment.

4.7 Investments in associates / joint venture

Investments in associates / joint ventures are accounted for using the equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the net assets of the associates / joint ventures. The consolidated 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 realisable 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 realisable value signifies the selling price in the ordinary course of business less estimated cost necessarily to be incurred in order to make the sale, which is generally equivalent to the estimated replacement cost.

4.9 Stock-in-trade

These are stated at the lower of cost and net realisable value. The methods used for the calculation of cost are as follows:

i)	Raw and packing material	at weighted average cost comprising of quarrying / purchase price, transportation, government levies and other overheads.
ii)	Work-in-process 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 realisable value signifies the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

Provision is made for obsolete and slow moving stock-in-trade based on management's best estimate and is recognised in the profit or loss 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 cost are accounted for on accrual basis and are disclosed as accrued return 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.

Defined benefit plans

The Group recognises staff retirement 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 Holding Company operates an unfunded gratuity scheme covering all its permanent employees.

ii) ICI and ICI PowerGen operate a funded pension scheme and a funded gratuity scheme for the management staff. Pension and gratuity schemes for ICI's management staff are invested through two approved trust funds. The Group also operates unfunded gratuity scheme for non-management staff and the unfunded pensioners’ medical scheme for its subsidiaries (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 Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact of such valuation will not be material.

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 Group.

4.16 Provisions

Provisions are recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each 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 the applicable laws.

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 utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

4.18 Revenue recognition

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

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.

Return on bank deposits is recognised 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.

4.19 Borrowing cost

Borrowing and other related cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

4.20 Foreign currency translations

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee using the exchange rate ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and on translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date are recognised 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.

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, amortised cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit 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 derecognised 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 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 legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise 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 recognised as an expense in the profit and loss account. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

4.24 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the 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 Operating Decision Makers (the CODMs) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

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.

4.27 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and return 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 recognised in the consolidated 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 consolidated profit and loss account on a straight-line basis over the period of the lease.

5. 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 26.1.4 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 equipment 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 realisable 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 17.3 and 18, 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 uncertainty, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business. The detailed assumptions underlying impairment testing of goodwill and intangibles with indefinite lives are given in note 8.3 and 8.4 to these consolidated financial statements.

6. BUSINESS COMBINATIONS

On December 23, 2016, ICI acquired 100% shareholding of Cirin Pharmaceutical (Private) Limited against a gross consideration of PKR 1,075 million.

At the acquisition date, the identifiable assets acquired and liabilities assumed were recognised at their carrying values which were approximately equal to the fair value, except:

- Revaluation of land, buildings and plant and machinery was carried out as at December 23, 2016 by an independent valuer on the basis of present market value.
- Fair value of intangible assets (brands) was determined at the acquisition date using relief from royalty method.

The following summarises the estimated fair values of consideration paid, non-controlling interests as well as the assets acquired and liabilities assumed at the date of acquisition:

Indicated value of tangible assets:

	Note	Fair value recognised on acquisition	Carrying value as at Dec 23, 2016
		(PKR in '000')	
Fair value of non-current tangible assets:			
Land		**10,000**	4,886
Building		**57,117**	23,810
Plant and machinery		**96,493**	29,951
		163,610	58,647
Carrying value of non-current tangible assets:			
Furniture and equipment		**21,473**	21,473
Vehicles		**32,312**	32,312
Capital work-in-progress		**305**	305
		54,090	54,090
Total indicated value of non-current tangible assets		**217,700**	112,737
Net Current Assets:			
Stock-in-trade		**125,067**	125,067
Trade debts		**24,875**	24,875
Trade and other payables		**(37,052)**	(37,052)
Total net current assets		**112,890**	112,890
Lease liability		**(19,673)**	(19,673)
Brands	8	**684,219**	-
		664,546	(19,673)
Total indicated value of net assets		**995,136**	205,954
Goodwill	8	**79,864**	
Total gross consideration		**1,075,000**	

The management of ICI has decided to finalise the determination of valuation of assets acquired within one year from the acquisition date, which is allowed under IFRS 3 "Business Combinations" as measurement period, therefore provisional figures based on latest available information have been considered for the acquisition accounting.

Incorporation of NutriCo Morinaga (Private) Limited

On March 6, 2017, ICI entered into a joint venture with Morinaga Milk Industry Company Limited of Japan and Unibrands (Private) Limited to set up a plant for manufacturing infant / growing up formula. To initiate the project, NutriCo has been incorporated which is a subsidiary of ICI in which 51% shareholding was held by ICI as at the balance sheet date.

	Note	2017	2016
		(PKR in '000')	
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	7.1	**49,689,176**	50,300,082
Capital work-in-progress	7.7	**9,912,057**	2,057,564
		59,601,233	52,357,646

7.1 Operating fixed assets - tangible

	Leasehold land	Freehold land	Buildings on leasehold land	Buildings on freehold land	Limebeds on freehold land	Plant and machinery (note 7.2)	Generators (note 7.2)	Quarry equipment	Vehicles including cement bulkers and rolling stock	Aircraft	Furniture and fixtures	Office equipment	Computer and accessories	Other assets (Laboratory equipment etc.)	Total
	---(PKR in '000')---														
As at July 1, 2015															
Cost	1,393,773	843,782	8,443,696	987,407	151,775	37,078,776	12,228,141	1,537,305	1,181,500	744,664	394,845	165,216	113,231	279,844	65,543,955
Accumulated depreciation	(74,110)	-	(3,269,934)	(138,680)	(28,659)	(9,457,171)	(3,919,219)	(606,108)	(595,955)	(176,988)	(170,771)	(119,099)	(83,799)	(165,752)	(18,806,245)
Net book value	1,319,663	843,782	5,173,762	848,727	123,116	27,621,605	8,308,922	931,197	585,545	567,676	224,074	46,117	29,432	114,092	46,737,710
Year ended June 30, 2016															
Addition	-	22,713	4,336	-	3,456	42,945	-	6,583	150,576	-	5,400	10,250	11,381	2,591	260,231
Transfers from CWIP (Note 7.7)	1,233,972	-	846,010	204,572	88,596	3,863,125	1,390,873	32,401	45,401	-	73,527	14,985	11,501	45,343	7,850,306
Disposals (Note 7.6)															
Cost	-	-	(19,925)	-	(793)	(94,113)	-	(6,150)	(56,945)	-	(22,593)	(4,044)	(9,691)	(1,059)	(215,313)
Accumulated depreciation	-	-	12,959	-	754	88,513	-	5,075	44,176	-	21,970	3,965	9,479	646	187,537
	-	-	(6,966)	-	(39)	(5,600)	-	(1,075)	(12,769)	-	(623)	(79)	(212)	(413)	(27,776)
Depreciation charge for the year (note 7.4)	(21,331)	-	(477,771)	(83,721)	(13,566)	(2,735,215)	(651,686)	(148,146)	(165,929)	(70,960)	(76,099)	(33,086)	(20,534)	(22,345)	(4,520,389)
Net book value as at June 30, 2016	2,532,304	866,495	5,539,371	969,578	201,563	28,786,860	9,048,109	820,960	602,824	496,716	226,279	38,187	31,568	139,268	50,300,082
Year ended June 30, 2017															
Addition	316	10,244	35,277	7,308	-	31,361	34,965	335	13,301	-	17,426	5,996	383	-	156,912
Transfers from CWIP (Note 7.7)	-	-	238,300	308,797	-	1,570,064	1,426,908	1,601	206,034	-	89,939	27,387	19,290	10,151	3,898,471
Additions through business combination	-	10,000	-	57,117	-	96,493	-	-	32,312	-	21,473				217,395
Adjustments															
Cost	-	-	(2,684,069)	2,684,069	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	1,695,647	(1,695,647)	-	-	-	-	-	-	-	-	-	-	-
	-	-	(988,422)	988,422	-	-	-	-	-	-	-	-	-	-	-
Disposals (Note 7.6)															
Cost	-	-	-	-	-	-	(48,672)	(16,977)	(48,630)	-	(2,020)	(34,729)	(2,856)	(789)	(154,673)
Accumulated depreciation	-	-	-	-	-	-	37,900	13,222	43,758	-	776	34,291	2,091	470	132,508
	-	-	-	-		-	(10,772)	(3,755)	(4,872)	-	(1,244)	(438)	(765)	(319)	(22,165)
Depreciation charge for the year (note 7.4)	(21,339)	-	(387,761)	(206,560)	(16,105)	(2,994,158)	(687,591)	(147,667)	(176,123)	(70,959)	(84,572)	(25,084)	(20,083)	(23,517)	(4,861,519)
Net book value as at June 30, 2017	2,511,281	886,739	4,436,765	2,124,662	185,458	27,490,620	9,811,619	671,474	673,476	425,757	269,301	46,048	30,393	125,583	49,689,176
At June 30, 2016															
Cost	2,627,745	866,495	9,274,117	1,191,979	243,034	40,890,733	13,619,014	1,570,139	1,320,532	744,664	451,179	186,407	126,422	326,719	73,439,179
Accumulated depreciation	(95,441)	-	(3,734,746)	(222,401)	(41,471)	(12,103,873)	(4,570,905)	(749,179)	(717,708)	(247,948)	(224,900)	(148,220)	(94,854)	(187,451)	(23,139,097)
Net book value	2,532,304	866,495	5,539,371	969,578	201,563	28,786,860	9,048,109	820,960	602,824	496,716	226,279	38,187	31,568	139,268	50,300,082
At June 30, 2017															
Cost	2,628,061	886,739	6,863,625	4,249,270	243,034	42,588,651	15,032,215	1,555,098	1,523,549	744,664	577,997	185,061	143,239	336,081	77,557,284
Accumulated depreciation	(116,780)	-	(2,426,860)	(2,124,608)	(57,576)	(15,098,031)	(5,220,596)	(883,624)	(850,073)	(318,907)	(308,696)	(139,013)	(112,846)	(210,498)	(27,868,108)
Net book value	2,511,281	886,739	4,436,765	2,124,662	185,458	27,490,620	9,811,619	671,474	673,476	425,757	269,301	46,048	30,393	125,583	49,689,176
Annual rates of depreciation	1.01% to 4%	-	2.5% to 10%	5% to 10%	3.33% to 7.5%	3.33% to 20%	5%	10%	10% to 25%	10%	10% to 33%	10% to 33%	33%	10% to 33%	

7.2 The carrying value of major spare parts and stand by equipment included in plant and machinery (2016: generators) amounted to PKR 763.355 million (2016: PKR 563.09 million).

7.3 Disposals include write off with the carrying value amounting to PKR Nil (2016: PKR 0.375 million).

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

	Note	2017	2016
		(PKR in '000')	
Cost of turnover	32	4,494,368	4,164,304
Distribution cost	33	116,421	109,578
Administrative expenses	34 & 7.5	213,536	210,517
Cost of sale of electricity		37,194	35,990
		4,861,519	4,520,389

7.5 It includes PKR 3.220 million (2016: PKR 2.195 million) which has been capitalised into capital work-in-progress during the year.

7.6 The details of property, plant and equipment disposed off during the year are as follows:

Particulars	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
	---------- (PKR '000) ----------						
VPT Gas Compressor	19,761	13,844	5,917	10,000	4,083	Negotiation	M/s. Yunus Textile Mills Ltd.
VPT Gas Compressor	10,962	6,108	4,854	5,000	146	- do -	M/s. Yunus Textile Mills Ltd.
Wheel Loader	16,977	13,222	3,755	22,959	19,204	Insurance claim	M/s. EFU General Insurance Ltd.
Honda City	1,735	1,110	625	1,379	754	Tender	Mr. Noman Ahmed Siddique
Honda City	1,553	1,151	402	1,348	946	- do -	Mr. Farhan Kayani
Honda City	1,541	929	612	1,327	715	- do -	M/s. Isha Enterprises
Honda City	1,516	1,213	303	1,144	841	- do -	Mr. Syed Ur Rehman
Toyota Corolla	1,445	1,356	89	1,139	1,050	- do -	Mr. Adil Ali
Honda City	1,427	1,361	66	1,400	1,334	Negotiation	Mr. Faiz Muhammad Khan (Employee)
Suzuki Cultus	884	672	212	828	616	Tender	Mr. Adil Ali
Laptop	130	54	76	152	76	- do -	M/s. Mega Plus
Loader - Cat 966 F-II	2,732	2,277	455	45	(410)	- do -	Ghouri Scrap Dealer Mandi Bahaudin
Items having book value less than PKR 50,000 each	94,010	89,211	4,799	27,847	23,048	-	Various
	154,673	**132,508**	**22,165**	**74,568**	**52,403**		
2016	215,313	187,537	27,776	56,227	28,451		

7.7 Capital work-in-progress

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

	Opening balance	Adjustment	Additions	Transferred to operating fixed assets	Closing balance
	(PKR '000)				
Freehold land	-	-	700,587	-	700,587
Building on leasehold land	459,910	(94,125)	1,196,811	238,300	1,324,296
Building on freehold land	66,972	81,443	247,470	308,797	87,088
Plant and machinery	651,774	(963)	7,013,033	1,570,064	6,093,780
Generators	369,398	11,622	1,059,661	1,426,908	13,773
Quarry equipment	58	1,543	373,535	1,601	373,535
Vehicles including cement bulkers and rolling stock	3,863	-	234,449	206,034	32,278
Furniture and fixtures	-	-	247,299	89,939	157,360
Office equipment	-	-	27,387	27,387	-
Computer and accessories	-	-	19,431	19,290	141
Intangible Assets	-	-	12,448	1,840	10,608
Other assets	505,589	480	622,693	10,151	1,118,611
	2,057,564	**-**	**11,754,804**	**3,900,311**	**9,912,057**

8. INTANGIBLE ASSETS

	June 30, 2017					
	At July 1, 2016	**Additions**	**Acquired through business combination**	**Amortisation**	**At June 30, 2017**	**Amortisation rate %**
	(PKR '000)					
Goodwill	2,133,955	79,864	-	-	2,213,819	-
Brand - trademark and roundel						
- Definite useful life	1,494,433	-	-	(229,913)	1,264,520	10
- Indefinite useful life	-	-	684,219	-	684,219	Indefinite
	1,494,433	-	684,219	(229,913)	1,948,739	
Customer relationship	453,402	-	-	(68,375)	385,027	9 - 25
Distribution relationship	108,490	-	-	-	108,490	Indefinite
Principal relationship	1,778,733	-	-	-	1,778,733	Indefinite
Product rights	826,855	-	-	-	826,855	Indefinite
Software and license	226,393	14,586	-	(114,255)	126,724	20 - 50
	7,022,261	**94,450**	**684,219**	**(412,543)**	**7,388,387**	

	June 30, 2016					
	At July 1, 2015	Additions	Acquired through business combination	Amortisation / Impairment	At June 30, 2016	Amortisation rate %
	(Rupees '000)					
Goodwill	2,133,955	-	-	-	2,133,955	-
Brand - trademark and roundel	1,724,346	-	-	(229,913)	1,494,433	10
Customer relationship	526,624	-	-	(73,222)	453,402	9 - 25
Distribution relationship	108,490	-	-	-	108,490	Indefinite
Principal relationship	1,831,328	-	-	(52,595)	1,778,733	Indefinite
Product rights	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	

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

	Note	2017	2016
		(PKR in '000')	
Cost of turnover	32	363,607	380,233
Distribution cost	33	1,191	7,080
Administrative expenses	34	47,745	69,597
		412,543	456,910

8.2 Description of intangibles

Significant intangible assets have been described as below:

Goodwill

Goodwill amounting to PKR 2,133.955 million was recognised by LHL on the acquisition of ICI.

Further, during the year, goodwill amounting to PKR 79.864 million has been recognised by ICI on acquisition of Cirin (note 8).

Brand - trademark and roundel

Definite useful life

Under an arrangement with ICI Omicron B.V., LHL had acquired the right to use ICI word mark and roundel for ICI's Polyester and Soda Ash segments only. This agreement is effective for a period of 10 years.

Indefinite useful life

This has been recognised on the acquisition of Cirin Pharmaceuticals (Private) Limited by ICI.

Customer relationships

ICI has an established (i.e. non-contractual) customer relationship for its Soda Ash segment, Polyester segment and Polyurethanes and Speciality Chemicals sub-segments.

Principal relationships

ICI has contractual relationships with a number of principals / suppliers, which meet the contractual-legal criterion for recognition as an intangible asset.

Product rights

ICI has its own portfolio of products in the Life Sciences business segments, which meet the separability criterion for recognition as an intangible asset.

8.3 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 reportable segments of ICI.

1. Soda Ash
2. Chemicals
3. Life Sciences

The recoverable amount of all CGUs has been determined based on fair value less costs of disposal calculations. The management has used the Income Approach - Discounted Cash Flow Method (DCF) to determine the fair value less costs of disposal of the operating segments. The financial projections used have been prepared by the management of ICI.

Key assumptions used in fair value less costs of disposal calculation

The calculation of fair value less costs of disposal is most sensitive to the following assumptions:

(a) Discount rates

Discount rates reflect management estimates of the rate of return required for each business. The management used the Weighted Average Cost of Capital (WACC) to determine the cost of capital rate. The cost of equity has been computed through the "Capital Asset Pricing Model".

The following discount rates have been used which are based on the WACC of that CGU:

	Terminal growth rate %	Discount rate %
Soda Ash	5%	13.0%
Chemicals	7%	13.8%
Life sciences	6%	14.5%

(b) Key commercial assumptions

Key commercial assumptions include product wise revenue growth and contribution margins.

8.4 Impairment testings of other intangibles acquired through business combination

The recoverable amount of these intangibles have been determined based on fair value less costs of disposal calculations. The fair value less costs of disposal has been determined on the following basis:

Intangibles	**Basis of valuation**
Brand - Trademark and roundel	Income Approach - Relief from Royalty 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

No impairment indicators were identified in relation to 'Customer Relationship'.

8.5 Key assumptions used in fair value less costs of disposal calculation

The following key assumptions have been made by the management for the intangibles:

	Terminal growth / royalty rate	Discount rate
Brand - Trademark and roundel	1.5%	14.5% to 15%
Distribution relationship	4%	15.6%
Principal relationship	4% to 6%	16.5% to 17.6%
Product rights	6%	16.5% to 17.6%

8.6 At June 30, 2017, the management of the Group carried out an impairment testing of its intangible assets as recorded in these consolidated financial statements at the time of acquisition of ICI. Based on the said testing, the fair value less costs of disposal of intangible assets was in excess of their respective carrying amounts as at June 30, 2017. Accordingly, no impairment in the carrying value of the intangibles was identified as of balance sheet date.

9. LONG-TERM INVESTMENTS	Note	2017 (PKR in '000')	2016 (PKR in '000')
Equity accounted investment			
Joint ventures			
Lucky Al Shumookh Holdings Limited	9.1	2,566,188	2,042,256
LuckyRawji Holdings Limited	9.2	6,846,311	7,075,110
		9,412,499	9,117,366
Associates			
NutriCo Pakistan (Pvt) Limited	9.3	964,034	961,165
Yunus Energy Limited	9.4	719,837	573,497
		1,683,871	1,534,662
		11,096,370	10,652,028
Unquoted - at cost			
Equity security available-for-sale			
Arabian Sea Country Club Limited			
(250,000 ordinary shares of PKR 10 each)		2,500	2,500
		11,098,870	10,654,528

		2017	2016
		(PKR in '000')	
9.1	Lucky Al Shumookh Holdings Limited		
	Investment at cost	1,912,283	1,912,283
	Share of cumulative profit at the beginning of the year	13,082	192,664
	Share of profit during the year	994,923	811,919
	Dividend received during the year	(471,621)	(991,501)
		536,384	13,082
	Foreign currency translation reserve	117,521	116,891
		2,566,188	2,042,256
	The Group's interest in LASHL's assets and liabilities is as follows:		
	Non-current assets	3,531,639	2,990,862
	Current assets excluding cash and cash equivalents	984,440	941,200
	Cash and cash equivalents	885,116	439,729
	Liabilities	(268,820)	(287,279)
	Net assets (100%)	5,132,375	4,084,512
	Company's share of net assets (50%)	2,566,188	2,042,256
	The Group's share in LASHL's profit and loss account is as follows:		
	Revenue	7,003,458	6,759,877
	Cost of sales	(4,951,338)	(5,071,874)
	General and administrative expenses	(59,957)	(63,008)
	Selling and distribution expenses	(2,318)	(3,721)
	Net profit (100%)	1,989,845	1,621,274
	Company's share of net profit (50%)	994,923	810,637
	Add: Share of profit before issuance of shares	-	1,282
		994,923	811,919

		2017	2016
		(PKR in '000')	
9.2	LuckyRawji Holdings Limited		
	Investment at cost	6,870,050	6,870,050
	Share of cumulative (loss) / profit at the beginning of the year	(1,213)	189
	Share of profit / (loss) during the period	(230,013)	(1,402)
		(231,226)	(1,213)
	Foreign currency translation reserve	207,487	206,273
		6,846,311	7,075,110

The Group's interest in LRHL's assets and liabilities is as follows:

	2017	2016
	(PKR in '000')	
Non-current assets	27,260,008	24,601,054
Current assets excluding cash and cash equivalents	2,367,453	2,036,918
Cash and cash equivalents	80,918	1,799,642
Liabilities	(16,015,757)	(14,287,394)
Net assets (100%)	13,692,622	14,150,220
Company's share of net assets (50%)	6,846,311	7,075,110

The Group's share in LRHL's profit and loss account is as follows:

Revenue	4,065,036	-
Cost of sales	(3,075,968)	-
General and administrative expenses	(1,495,047)	(2,803)
Selling and distribution expenses	45,952	-
Net loss (100%)	(460,027)	(2,803)
Company's share of net loss (50%)	(230,013)	(1,402)

9.3 NutriCo Pakistan (Private) Limited

Investment at cost	960,000	720,000
Investments made during the year	-	240,000
Share of cumulative profit at the beginning of the year	1,165	52,224
Share of profit during the year	670,869	407,316
Dividend received during the year	(668,000)	(458,375)
	4,034	1,165
	964,034	961,165

9.4 Yunus Energy Limited

	Note	2017	2016
		(PKR in '000')	
Investment at cost		611,365	204,365
Investments made during the year		-	407,000
Share of cumulative loss at the beginning of the year		(37,868)	-
Share of profit / (loss) for the year		146,340	(37,868)
		108,472	(37,868)
		719,837	573,497

10. LONG-TERM LOANS AND ADVANCES

	Note	2017	2016
Long-term loans - considered good			
due from executives and employees	10.1	412,000	377,834
Others	10.2	55,373	55,373
		467,373	433,207

10.1 Due from executives and employees	Note	2017	2016
		(PKR in '000')	
Due from executives	10.1.1 & 10.1.2	406,615	320,168
Less: Receivable within one year shown under current assets	15	138,388	95,503
		268,227	224,665
Due from employees	10.1.1	189,051	209,746
Less: Receivable within one year shown under current assets	15	45,278	56,577
		143,773	153,169
		412,000	377,834
Outstanding for the year:			
- less than three years but over one year		323,710	283,495
- more than three years		88,290	94,339
		412,000	377,834

10.1.1 Loans given to executives and employees are in accordance with the Group policy. These loans are return 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.

	Note	2017	2016
		(PKR in '000')	
10.1.2 Reconciliation of the carrying amount of loans to executives:			
As at July 1		320,168	275,680
Acquired through business combination		6,150	-
Disbursements during the year		204,993	166,900
Repayments during the year		(124,696)	(122,412)
	10.1.3	406,615	320,168

10.1.3 The maximum aggregate amount of loans due from the Executives at the end of any month during the year was PKR 406.615 million (2016: PKR 339.37 million).

10.2 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	2017	2016
		(PKR in '000')	
11. LONG-TERM DEPOSITS AND PREPAYMENTS			
Deposits		36,402	34,554
Prepayments		8,570	5,385
		44,972	39,939
12. STORES, SPARES AND CONSUMABLES			
Stores		2,453,110	2,239,700
Spares	12.1	4,703,407	4,903,298
Consumables		133,831	122,637
		7,290,348	7,265,635
Less: Provision for slow moving spares	12.2	249,177	249,177
		7,041,171	7,016,458

12.1 This includes spares in transit of PKR 130.851 million (2016: PKR 70.287 million) as at the balance sheet date.

		Note	2017	2016
			(PKR in '000')	
12.2	Movement in provision for slow moving spares is as follows:			
	As at July 1		249,177	245,117
	Provision during the year	34	-	4,060
			249,177	249,177
13.	STOCK-IN-TRADE			
	Raw and packing material	13.1 & 13.2	3,152,648	2,704,810
	Work-in-process		1,511,849	1,027,152
	Finished goods - net		3,853,735	3,335,805
			8,518,232	7,067,767
	Less: Provision for slow moving and obsolete stocks - net			
	- Raw and packing material		33,988	41,381
	- Finished goods		61,071	120,560
		13.3	95,059	161,941
			8,423,173	6,905,826

13.1 Raw and packing materials held with various toll manufacturers amounts to PKR 152.822 million (2016: PKR 242.400 million).

13.2 Movement of provision for slow moving and obsolete stock-in-trade is as follows:

	Note	2017	2016
		(PKR in '000')	
Balance at the beginning of the year		161,941	157,067
Charge for the year	34	63,729	22,254
Write-off for the year		(130,611)	(17,380)
Balance at the end of the year		95,059	161,941

13.3 Stock amounting to PKR 734.965 million (2016: PKR 338.822 million) is measured at net realisable value and reversal amounting to PKR 25.648 million (2016: PKR 10.999 million) has been realised in cost of sales.

		Note	2017	2016
			(PKR in '000')	
14.	TRADE DEBTS			
	Considered good			
	Bills receivable - secured		497,813	587,319
	Others - unsecured	14.1	4,188,388	3,528,315
			4,686,201	4,115,634
	Considered doubtful		102,977	56,453
			4,789,178	4,172,087
	Less: Provision for			
	- Doubtful debts	14.2	102,977	56,453
	- Discounts payable on sales		513,634	293,779
			616,611	350,232
			4,172,567	3,821,855

Notes to the Consolidated Financial Statements
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		Note	2017	2016
			(PKR in '000')	
14.1	The above balances include amounts due from the following associates:			
	Yunus Textile Mills Limited		1,847	179
	Lucky Textile Mills Limited		1,861	948
	Lucky Foods (Private) Limited		155	-
	Lucky Knits (Private) Limited		528	472
	NutriCo Pakistan (Private) Limited		-	2,393
	Oil & Gas Development Company Limited		14	14
	Feroze Mills Limited		-	331
			4,405	4,337
14.2	Movement in provision for doubtful debts is as follows:			
	Opening balance		56,453	49,279
	Provision during the year	33 & 34	40,381	14,396
	Acquisition through business combination		6,143	-
	Write-off during the year		-	(7,222)
			102,977	56,453
15.	LOANS AND ADVANCES			
	Considered good			
	Current portion of loans and advances due from:			
	Employees	10.1	45,278	46,300
	Executives	10.1	138,388	119,241
			183,666	165,541
	Other advances given to employees		31,912	11,264
	Advances to suppliers and others		845,568	675,679
			1,061,146	852,484
16.	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
	Deposits			
	Containers		270	105
	Utilities		1,005	1,005
	Others		165,018	53,815
			166,293	54,925
	Prepayments			
	Insurance		10,580	11,712
	Rent		12,604	7,320
	Processing fees for financing arrangement		48,424	-
	Others		437,913	398,422
			509,521	417,454
			675,814	472,379

		Note	2017	2016
			(PKR in '000')	
17.	OTHER RECEIVABLES			
	Unsecured			
	Considered good			
	Duties, sales tax and octroi refunds due		986,290	520,981
	Commission and discounts receivable		42,834	28,046
	Receivable from principal	17.1	209,114	184,950
	Rebate on export sales		55,882	65,191
	Due from Collector of Customs	17.2	19,444	19,444
	Due from associate		164,000	-
	Hyderabad Electricity Supply Company (HESCO)	17.3	1,157,521	1,176,723
	Insurance claim receivable		-	683
	Others		246,759	102,321
			2,881,844	2,098,339
	Considered doubtful		5,055	1,622
			2,886,899	2,099,961
	Less: Provision for doubtful receivables	17.4	5,055	1,622
			2,881,844	2,098,339

17.1 This includes receivable amounting to PKR 128.527 million (2016: PKR 118.528 million) from foreign vendor in relation to margin support guarantee.

17.2 The Holding Company had imported cement bulkers during October 19, 2006 to December 5, 2006 under SRO 575(1) of 2006 dated June 5, 2006 for export of loose cement which provided concessionary rate of import duty to an industrial concern. The Holding Company claimed exemption of duty at the time of port clearance, however, the Collector of Customs passed 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.

The FBR moved a summary to the Federal Government / Economic Coordination Committee (ECC) on the representation of the Holding Company and finally issued SRO 41(1) of 2007 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 clarification was issued on the representation of the Holding Company.

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.

17.3 The Holding Company and HESCO entered into a Power Purchase Agreement (PPA) dated March 22, 2011 pursuant to a policy in place at the time for the New Captive Power Plants (NCPPs), which had been reviewed by National Electric Power Regulatory Authority (NEPRA).

Subsequent to the signing of the PPA, NEPRA purported to re-determine the tariff through determination dated January 9, 2013, which was challenged by all the NCPPs in the Sindh High Court. The Sindh High Court decided the case in favor of NEPRA vide judgement dated August 19, 2015.

The Holding Company filed an appeal in Supreme Court of Pakistan against the Sindh High Court's decision. Detailed hearings were held and Court's judgement was reserved in November 2016. However, the said judgment is not announced since then and the case currently stands relisted for hearing.

During the year, the Holding Company and HESCO have entered into an interim agreement dated March 6, 2017, which is subject to the outcome of the above Civil Appeals pending in the Supreme Court.

As per the agreement, HESCO has fulfilled certain conditions and also provided an amount of PKR 317 million to the Holding Company which has been netted off against other receivable and the Holding Company is supplying and invoicing electricity from March 8, 2017 on PPA rates.

17.4 Movement in provision for doubtful receivables is as follows:

	2017	2016
	(PKR in '000')	
As at July 1	1,622	1,622
Charge for the year	3,433	-
	5,055	1,622

18. 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 Holding 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 High Courts of Sindh and Lahore respectively. Both the High Courts also decided the case against the method of calculation of excise duty as interpreted by the FBR.

The FBR preferred an appeal before the Supreme Court of Pakistan against the judgments of all three High Courts of the country. A full bench of the Supreme Court of Pakistan heard the legal counsel of all the parties and finally announced the judgment on April 14, 2007, upholding the judgments of the High Courts and dismissed the appeal of the FBR.

As a result of the full bench judgment of the Supreme Court of Pakistan, the Holding Company filed a refund claim of PKR 538.812 million on May 8, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Holding Company, on the basis of legal opinions obtained, recognised this refund claim.

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

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued show cause notice to the Holding Company, raising certain objections against the release of said refund including an objection that the burden of this levy has been passed on to the end consumer. The Holding Company challenged this show cause notice in the Peshawar High Court and took the stance that this matter has already been dealt with at the Supreme Court of Pakistan level, based on the doctrine of res judicata. The 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 alongwith 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 FBR and argued before the FTO that the report submitted by the FBR is not based on the facts of the case.

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

The FBR filed representation, before the President of Pakistan against the recommendations of the FTO under section 32 of Federal Tax Ombudsman Ordinance, 2000. However, President of Pakistan endorsed the recommendations of FTO of having an audit conducted by the 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.

19. SHORT TERM INVESTMENTS

These include the Holding Company's investment made in 1,769,940 ordinary shares of Pakistan Stock Exchange Limited amounting to PKR 49.558 million, being carried at fair value as at June 30, 2017.

	Note	2017	2016
		(PKR in '000')	
20. CASH AND BANK BALANCES			
Sales collection in transit		616,206	1,172,202
Cash at bank			
- in current accounts		225,245	1,124,518
- in islamic savings and deposit accounts	20.1	35,423,667	26,143,699
		35,648,912	27,268,217
Cash in hand		8,201	8,052
		36,273,319	28,448,471

20.1 These carry profit at the rate ranging from 3.75% to 6.55% (2016: from 3.75% to 7.50%) per annum.

	Note	2017	2016
		(PKR in '000')	
21. SHARE CAPITAL			
Authorised capital			
500,000,000 (2016: 500,000,000) Ordinary shares of PKR 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital			
305,000,000 (2016: 305,000,000) Ordinary shares of PKR 10 each issued for cash	21.1	3,050,000	3,050,000
18,375,000 (2016: 18,375,000) Ordinary shares of PKR 10 each issued as bonus shares		183,750	183,750
		3,233,750	3,233,750

21.1 During the year ended June 30, 2008, the Holding Company was admitted to the official list of the Financial Services Authority and to the London Stock Exchange for trading of Global Depository Receipts (GDRs) issued by the Holding Company on the Professional Securities Market of the London Stock Exchange. The GDR issue constituted an offering to qualified institutional buyers in the United States under Rule 144A and to non US persons outside the United States (US) under Regulation - S of the US Securities Act of 1933. The GDRs have also been included for trading on the International Order Book system of the London Stock Exchange, which will make the GDRs issued under Rule 144A to become eligible for trading by qualified institutional buyers in the Portal Market; a subsidiary of the NASDAQ Stock Market, Inc. in the US. The Holding Company 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.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

	Note	2017	2016
		(PKR in '000')	
22. RESERVES			
Capital reserve			
Share premium	22.1	7,343,422	7,343,422
Revenue reserves			
General reserve		55,511,916	45,771,223
Foreign currency translation reserve		152,106	150,721
Unappropriated profit		20,729,031	17,071,822
		76,393,053	62,993,766
		83,736,475	70,337,188

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

23. LONG-TERM FINANCE

Secured

From banking companies / financial institutions:

Long-term finance utilised arrangements from the following:

	Note	Frequency of repayment	Pricing	2017	2016
				(PKR in '000')	
Allied Bank Limited	23.1	Quarterly	Relevant KIBOR + 5bps	83,333	416,668
United Bank Limited	23.1	Quarterly	Relevant KIBOR + 25bps	2,000,000	2,000,000
United Bank Limited	23.1	Quarterly	SBP rate + 50 bps	1,353,444	1,282,342
Faysal Bank Limited	23.1	Quarterly	SBP Rate + 45 bps	74,717	74,717
MCB Bank Limited	23.1	Quarterly	SBP rate + 30 bps	532,170	217,086
Habib Bank Limited	23.1	Quarterly	Relevant KIBOR + 5bps	510,000	-
Bank Al Habib Limited		Quarterly	Relevant KIBOR + 25bps	-	750,000
Meezan Bank Limited		Quarterly	Relevant KIBOR + 25bps	-	1,500,000
Soneri Bank Limited		Semiannually	Relevant KIBOR + 25bps	-	400,000
Habib Bank Limited		Quarterly	Relevant KIBOR + 25bps	-	582,750
Bank Alfalah Limited		Quarterly	Relevant KIBOR + 25bps	-	1,125,000
Meezan Bank Limited - Islamic finance		Quarterly	Relevant KIBOR + 25bps	-	55,556
Habib Bank Limited - Islamic finance	23.1	Quarterly	3 Months KIBOR + 25bps	1,000,000	-
Habib Metropolitan Bank Limited	23.2	Semiannually	570bps	2,406,250	-
First Habib Modarba	23.1	Quarterly	Relevant KIBOR + 225bps	13,481	-
Foreign currency loan	23.3	-	LIBOR + 365bps	1,499,412	1,887,019
				9,472,807	10,291,138
Less : Current portion of long-term finance				(647,667)	(1,549,183)
				8,825,140	**8,741,955**

23.1 These loans are secured against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 7,000 million respectively.

23.2 During the year ended June 30, 2013, LHL had entered into 5 year diminishing musharika arrangements with banking companies to finance the acquisition of equity interest in ICI. However, during the current year the Subsidiary Company (LHL) has restructured its finances by clearing them against a single musharika facility. The loan is secured against the hypothecation charge over the current assets of the Yunus Brothers Group.

23.3 Represents aggregate of outstanding principal on unsecured medium-term offshore facilities from a bank. At June 30, 2017 the facilities bear interest at 3-month LIBOR plus a margin of 3.65% per annum (2016: 3-month LIBOR plus a margin of 3.65% per annum).

	Note	2017	2016
		(PKR in '000')	
24. LONG-TERM DEPOSITS			
Cement stockists	24.1	36,350	32,886
Transporters	24.2	47,000	37,780
Others		1,280	-
		84,630	70,666

24.1 These represent return-free security deposits received from stockists and are repayable on cancellation or withdrawal of stockist arrangement and are also adjustable against unpaid amount of sales.

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

25. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	As at June 30, 2017	
		Minimum lease payments	Present value of minimum lease payments
		(PKR in '000)	
Within one year		**2,197**	**2,009**
After one year but not more than five years		**826**	**798**
Total minimum lease payments		**3,023**	**2,807**
Finance charges allocated to future periods		**(216)**	**-**
Present value of minimum lease payments	25.1	**2,807**	**2,807**
Current maturity shown under current liability		**(2,009)**	**(2,009)**
		798	**798**

25.1 Represents conventional obligation in respect of assets acquired under finance lease arrangements from various conventional financial institutions. Rentals are payable in equal monthly installments. Repairs and insurance costs are to be borne by lessee. Financing rate ranging from KIBOR plus 3.5% to 4% per annum has been used as discounting factor. Overdue rental payments are subject to additional charge upto 2% per month or part thereof on all sums not paid by the lessee when due and payable under the respective agreements. Purchase option can be exercised by the lessee by adjusting security deposit against residual value at the expiry of the lease period.

	Note	2017	2016
		(PKR in '000')	
26. DEFERRED LIABILITIES			
Staff gratuity	26.1	1,420,420	1,219,653
Deferred tax liability	26.3	8,444,512	8,696,660
		9,864,932	9,916,313

26.1 The amounts recognised in the balance sheet, based on the recent actuarial valuation carried out on June 30, 2017, are as follows:

	2017					2016				
	Funded			Unfunded		Funded			Unfunded	
	Pension	Gratuity	Total			Pension	Gratuity	Total		
	(PKR in '000)									
26.1.1 Present value of defined benefit obligation					1,420,420					1,219,653
26.1.2 Movement in the liability recognised in the balance sheet are as follows:										
Opening 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
Acquisitions through business combination	-	-	-	12,759	12,759	-	-	-	-	-
Remeasurements recognised in other comprehensive income	81,107	(16,859)	64,248	415	415	10,784	5,667	16,451	(38,929)	(38,929)
Net (reversal) / charge for the year	(18,996)	48,146	29,150	271,201	271,201	(21,729)	47,813	26,084	268,894	268,894
	(359,162)	131,462	(227,700)	1,504,028	1,504,028	(421,273)	165,858	(255,415)	1,324,098	1,324,098
Payments made during the year	-	(66,685)	(66,685)	(83,608)	(83,608)	-	(65,683)	(65,683)	(104,445)	(104,445)
Closing balance	(359,162)	64,777	(294,385)	1,420,420	1,420,420	(421,273)	100,175	(321,098)	1,219,653	1,219,653
26.1.3 The amount recognised in the profit and loss account is as follows:										
Current service cost	13,653	42,966	56,619	168,908	168,908	16,554	38,832	55,386	162,031	162,031
Interest cost	74,207	47,820	122,027	102,293	102,293	85,424	52,368	137,792	108,290	108,290
Expected return on plan assets	(106,856)	(42,640)	(149,496)	-	-	(123,707)	(44,814)	(168,521)	-	-
Past service cost	-	-	-	-	-	-	-	-	-	-
Loss/(gain) on plan assets	-	-	-	-	-	-	1,427	1,427	(1,427)	(1,427)
	(18,996)	48,146	29,150	271,201	271,201	(21,729)	47,813	26,084	268,894	268,894

	2017	2016
26.1.4 Principal actuarial assumptions used are as follows:		
Expected rate of increase in salary level	5% - 8.75%	7.75% - 9.50%
Valuation discount rate	7.25% - 8.75%	9.00%

26.1.5 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	1,511,162	(1,376,711)
Valuation discount rate	(1,258,535)	1,552,772
Pension charge	35,914	(32,424)

26.1.6 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.

26.2 Provident fund	**(Unaudited) June 30, 2017**	(Audited) June 30, 2016
	(PKR in '000')	
Size of the fund	**1,250,408**	1,113,253
Cost of investments made	**1,125,222**	1,046,679
Percentage of investments made	**90%**	94%
Fair value of investments	**1,152,476**	1,106,842

26.2.1 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:

	2017 (Unaudited)		2016 (Audited)	
	Investments	**% of investments as size of the fund**	Investments	% of investments as size of the fund
On fair value				
Pakistan Investment Bonds	**640,456**	**55%**	591,735	53%
Short Term Deposit Account	**21,713**	**2%**	19,034	2%
Mutual Funds	**57,398**	**5%**	138,215	13%
Shares	**432,909**	**38%**	357,858	32%
	1,152,476	**100%**	1,106,842	100%

Investments out of provident fund have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

		Note	2017	2016
			(PKR in '000')	
26.3	Deferred tax liability			
	This comprises of the following:			
	- Taxable temporary differences arising due to accelerated tax depreciation allowance		9,162,122	9,329,052
	- Deductible temporary differences arising in respect of provisions		(717,610)	(632,392)
			8,444,512	8,696,660
27.	TRADE AND OTHER PAYABLES			
	Creditors		2,867,995	2,063,108
	Bills payable		3,301,163	2,557,323
	Accrued liabilities		7,124,670	5,644,529
	Customers running account		1,189,911	2,146,794
	Retention money		34,700	4,967
	Sales tax payable, excise and other government levies		260,970	523,570
	Unclaimed and unpaid dividend		191,009	190,757
	Workers' profit participation fund (WPPF) payable	27.1	1,485,476	980,243
	Workers' welfare fund		823,352	700,881
	Distributors' security deposits - payable on termination of distributorship	27.2	101,657	101,113
	Advances from customers	27.3	426,174	303,956
	Contractors' earnest / retention money		10,572	10,245
	Payable for capital expenditure		1,109,672	547,635
	Provision for compensated absences		31,249	31,249
	Others		267,350	172,321
			19,225,920	15,978,691
27.1	The movement of WPPF is as follows:			
	As at July 1		980,243	872,006
	Acquired through business combination		3,141	-
	Allocation for the year and interest thereon	36	1,479,478	1,193,855
			2,462,862	2,065,861
	Payments during the year		(977,386)	(1,085,618)
			1,485,476	980,243

27.2 Return on security deposits from certain distributors is payable at ranging from 5.50% to 6.50% (2016: 6% to 7%) per annum as specified in the respective agreements.

27.3 It includes amounts due to the following associates:

	2017	2016
	(PKR in '000')	
Fashion Textile Mills (Private) Limited	362	-
Yunus Textile Mills Limited	-	106
	362	106

28. SHORT-TERM BORROWINGS AND RUNNING FINANCE

	Note	2017	2016
		(PKR in '000')	
Short-term running finance - secured	28.1	1,528,905	1,248,443
Export Refinance	28.2	50,000	388,741
Money Market	28.3	550,000	300,000
		2,128,905	1,937,184

28.1 Short-term borrowings and running finance facility from various banks aggregated PKR 7,341 million (2016: PKR 7,281 million) and carry return during the year ranging from relevant KIBOR negative 0.05% to positive 1.00% per annum with an average return rate of relevant KIBOR + 0.12% on utilised limits (2016: relevant KIBOR + 0.10% to 1.00% per annum with an average return rate of relevant KIBOR + 0.22% on utilised limits). These facilities are secured by immovable property and hypothecation charge over the present and future stock-in-trade and book debts of the Company.

28.2 ICI has export refinance facility of upto PKR 1,200 million available from a commercial bank as at June 30, 2017 out of which PKR 50 million was utilised (2016: PKR 388.741 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries return at State Bank of Pakistan (SBP) rate (currently 2%) + 0.25% per annum (2016: SBP rate 3.5% + 0.25% per annum).

28.3 During the year, ICI has obtained a money market loan of PKR 300 million for a term of 3 month at plain KIBOR, and of PKR 250 million for a term of 3 month at relevant KIBOR minus 5 bps.

29. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

29.1 The 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 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 disposed off by the Supreme Court on May 8, 2014. So that the Holding Company could exercise the departmental remedy, like other cement manufacturers. However, the Customs department issued recovery notice on which the Holding Company has filed a Constitution Petition in the Sindh High Court which is currently reserved for judgement. The management is confident of a favorable outcome, no provision has been made against the same in these consolidated financial statements

29.2 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 9, 1994 respectively. During June 1997, the Federal Government extended the sales tax exemption to all cement manufacturer of Pakistan and deprived the Holding Company from the advantage of its sales tax exemption. Being aggrieved, the Holding Company filed a writ petition with the Peshawar High Court. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore withdrawn on legal advice and a suit was filed for compensation. The Civil Judge, Peshawar, has granted ex-parte decree in favor of the Holding Company for an amount of PKR 1,693.61 million along with 14% return per annum until the said amount is actually paid.

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

29.3 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 was then challenged in the Superior Courts with the main case being heard by the Lahore High Court. The Holding Company's legal counsel is confident that the Holding Company has a good case and there are reasonable chances of success, hence, no provision for the above is been made in these consolidated financial statements.

29.4 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the 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.

On May 30, 2017, the PHC decided the case in favor of the Government. However, the judgment has been suspended by PHC till the Holding Company files an appeal in the Supreme Court. Holding Company's legal counsel is of the view that this judgment does not cover all the legal issues raised by the Holding Company and therefore, the Holding Company has a very good case. Whereas, in SHC the suit was decided in favor of the Holding Company with the instructions to refund the GIDC collected so far by the Federation. However, the Government has filed an Appeal in the SHC, where the Holding Company was not made party to such litigation. Currently, no GIDC is charged from the Holding Company.

29.5 On May 10, 2017, the Holding Company received a show cause notice from Sindh Revenue Board (SRB) demanding payment of Sindh Workers Welfare Fund. The Holding Company has challenged the said notice in Sindh High Court on the ground that after the 18th Amendment, SRB cannot collect Workers Welfare Fund (WWF) as the Holding Company is a trans-provincial organisation and Federal or respective provincial Governments may collect WWF amounts only after a law is enacted catering to WWF collection from trans-provincial organisations.

The case was fixed on May 31, 2017, wherein the Sindh High Court has restrained SRB from taking any coercive action against the Holding Company. The Holding Company's legal counsel is of the view that the Holding Company being a trans-provincial organisation has a good chance of success.

		Note	2017	2016
			(PKR in '000')	
29.6	Claims against the Group not acknowledged as debts are as follows:			
	Local bodies	29.7	1,400	1,100
	Others		15,302	28,529
			16,702	29,629

29.7 Customs raised a demand for PKR 51.5 million relating to classification issue of Titanium Di-Oxide during prior years. During the current year, ICI received a positive outcome for its case filed with Customs Appellate Tribunal and the case was decided in ICI's favor.

Collectorate of customs raised demand of PKR 17.4 million till 2015-16 against ICI on the ground that ICI is classifying its imported product Wannate 8019 in wrong PCT Heading. During the current year also, consignments were withheld by Customs Appraisement due to classification issue. For clearance of these consignments, ICI paid PKR 15.8 million as Security Deposit for getting Provisional clearance till the final decision of Classification Committee and Appellate forums, which is still awaited.

For one other product Wannate PM 2010 / 8221, consignments were again withheld by Customs Intelligence on Classification issue. ICI paid PKR 94 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated June 12, 2017, gave its view on classification of the product against ICI. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65 million. ICI being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The Court has granted a stay in favor of ICI till the next date of hearing. ICI is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

29.8 Cirin Pharmaceuticals (Private) Ltd (Cirin) has been manufacturing its own registered product Carnem (Meropenem) (Product) and marketing it through a company named Laderly Bio-tech Pharma (Laderly). The agreement for such arrangement expired in the year 2015 and later completed its extended one-year term in the year 2016. Both companies agreed to manufacture final batches of the Product just before the acquisition by ICI. However post-acquisition, Laderly demanded to have the Product transferred in its name.

Thereafter, Laderly initiated legal proceedings against Cirin for getting the product transferred in its name. Cirin's stance is that since Laderly does not hold a drug manufacturing license, it is not legally permissible for Laderly to manufacture drugs, and therefore the Product cannot be transferred to Laderly. At present, the matter is pending adjudication in court and Cirin is strongly contesting the matter. The chances of a favorable outcome for Cirin are expected.

29.9 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:

29.9.1 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 finalised 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 capitalisation 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 and 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 capitalisation of PTA plant was decided against the Group. The Group and FBR have filed the appeals on respective matters decided against them in the Tribunal the hearing of which is yet to be conducted.

29.9.2 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 its 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 decided the same in favor of the Group and stated that the assessment for AY 2001-2002 is time barred. The department filed an appeal in the Supreme Court against the order of the High Court. On March 13, 2017, the Supreme Court dismissed the appeal of the department pertaining to assessment year 2001-2002 and upheld the directions of the High Court and adjudged the case as being barred by limitation and thereby restoring the position in the original order whereby unabsorbed depreciation was allowed.

Further, the Supreme Court gave directions to the Group vide its order dated March 14, 2017 to file its reply to the notice dated May 26, 2005 with respect to AY 2002-2003. Thereafter the Group submitted its response to the department in consultation with its external counsel. On May 15, 2017 the DCIR passed its assessment order disallowing depreciation relating to PTA assets, Capital Gain on Transfer of PTA Plant, Capital Gain on exchange of Shares, Financial charges on loans Subordinate to Pakistan PTA, Excess Perquisites, discounts, Interest paid to ICI Japan, Provisions and Write Offs. An appeal with the CIR has been filed by the Group against the said order. This appeal is still pending. Further, the Group filed an appeal in the Sindh High Court against the said order which has granted stay against the said order.

29.9.3 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 Group's favor (except 2 issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues which were not decided in Group's favor, one relates to disallowance of financial charges in tax year 2003 which has now been decided in Group's favor in the order dated June 15, 2017, whereby with respect to issue pertaining to tax year 2010, the Group has filed an appeal in the Tribunal against CIR (Appeals)'s decision.

29.9.4 The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets on the grounds that the same were sold through negotiations and not through auction as required by law. Group filed an appeal against the said order with the Commissioner Inland Revenue (CIR), who decided the appeal in Group's favor. Consequently the ACIR being dissatisfied with the CIR order filed an appeal with the ATIR. ATIR through his order dated December 01, 2016 decided the matter against Group. Group had filed an appeal in the High Court against the said order, the hearing of which is yet to be conducted.

29.9.5 Availing the exemption as per clause 103 A, Part 1, 2nd Schedule of Income Tax Ordinance 2001 on inter-corporate dividend paid to Group entitled to Group Relief under section 59 B of the Income Tax Ordinance 2001, ICI disbursed the dividend without tax deduction to Lucky Holdings for dividends announced on August 27, 2015 and on February 19, 2016. However, Federal Board of Revenue not being satisfied, through an Order dated September 2, 2016, has called for the deposit of tax on such dividends along with penalties and additional tax. The Group filed an appeal against the said order in the High Court which has granted a stay against the said order. The Group is confident that there is no merit in this claim of FBR.

29.9.6 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 Group 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 ICI 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 consolidated financial statements.

29.10 Details of other matters are given in notes 17.2, 17.3, 18 and 38 to these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

		2017	2016
		(PKR in '000')	
	COMMITMENTS		
29.11	Capital commitments		
	Plant and machinery under letters of credit	4,143,699	3,264,345
	Other commitments		
	Stores, spares and packing material under letters of credit	2,463,123	1,226,102
	Stand by Letter of Credit issued by the Holding Company	110,000	110,000
	Bank guarantees issued on behalf of the Holding Company and its subsidiaries	2,687,327	-
	Standby Letter of Credit	3,145,620	3,145,620
	Post dated cheques	5,675	13,954

29.11.1 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

Year	2017	2016
	(PKR in '000')	
2016 - 17	-	64,050
2017 - 18	72,921	44,247
2018 - 19	60,110	28,227
2019 - 20	39,393	6,550
2020 - 21	18,186	-
	190,610	143,074
Payable not later than one year	72,921	64,050
Payable later than one year but not later than five years	117,689	79,024
	190,610	143,074

30 Operating Sagment Results

	Note	Cement 2017	Cement 2016	Polyester 2017	Polyester 2016	Soda Ash 2017	Soda Ash 2016	Life Sciences 2017	Life Sciences 2016	Chemicals 2017	Chemicals 2016	Others LCLIHL / ICI PowerGen 2017	Others LCLIHL / ICI PowerGen 2016	Group 2017	Group 2016
		(PKR in '000)													
Gross sales															
Exports		**5,607,878**	8,639,701	**-**	-	**644,504**	738,829	**-**	-	**1,247**	10,903	**-**	-	**6,253,629**	9,389,433
Inter-segment		**-**	-	**-**	-	**-**	-	**-**	-	**7,214**	4,610	**527,052**	455,181	**534,266**	459,791
Local		**55,994,056**	47,283,414	**14,647,604**	14,235,639	**13,159,554**	12,653,113	**14,175,096**	10,265,352	**5,504,214**	4,739,851	**-**	-	**103,480,524**	89,177,369
		61,601,934	55,923,115	**14,647,604**	14,235,639	**13,804,058**	13,391,942	**14,175,096**	10,265,352	**5,512,675**	4,755,364	**527,052**	455,181	**110,268,419**	99,026,593
Commission / toll income		**-**	-	**-**	-	**-**	-	**10,145**	-	**55,085**	45,681	**-**	-	**65,230**	45,681
Turnover		**61,601,934**	55,923,115	**14,647,604**	14,235,639	**13,804,058**	13,391,942	**14,185,241**	10,265,352	**5,567,760**	4,801,045	**527,052**	455,181	**110,333,649**	99,072,274
Sales tax and excise duty		**15,227,058**	10,086,623	**-**	414,677	**1,897,987**	1,848,888	**135,821**	141,338	**622,360**	540,998	**76,580**	66,137	**17,959,806**	13,098,661
Rebates and commission		**687,833**	701,455	**259,549**	393,753	**865,387**	702,375	**2,489,130**	1,413,689	**155,997**	279,213	**-**	-	**4,457,896**	3,490,485
		15,914,891	10,788,078	**259,549**	808,430	**2,763,374**	2,551,263	**2,624,951**	1,555,027	**778,357**	820,211	**76,580**	66,137	**22,417,702**	16,589,146
		45,687,043	45,135,037	**14,388,055**	13,427,209	**11,040,684**	10,840,679	**11,560,290**	8,710,325	**4,789,403**	3,980,834	**450,472**	389,044	**87,915,947**	82,483,128
Cost of turnover	32	**24,388,760**	23,389,268	**14,260,227**	13,914,627	**7,743,952**	7,653,095	**8,124,573**	6,248,900	**3,734,400**	3,132,713	**727,090**	298,471	**58,979,002**	54,635,334
Gross profit		**21,298,283**	21,745,769	**127,828**	(487,418)	**3,296,732**	3,187,584	**3,435,717**	2,461,425	**1,055,003**	848,121	**(276,618)**	90,573	**28,936,945**	27,847,794
Distribution costs	33	**1,703,785**	2,018,376	**98,504**	109,008	**185,620**	201,964	**1,811,556**	1,268,309	**339,031**	300,452	**-**	-	**4,138,496**	3,898,109
Administrative expenses	34	**1,021,694**	1,107,527	**333,605**	291,970	**288,382**	259,416	**375,688**	232,901	**147,589**	133,810	**70,109**	64,233	**2,237,067**	2,089,619
Operating result		**18,572,804**	18,619,866	**(304,281)**	(888,396)	**2,822,730**	2,726,204	**1,248,473**	960,215	**568,383**	413,859	**(346,727)**	26,340	**22,561,382**	21,860,066
30.1 Segment assets	31.3	**50,977,560**	42,356,754	**10,389,264**	9,083,249	**22,839,939**	19,010,590	**9,016,789**	10,386,757	**7,434,350**	3,919,354	**3,584,081**	700,534	**93,772,630**	85,457,238
30.2 Unallocated assets														**47,216,830**	37,950,526
														140,989,460	123,407,764
30.3 Segment liabilities	31.4	**17,545,387**	10,465,639	**13,922,868**	13,031,543	**4,521,204**	2,809,250	**3,453,736**	2,190,018	**2,135,412**	915,087	**6,198,652**	189,134	**36,903,819**	29,600,671
30.4 Unallocated liabilities														**7,880,091**	12,347,782
														44,783,910	41,948,453

30.5 Inter unit current account balances of respective businesses have been eliminated from the total.

	Cement 2017	Cement 2016	Polyester 2017	Polyester 2016	Soda Ash 2017	Soda Ash 2016	Life Sciences 2017	Life Sciences 2016	Chemicals 2017	Chemicals 2016	Others 2017	Others 2016	Group 2017	Group 2016
30.6 Depreciation and amortisation	**2,594,897**	2,569,077	**788,028**	956,447	**1,360,433**	1,224,830	**45,453**	84,800	**38,763**	81,166	**406,077**	58,784	**5,233,651**	4,975,104
30.7 Capital expenditure	**6,203,337**	1,536,390	**253,982**	222,744	**4,376,082**	3,937,224	**84,669**	47,953	**88,776**	46,168	**907,992**	1,333,509	**11,914,838**	7,123,988

30.8 Inter-segment pricing

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

30.9 There were no major customer of the Group which formed part of 10% or more of the Group's revenue.

31. RECONCILIATIONS OF REPORTABLE SEGMENT TURNOVER, COST OF SALES, ASSETS AND LIABILITIES

		Note	2017	2016
			(PKR in '000')	
31.1	Turnover			
	Total turnover for reportable segments	30	110,333,649	99,072,274
	Elimination of inter-segment turnover	30	(75,736)	(26,724)
	Elimination of inter-segment turnover from subsidiary		(457,686)	(393,654)
			109,800,227	98,651,896
31.2	Cost of turnover			
	Total cost of sales for reportable segments	30	58,979,002	54,635,334
	Elimination of inter-segment purchases		(75,736)	(26,724)
	Elimination of inter-segment purchases from subsidiaries		(457,686)	(393,654)
			58,445,580	54,214,956
31.3	Assets			
	Total assets for reportable segments	30	93,772,630	85,457,238
	Unallocated assets included in:			
	- taxation - net		1,253,468	1,152,299
	- bank deposits	20	34,100,409	26,143,699
	- intangibles - goodwill and brands		764,083	-
	- long term investments	9	11,098,870	10,654,528
			140,989,460	123,407,764
31.4	Liabilities			
	Total liabilities for reportable segments	30	36,903,819	29,600,671
	Unallocated liabilities included in:			
	- short-term borrowings and running finance	28	2,128,905	1,937,184
	- accrued return		103,473	56,658
	- unclaimed dividend		80,568	62,802
	- long-term finance	23	5,567,145	10,291,138
			44,783,910	41,948,453

32. COST OF TURNOVER

	Note	Cement 2017	Cement 2016	Polyester 2017	Polyester 2016	Soda Ash 2017	Soda Ash 2016	Life Sciences 2017	Life Sciences 2016	Chemicals 2017	Chemicals 2016	Others LCLIHL / ICI PowerGen 2017	Others LCLIHL / ICI PowerGen 2016	Group 2017	Group 2016
		(PKR in '000)													
Salaries, wages and benefits	32.1	**1,813,121**	1,719,233	**485,944**	436,141	**808,959**	751,389	**88,453**	25,203	**67,764**	58,076	**17,737**	17,603	**3,281,978**	3,007,645
Raw material consumed		**1,347,185**	1,379,713	**11,709,485**	11,006,625	**2,203,738**	2,286,435	**2,290,504**	1,954,221	**1,792,085**	1,503,314	**288,129**	195,539	**19,631,126**	18,325,847
Packing material	32.2	**2,206,013**	2,681,104	**-**	-	**-**	-	**-**	-			**-**	-	**2,206,013**	2,681,104
Fuel and power		**14,746,456**	12,679,264	**1,133,944**	1,029,957	**2,629,665**	2,825,500	**17**	-	**20,864**	18,023	**578**	1,768	**18,531,524**	16,554,512
Stores and spares consumed		**1,818,567**	1,829,863	**182,685**	216,572	**162,273**	173,032	**1,282**	(691)	**12,907**	11,304	**19,281**	20,617	**2,196,995**	2,250,697
Conversion fee paid to contract manufacturers		**-**	-	**-**	-	**-**	-	**385,683**	376,652	**14,269**	9,382	**-**	-	**399,952**	386,034
Repairs and maintenance		**370,843**	380,090	**12,632**	11,812	**6,105**	1,463	**5,080**	3,281	**6,887**	5,380	**120**	130	**401,667**	402,156
Depreciation and amortisation	7.4 & 8.1	**2,300,027**	2,250,787	**776,035**	922,412	**1,347,932**	1,192,385	**14,953**	58,993	**23,359**	64,112	**395,669**	55,848	**4,857,975**	4,544,537
Insurance		**87,052**	90,496	**15,946**	19,194	**26,972**	27,232	**569**	34	**1,699**	1,306	**1,038**	1,255	**133,276**	139,517
Write-offs		**-**	-	**12,617**	-	**12,617**	-	**-**	-	**-**	-	**-**	-	**25,234**	-
Earth moving machinery		**204,487**	258,088	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**204,487**	258,088
Vehicle running and maintenance		**28,040**	33,806	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**28,040**	33,806
Communication		**13,251**	12,773	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**13,251**	12,773
Mess subsidy		**21,739**	20,746	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**21,739**	20,746
Transportation		**26,267**	44,835	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**26,267**	44,835
Travelling and conveyance		**2,738**	3,393	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2,738**	3,393
Inspection fee for electrical installation		**-**	2,568	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	2,568
Rent, rates and taxes		**6,708**	27,358	**1,698**	1,649	**1,371**	1,338	**14,605**	13,983	**41,632**	30,062	**450**	420	**66,464**	74,810
Printing and stationery		**1,661**	1,832	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1,661**	1,832
Excise duty		**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2,847**	3,934	**2,847**	3,934
Technical fees		**-**	-	**-**	-	**-**	-	**3,416**	3,035	**591**	2,876	**-**	-	**4,007**	5,911
Royalty		**-**	-	**-**	-	**-**	-	**4,476**	3,605	**-**	-	**-**	-	**4,476**	3,605
Other manufacturing expenses		**151,738**	123,108	**199,663**	211,454	**228,257**	188,528	**38,524**	7,413	**40,133**	29,684	**1,241**	1,357	**659,556**	559,804
		25,145,893	23,539,057	**14,530,649**	13,855,816	**7,427,889**	7,447,302	**2,847,562**	2,445,729	**2,022,190**	1,733,519	**727,090**	298,471	**52,701,273**	49,318,154
Work-in-process:															
Opening		**886,973**	614,095	**96,152**	72,137	**-**	-	**77,208**	13,391	**7,284**	10,506	**-**	-	**1,067,617**	710,129
Closing		**(1,401,759)**	(886,973)	**(52,831)**	(96,152)	**-**	-	**(53,231)**	(36,743)	**(4,028)**	(7,284)	**-**	-	**(1,511,849)**	(1,027,152)
		(514,786)	(272,878)	**43,321**	(24,015)	**-**	-	**23,977**	(23,352)	**3,256**	3,222	**-**	-	**(444,232)**	(317,023)
Cost of goods manufactured		**24,631,107**	23,266,179	**14,573,970**	13,831,801	**7,427,889**	7,447,302	**2,871,539**	2,422,377	**2,025,446**	1,736,741	**727,090**	298,471	**52,257,041**	49,001,131
Finished goods:															
Opening		**316,794**	439,883	**401,556**	484,382	**133,957**	182,030	**1,947,861**	1,668,871	**440,433**	433,725	**-**	-	**3,240,601**	3,208,891
Purchases		**-**	-	**18,588**	-	**270,003**	157,720	**5,246,319**	4,090,211	**1,802,843**	1,414,880	**-**	-	**7,337,753**	5,662,811
Closing		**(559,141)**	(316,794)	**(733,887)**	(401,556)	**(87,897)**	(133,957)	**(1,879,187)**	(1,922,505)	**(532,552)**	(440,433)	**-**	-	**(3,792,664)**	(3,215,245)
Provision		**-**	-	**-**	-	**-**	-	**(61,959)**	(10,054)	**(1,770)**	(12,200)	**-**	-	**(63,729)**	(22,254)
		(242,347)	123,089	**(313,743)**	82,826	**316,063**	205,793	**5,253,034**	3,826,523	**1,708,954**	1,395,972	**-**	-	**6,721,961**	5,634,203
		24,388,760	23,389,268	**14,260,227**	13,914,627	**7,743,952**	7,653,095	**8,124,573**	6,248,900	**3,734,400**	3,132,713	**727,090**	298,471	**58,979,002**	54,635,334

32.1 These include sum of PKR 273.584 million (2016: PKR 218.201 million) in respect of staff retirement benefits.

32.2 These are net of duty draw back on export sales amounting to PKR 28.091 million (2016: PKR 41.483 million).

33. DISTRIBUTION COST

	Note	Cement 2017	Cement 2016	Polyester 2017	Polyester 2016	Soda Ash 2017	Soda Ash 2016	Life Sciences 2017	Life Sciences 2016	Chemicals 2017	Chemicals 2016	Others LCLIHL, LCLHL / ICI PowerGen 2017	Others LCLIHL, LCLHL / ICI PowerGen 2016	Group 2017	Group 2016
		(PKR in '000)													
Salaries and benefits	33.1	**201,221**	183,172	**49,641**	44,052	**42,233**	42,058	**818,954**	609,675	**169,886**	142,537	**-**	-	**1,281,935**	1,021,494
Logistics and related charges		**1,109,114**	1,548,644	**1,180**	18,287	**88,417**	127,031	**172,681**	106,930	**80,514**	72,058	**-**	-	**1,451,906**	1,872,950
Loading and others		**179,619**	57,336	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**179,619**	57,336
Communication		**3,960**	4,220	**1,216**	1,578	**2,009**	1,771	**23,163**	18,096	**3,724**	3,651	**-**	-	**34,072**	29,316
Travelling and conveyance		**5,374**	5,209	**12,321**	9,486	**3,417**	3,806	**209,587**	167,703	**23,369**	21,638	**-**	-	**254,068**	207,842
Printing and stationery		**1,058**	1,032	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1,058**	1,032
Insurance		**20,526**	34,426	**-**	-	**342**	312	**16,121**	10,887	**2,027**	3,245	**-**	-	**39,016**	48,870
Rent, rates and taxes		**18,844**	17,925	**552**	527	**2,781**	3,136	**22,311**	13,847	**1,616**	1,363	**-**	-	**46,104**	36,798
Utilities		**3,542**	2,795	**134**	125	**2,214**	2,328	**5,379**	4,482	**4,137**	4,772	**-**	-	**15,406**	14,502
Vehicle running and maintenance		**9,682**	11,403	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**9,682**	11,403
Repairs and maintenance		**4,404**	1,585	**205**	149	**1,036**	1,241	**5,522**	4,783	**3,852**	2,771	**-**	-	**15,019**	10,529
Fees, subscription and periodicals		**1,843**	897	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1,843**	897
Advertisement and sales promotion		**18,229**	31,902	**23,420**	25,100	**28,900**	10,902	**354,009**	207,042	**8,901**	10,677	**-**	-	**433,459**	285,623
Entertainment		**5,755**	3,987	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**5,755**	3,987
Security service		**2,094**	2,146	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2,094**	2,146
Depreciation and amortisation	7.4 & 8.1	**86,756**	88,716	**-**	-	**86**	108	**21,970**	16,538	**8,800**	11,296	**-**	-	**117,612**	116,658
Provision for doubtful debt	14.2	**1,535**	4,206	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1,535**	4,206
Other general expenses		**30,229**	18,775	**9,835**	9,704	**14,185**	9,271	**161,859**	108,326	**32,205**	26,444	**-**	-	**248,313**	172,520
		1,703,785	2,018,376	**98,504**	109,008	**185,620**	201,964	**1,811,556**	1,268,309	**339,031**	300,452	**-**	-	**4,138,496**	3,898,109

33.1 These include sum of PKR 79.139 million (2016: PKR 16.877 million) in respect of staff retirement benefits.

34. ADMINISTRATIVE EXPENSES

	Note	Cement 2017	Cement 2016	Polyester 2017	Polyester 2016	Soda Ash 2017	Soda Ash 2016	Life Sciences 2017	Life Sciences 2016	Chemicals 2017	Chemicals 2016	Others LCLIHL, LCLHL / ICI PowerGen 2017	Others LCLIHL, LCLHL / ICI PowerGen 2016	Group 2017	Group 2016
Salaries and benefits	34.1	**472,129**	521,358	**199,205**	169,001	**180,905**	150,715	**163,615**	121,191	**102,577**	85,988	**9,225**	2,491	**1,127,656**	1,050,744
Communication		**14,833**	11,951	**3,648**	3,244	**2,833**	2,649	**5,336**	4,100	**1,739**	1,571	**465**	51	**28,854**	23,566
Travelling and conveyance		**60,394**	69,489	**8,808**	7,834	**6,512**	5,518	**11,367**	8,491	**3,503**	2,318	**-**	-	**90,584**	93,650
Insurance		**9,641**	11,087	**1,022**	1,058	**1,223**	1,265	**4,957**	4,220	**288**	399	**1,052**	514	**18,183**	18,543
Rent, rates and taxes		**15,890**	8,878	**6,383**	6,017	**3,113**	3,047	**6,225**	1,747	**673**	659	**12,229**	4,058	**44,513**	24,406
Vehicle running and maintenance		**18,257**	19,206	**-**	-	**-**	-	**-**	-	**-**	-	**902**	199	**19,159**	19,405
Aircraft running and maintenance		**31,759**	67,832	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**31,759**	67,832
Printing and stationery		**8,165**	12,204	**-**	-	**-**	-	**-**	-	**-**	-	**309**	128	**8,474**	12,332
Fees and subscription		**45,064**	44,568	**-**	-	**-**	-	**-**	-	**-**	-	**12,501**	4,898	**57,565**	49,466
Security services		**9,542**	13,410	**-**	-	**-**	-	**-**	-	**-**	-	**4,170**	9,802	**13,712**	23,212
Legal fee		**35,067**	42,952	**-**	-	**-**	-	**-**	-	**-**	-	**7,900**	6,561	**42,967**	49,513
Professional and advisory services		**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**120**	-	**120**	-
Transportation and freight		**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Utilities		**7,366**	7,571	**5,685**	6,573	**4,137**	4,526	**10,806**	12,654	**4,029**	4,525	**843**	-	**32,866**	35,849
Repairs and maintenance		**29,767**	24,207	**3,738**	3,341	**4,217**	3,889	**6,063**	5,935	**812**	763	**-**	-	**44,597**	38,135
Advertisement		**3,854**	10,946	**2,877**	1,454	**3,259**	1,730	**1,125**	564	**855**	419	**74**	47	**12,044**	15,160
Auditors' remuneration	34.2	**2,739**	2,695	**1,403**	2,024	**1,364**	1,968	**523**	754	**300**	433	**5,171**	2,476	**11,500**	10,350
Cost Auditors' remuneration	34.2	**394**	358	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**394**	358
Depreciation and amortisation	7.4 & 8.1	**208,114**	193,584	**11,993**	34,035	**12,415**	32,337	**8,530**	9,269	**6,604**	5,936	**10,408**	2,758	**258,064**	277,919
Write-offs		**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Provision for doubtful debts		**-**	-	**553**	548	**-**	-	**37,618**	6,752	**675**	2,890	**-**	-	**38,846**	10,190
Provision for slow moving and obsolete stocks		**-**	-	**-**	-	**-**	-	**61,959**	10,054	**1,770**	12,200	**-**	-	**63,729**	22,254
Provision for slow moving spares	12.2	**-**	-	**-**	-	**-**	4,060	**-**	-	**-**	-	**-**	-	**-**	4,060
Training cost		**12,943**	14,097	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**12,943**	14,097
Trademark and registration fee		**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**26**	-	**26**	-
Bank charges		**12,308**	12,023	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**12,308**	12,023
Other general expenses		**23,468**	19,111	**88,290**	56,841	**68,404**	47,712	**57,564**	47,171	**23,764**	15,709	**4,714**	30,250	**266,204**	216,555
		1,021,694	1,107,527	**333,605**	291,970	**288,382**	259,416	**375,688**	232,901	**147,589**	133,810	**70,109**	64,233	**2,237,067**	2,089,619

34.1 These include sum of PKR 116.019 million (2016: PKR 87.347 million) in respect of staff retirement benefits.

		Note	2017	2016
			(PKR in '000')	
34.2	Auditors' remuneration			
	The Holding Company			
	Statutory audit fee of the Holding Company's			
	- standalone financial statements		1,394	1,394
	- consolidated financial statements		350	350
	Half yearly review fee		380	380
	Fee for the review of Code of Corporate Governance		88	88
			2,212	2,212
	Out of pocket expenses and government levies		527	483
			2,739	2,695
	Subsidiaries (multiple audit firms)			
	Statutory audit fee		4,388	3,599
	Half yearly review and other certifications		1,264	1,271
	Out of pocket expenses		1,191	934
	Others		1,918	1,851
			8,761	7,655
			11,500	10,350
34.3	Cost auditors' remuneration			
	Cost audit fee		355	323
	Out of pocket expenses		39	35
			394	358
35.	FINANCE COST			
	Return on long-term finance		285,108	441,625
	Return on short-term borrowings		313,466	260,200
	Discounting charges on receivables		70,388	55,748
	Bank charges and commission		13,205	4,635
	Guarantee fee and others		6	14
			682,173	762,222
36.	OTHER EXPENSES			
	Workers' Profit Participation Fund	27.1	1,479,478	1,193,855
	Workers' Welfare Fund - charge		266,257	468,926
	Workers' Welfare Fund - reversal	36.1	(174,638)	-
	Donations	36.2	328,167	263,280
			1,899,264	1,926,061

36.1 Through the Finance Acts of 2006 and 2008, certain amendments were brought in the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) including the levy of WWF which had originally been calculated at the rate of 2% of the total (taxable) income of the industrial establishment in a particular year, and was now charged on higher of total (taxable) income or profit before tax as per accounts. During the year, the Supreme Court of Pakistan through its judgement dated 10 October 2016, in Civil Appeals No. 1049 to 1055/2011 decided that amendments in WWF Ordinance made through Finance Acts 2006 and 2008 were unconstitutional. Accordingly, ICI has reversed the excess provision calculated on the basis of profit before tax as per accounts.

36.2 The Holding Company

Donations during the year includes donation amounting to PKR 200 million (2016: PKR 154.20 million) to Aziz Tabba Foundation (ATF). 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 Ms. Zulekha Tabba, the Directors of the Holding Company, are the Trustees of ATF.

ICI

Amount also include provision of PKR 20 million (2016: PKR 20 million) 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. Arshaduddin Ahmed, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of ICI are amongst the Trustees of the Foundation.

		Note	2017	2016
			(PKR in '000')	
37.	OTHER INCOME			
	Income from non-financial assets			
	Gain on disposal of property, plant and equipment	7.6	52,403	28,451
	Sale of electricity		572,699	361,479
	Cost of sale of electricity		(538,959)	(352,442)
			33,740	9,037
	Sale of scrap		165,908	110,471
	Exchange loss - net		(17,452)	(57,489)
	Provisions and accruals no longer required written back		5,679	375
	Others		(54,532)	1,122
			185,746	91,967
	Income from financial assets			
	(Loss) / gain on investment		(3,374)	34,922
	Return from deposits with Islamic bank and other financial institutions		1,885,785	1,351,185
			1,882,411	1,386,107
			2,068,157	1,478,074
38.	TAXATION			
	Current		6,475,246	5,484,877
	Deferred		(235,659)	353,917
			6,239,587	5,838,794

38.1 Relationship between income tax expense and accounting profit:

	2017	2016
	(PKR in '000')	
Tax at the applicable tax rate of 29% - 31% (2016: 32%)	6,772,588	6,964,111
Tax impact on profit of subsidiary	(398,792)	(28,673)
Tax impact on share of profit of associate	(123,580)	(130,342)
Effect of credit under section 65B	(130,996)	(355,500)
Effect of change in tax rate on beginning deferred tax balance	(32,907)	(41,612)
Tax effect under lower rate of tax	(564,339)	(823,394)
Foreign tax credit	(48,547)	(105,013)
Others	766,160	359,217
	6,239,587	5,838,794

38.2 In accordance with the Finance Act, 2016, reduced income tax rate to the extent of two percent (2%) for listed companies, complying with the prescribed shariah compliant criteria approved by the State Bank of Pakistan (SBP), the SECP and the FBR, was introduced. During the year the FBR has issued a notification dated January 10, 2017 listing those shariah compliant criteria. However, criteria have not yet been prescribed by the SBP and the SECP. Since the Holding Company's business is 'halal' and it is already included in KSE Meezan Index (KMI - 30) on the Pakistan Stock Exchange, and the Holding Company has undertaken all necessary steps to comply with the FBR's notification and has, therefore, recorded its current and deferred tax charges by using the reduced income tax rate of 29% and 28% respectively.

39. EARNINGS PER SHARE - basic and diluted

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

	2017	2016
Profit attributable to owners of the Holding Company (PKR in thousands)	**16,227,033**	14,872,560
Weighted average number of ordinary shares (in thousands)	**323,375**	323,375
Basic and diluted earnings per share - (PKR)	**50.18**	45.99

	Note	2017	2016
		(PKR in '000')	
40. CASH GENERATED FROM OPERATIONS			
Profit before taxation		23,630,221	21,829,823
Adjustments for non cash charges and other items			
Depreciation and amortisation	7.4 & 8.1	5,270,845	4,977,299
Provision for slow moving spares	12.2	-	4,060
Provision for slow moving and obsolete stocks		63,506	22,254
Write offs during the year		25,234	-
Provision for doubtful debts	14.2	40,381	14,396
Provisions and accruals no longer required written back	37	(5,679)	-
Gain on disposal of operating fixed assets	37	(52,403)	(28,451)
Provision for staff gratuity	26.1.2	313,933	294,978
Share of profit from associate		(1,582,119)	(1,179,965)
Return from deposits with Islamic bank and other financial institutions		(1,877,791)	-
Profit on sale of investments		3,374	-
Finance cost		675,226	789,811
Profit before working capital changes		26,504,728	26,724,205

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

	Note	2017	2016
		(PKR in '000')	
(Increase) / decrease in current assets			
Stores, spares and consumables		(49,947)	(1,098,631)
Interest accrued		612	-
Stock-in-trade		(1,468,229)	(403,926)
Trade debts		(366,532)	(362,958)
Loans and advances		(222,345)	(273,875)
Trade deposits and short-term prepayments		(214,475)	(21,077)
Other receivables		(631,133)	(51,723)
		(2,952,049)	(2,212,190)
Increase / (decrease) in current liabilities			
Trade and other payables		2,823,959	2,977,186
		26,376,638	27,489,201

40.1 Cash and cash equivalents

	Note	2017	2016
Cash and bank balances	20	36,273,319	28,448,471
Short-term borrowings and running finance	28	(2,128,905)	(1,937,184)
		34,144,414	26,511,287

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

41.1 Aggregate amounts charged in these consolidated financial statements are as follows:

	Chief Executive		Executives		Total	
	2017	2016	**2017**	2016	**2017**	2016
	---- PKR in '000' ----					
Remuneration	**40,000**	40,000	**1,569,619**	1,392,639	**1,609,619**	1,432,639
House rent allowance	**16,000**	16,000	**524,357**	462,134	**540,357**	478,134
Utility allowance	**4,000**	4,000	**124,173**	110,782	**128,173**	114,782
Conveyance allowance	**-**	-	**54,912**	49,989	**54,912**	49,989
Charge for defined benefit obligation	**5,000**	5,000	**322,028**	298,880	**327,028**	303,880
Group insurance	**-**	-	**7,119**	5,702	**7,119**	5,702
Medical expenses	**-**	-	**34,026**	49,780	**34,026**	49,780
	65,000	65,000	**2,636,234**	2,369,906	**2,701,234**	2,434,906
Number of persons	1	1	1035	947	1037	948

41.2 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.

41.3 No remuneration has been paid to directors during the year except as disclosed in note 41.4.

41.4 An amount of PKR 1,843,750 was paid to 7 non executive directors and PKR 250,000 was paid to 1 executive director during the year as fee for attending board meetings (2016: 6 non executive directors were paid PKR 1,453,500 and 1 executive director was paid PKR 178,500).

41.5 Executives as mentioned above include chief executive officers of subsidiaries as well.

42. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

42.1 Related parties comprise associate and key management personnel. 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:

	2017	2016
	(PKR in '000')	
Transaction with Directors		
Sales	516	1,080
Dividends	611,307	-
Meeting fee	2,094	4,445
Transactions with Associates		
Sales	1,927,779	1,980,190
Purchase of goods, materials and services	118,276	73,491
Reimbursement of expenses to Company	91,025	64,017
Reimbursement of expenses from Company	706	484
Donation	220,000	154,200
Dividends	1,061,661	1,135,256
Services	25,618	27,478
Purchase of fixed assets	63,921	52,184
Sale of fixed assets	17,550	-
Investment	-	407,000
Transactions with key management personnel		
Salaries and benefits	178,137	356,530
Dividends	20	9
Post employment benefits	22,929	68,720

42.2 Balances with related parties have been disclosed in respective notes.

42.3 There are no transactions with key management personnel other than under the terms of employment.

43. PRODUCTION CAPACITY

In metric tones except ICI PowerGen which is thousand of megawatt hours:

		2017		2016	
	Note	**Annual Name Plate Capacity**	**Production**	Annual Name Plate Capacity	Production
Cement	43.1	**7,750,000**	**6,880,995**	7,750,000	6,907,705
Clinker	43.2	**7,380,000**	**6,873,270**	7,380,000	6,607,639
Polyester	43.3	**122,250**	**121,929**	122,250	118,859
Soda Ash	43.3	**350,000**	**342,416**	350,000	337,869
Chemicals	43.4	**-**	**14,210**	-	12,950
Sodium Bicarbonate		**40,000**	**31,660**	40,000	29,330
PowerGen	43.5	**122,640**	**30,412**	122,640	29,178
Nutraceuticals	43.6	**-**	**3,018,534**	-	836,332

43.1 Cement production capacity utilisation is 88.79% (2016: 89.13%) of total installed capacity. Actual production is less than the installed capacity due to planned maintenance shutdown and gap between demand and supply of cement.

43.2 Clinker production capacity utilisation is 93.13% (2016: 89.53%) of total installed capacity.

43.3 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 342,416 metric tonnes Soda Ash, 28,495 metric tonnes was transferred for production of Sodium Bicarbonate.

43.4 The capacity of Chemicals, Neutraceuticals and Cirin is indeterminable because these are multi-product with multiple dosage and multiple pack size plants.

43.5 Electricity by PowerGen is produced as per demand of the Polyester division.

43.6 Comparative figures include six months production after commissioning of Nutra plant.

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Group is exposed to market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Group's principal financial liabilities comprise long-term 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, 2017. The policies for managing each of these risk are summarised below:

44.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: interest rate risk, currency risk and other price risk.

44.1.1 Return and Interest rate risk

Interest rate risk is the risk that the fair value of 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 6.55% (2016: 3.5% and 7.5%). 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.

44.1.2 Currency risk

Currency risk is the risk that the fair value of 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 Group manages its exposure against foreign currency risk by making sales and purchases of certain materials in currencies other than Pakistani Rupee. Approximately 5.67% (2016: 9.48%) of the Group's sales are denominated in foreign 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 31.634 million (2016: PKR. 23.046 million) higher / lower as a result of exchange gain / (loss) on translation of foreign currency denominated financial instruments.

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.

44.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Group manages credit risk by limiting significant exposure to any individual customers, by obtaining advance against sales and developing a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation 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	2017	2016
		(PKR in '000')	
Long-term loans	10	412,000	377,834
Long-term deposits	11	36,402	34,554
Trade debts	14	4,172,567	3,821,855
Loans and advances	15	215,578	176,805
Trade deposits	16	166,293	54,925
Other receivables	17	1,656,228	1,492,723
Accrued return		181,355	126,286
Short term investment	19	45,452	400,000
Bank balances	20	36,265,118	28,440,419
		43,150,993	**34,925,401**

Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

The ageing of trade debts and loans at the reporting date is as follows:

	2017	2016
	(PKR in '000')	
Not past due	4,177,967	4,050,784
Past due but not Impaired:		
Not more than three months	462,100	160,408
Past due and Impaired:		
More than three months and not more than one year	57,153	32,084
More than one year	20,309	27,395
	539,562	219,887
Less: Provision for:		
- Doubtful debts	102,977	56,453
	4,614,552	**4,214,218**
Bank balances		
A1+	33,444,279	28,440,159
A1	2,820,839	130

44.3 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. As of the balance sheet date, the Group has unavailed credit facilities aggregating PKR 19,784 million (2016: PKR 20,787 million) out of the total facilities of PKR 26,450 million (2016: PKR 25,380 million), which are secured by a joint hypothecation on certain current assets and second charge on immovable assets of the Holding Company.

The table below summarises 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, 2017			
Long-term finance	647,667	8,825,140	9,472,807
Long-term deposit	-	84,630	84,630
Short-term borrowings and running finance	2,128,905	-	2,128,905
Trade and other payables	19,225,920	-	19,225,919
Accrued return	177,654	-	177,654
	22,180,145	8,909,770	31,089,915
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	15,978,691	-	18,532,947
Accrued return	146,321	-	146,321
	19,611,379	8,812,621	30,978,256

45. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder 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, 2017.

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, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt.

During the year, the Group's strategy was to minimise leveraged gearing. The gearing ratios as at June 30, 2017 and 2016 were as follows:

	Note	2017	2016
		(PKR in ‘000’)	
Long-term finance	23	8,825,140	8,741,955
Trade and other payables	27	19,225,920	15,978,691
Accrued return		177,654	146,321
Short-term borrowings and running finance	28	2,128,905	1,937,184
Current portion of long-term finance	23	647,667	1,549,183
Total debt		31,005,286	28,353,334
Debt		31,005,286	28,353,334
Share capital	21	3,233,750	3,233,750
Reserves	22	83,736,475	70,337,188
Equity		86,970,225	73,570,938
Capital		117,975,511	101,924,272
Gearing ratio		26.28%	27.82%

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 minimise risk.

46. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in subsidiary companies and associates are carried at cost. The carrying values of all other 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
- Inputs for the asset or liability that are not based on observable market data (level 3).

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets					
Financial assets - available for sale					
- Short-term investments	19	45,452	-	-	45,452

There were no transfers amongst levels during the year.

47. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on July 31, 2017 by the Board of Directors of the Holding Company.

48. NUMBER OF EMPLOYEES

The number of persons employed as on the balance sheet date was 4,315 (2016: 3809) and the average number of employees during the year was 4,308 (2016: 3,729).

49. GENERAL

49.1 The Board of Directors in their meeting held on July 31, 2017 (i) approved the transfer of PKR. 9,815.393 million (2016: PKR 9,740.693 million) from un-appropriated profit to general reserve; and (ii) proposed final dividend of PKR 12/- per ordinary share for the year ended June 30, 2017 amounting to PKR 3,880.500 million (2016: PKR 3,233.750 million) for approval of the members at the Annual General Meeting to be held on September 25, 2017. These consolidated financial statements do not reflect this appropriation and the proposed dividend payable.

49.2 The Finance Act, 2017 has amended Section 5A of the Income Tax Ordinance, 2001 and introduced tax on every public company at the rate of 7.5% of its accounting profit before tax for the year. However, this tax shall not apply in case of a public company, which distributes at least 40% of its after tax profits within six (6) months of the end of the tax year through cash or bonus shares.

The Holding Company filed a Constitutional Petition (CP) before the Sindh High Court (SHC) on July 28, 2017 challenging the vires of Section 5A of the Income Tax Ordinance,2001, and SHC accepted the CP and granted stay against the newly amended section 5A.

Further, the Board of Directors of the Holding Company in their meeting dated July 31, 2017 has proposed cash dividend at the rate of PKR. 12/- per share which amounts to PKR. 3,880.50 million (i.e. 28.34% of after tax profits) for the financial and tax year 2017, which is lower than the minimum prescribed distribution rate.

In case the SHC's decision is not in favor of the Holding Company; the Holding Company will either be required to declare dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Company for the financial year ended June 30, 2017. As at the balance sheet date, no charge has been recorded by the Company in this respect.

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

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

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

Pattern of Shareholding

As at June 30, 2017

No of. Shareholders	Shareholdings From	Shareholdings To	Total Shares held
1816	1	100	85,909
1335	101	500	403,567
2664	501	1000	1,574,237
712	1001	5000	1,706,620
189	5001	10000	1,459,557
97	10001	15000	1,210,784
70	15001	20000	1,221,280
36	20001	25000	823,096
25	25001	30000	698,778
15	30001	35000	494,262
24	35001	40000	917,740
13	40001	45000	550,328
18	45001	50000	880,590
8	50001	55000	424,035
7	55001	60000	403,075
8	60001	65000	505,918
5	65001	70000	339,000
6	70001	75000	438,000
9	75001	80000	704,544
5	80001	85000	411,380
5	85001	90000	439,100
2	90001	95000	180,491
9	95001	100000	881,521
3	100001	105000	307,849
2	105001	110000	218,300
4	110001	115000	452,500
4	115001	120000	472,450
2	120001	125000	245,100
5	125001	130000	641,600
2	130001	135000	265,900
7	135001	140000	958,107
5	140001	145000	712,487
4	145001	150000	590,544
3	150001	155000	458,600
4	155001	160000	633,700
1	160001	165000	161,493
4	165001	170000	669,046
4	170001	175000	688,600
5	175001	180000	889,435
2	180001	185000	367,300
2	185001	190000	376,784
1	195001	200000	199,096
3	200001	205000	609,811
3	205001	210000	619,050
1	210001	215000	214,000
3	225001	230000	686,750
1	230001	235000	234,586
1	235001	240000	235,900
2	240001	245000	483,900
2	245001	250000	498,050
3	250001	255000	759,156
2	255001	260000	516,900

Pattern of Shareholding

As at June 30, 2017

No of. Shareholders	Shareholdings From	Shareholdings To	Total Shares held
3	265001	270000	802,500
2	270001	275000	544,680
3	275001	280000	835,000
2	285001	290000	579,990
3	290001	295000	879,000
1	295001	300000	297,900
2	300001	305000	606,500
1	305001	310000	306,797
2	310001	315000	625,987
1	320001	325000	324,844
1	325001	330000	329,700
1	330001	335000	332,600
2	335001	340000	672,666
1	340001	345000	344,669
3	345001	350000	1,045,897
1	355001	360000	356,500
1	365001	370000	369,700
1	370001	375000	373,025
2	380001	385000	763,178
1	385001	390000	385,986
1	390001	395000	390,800
1	395001	400000	399,850
1	400001	405000	404,200
2	410001	415000	820,647
3	415001	420000	1,247,900
1	425001	430000	426,000
1	440001	445000	443,800
2	445001	450000	896,150
1	450001	455000	453,900
1	465001	470000	469,418
2	480001	485000	968,650
1	495001	500000	499,500
2	505001	510000	1,013,550
1	510001	515000	510,106
2	515001	520000	1,035,776
1	520001	525000	523,500
2	545001	550000	1,095,689
1	550001	555000	551,445
3	555001	560000	1,667,643
1	560001	565000	563,200
1	570001	575000	570,300
1	600001	605000	603,800
1	610001	615000	611,600
1	615001	620000	620,000
1	625001	630000	625,400
1	630001	635000	632,300
1	640001	645000	645,000
1	645001	650000	647,948
1	660001	665000	664,905
1	680001	685000	685,000
1	705001	710000	707,884
1	710001	715000	710,794

No of. Shareholders	Shareholdings From	To	Total Shares held
1	750001	755000	752,492
1	765001	770000	765,283
2	780001	785000	1,567,403
1	805001	810000	806,250
3	810001	815000	2,440,088
1	845001	850000	848,150
1	860001	865000	862,100
1	895001	900000	897,700
1	900001	905000	904,617
1	955001	960000	959,200
1	965001	970000	968,550
1	990001	995000	994,500
1	995001	1000000	997,700
1	1085001	1090000	1,085,418
1	1090001	1095000	1,092,716
1	1115001	1120000	1,119,500
1	1135001	1140000	1,136,893
1	1260001	1265000	1,260,235
1	1285001	1290000	1,287,440
1	1310001	1315000	1,312,071
1	1485001	1490000	1,485,007
1	1650001	1655000	1,654,279
1	1805001	1810000	1,809,100
2	1825001	1830000	3,652,241
2	1925001	1930000	3,858,900
1	1950001	1955000	1,953,880
1	1960001	1965000	1,962,662
1	2035001	2040000	2,040,000
1	2315001	2320000	2,317,680
1	2410001	2415000	2,410,450
1	2685001	2690000	2,687,500
1	2955001	2960000	2,958,300
1	3095001	3100000	3,097,250
2	3115001	3120000	6,232,242
3	3215001	3220000	9,658,654
1	3275001	3280000	3,278,750
1	4835001	4840000	4,837,500
3	5370001	5375000	16,125,000
1	5420001	5425000	5,423,329
2	6065001	6070000	12,140,000
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	9775001	9780000	9,778,375
1	11480001	11485000	11,482,875
1	13195001	13200000	13,197,850
1	21445001	21450000	21,446,283
2	22800001	22805000	45,606,058
7302			**323,375,000**

Pattern of Shareholding

As at June 30, 2017

Shareholders' Category	Number of Shareholders	Shares Held	Percentage %
Directors, Chief Executive Officer and their spouse and minor children	21	75,926,542	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	8	1,182,288	0.37
Banks, Development Financial Institutions, Non Banking Financial Institutions	18	4,465,281	1.37
Insurance Companies	20	6,460,450	2.00
Mutual Funds	66	21,429,825	6.63
Modaraba	6	42,286	0.01
Shareholders holding 10% or more	-	-	-
General Public:			
a. Local	6,596	56,702,505	17.53
b. Foreign	266	107,703,138	33.31
Other (to be specified)	295	9,078,123	2.81
	7,302	**323,375,000**	**100.00**

Additional Information

As at June 30, 2017

Shareholders' Category	No. of Shareholders	No. of Shares 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**

Shareholders' Category	No. of Shareholders	No. of Shares Held	Percentage %
Mutual Funds			
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	1	11,500	0.00
CDC - TRUSTEE DAWOOD ISLAMIC FUND	1	5,000	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	806,250	0.25
CDC - TRUSTEE HBL - STOCK FUND	1	415,100	0.13
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1	563,200	0.17
CDC - TRUSTEE HBL MULTI - ASSET FUND	1	41,150	0.01
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	112,600	0.03
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	142,850	0.04
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	89,000	0.03
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	1,085,418	0.34
CDC - TRUSTEE ABL STOCK FUND	1	570,300	0.18
M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	1	11,350	0.00
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	20,100	0.01
CDC - TRUSTEE LAKSON EQUITY FUND	1	306,797	0.09
CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	1	100,500	0.03
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	1	95,050	0.03
CDC - TRUSTEE PICIC STOCK FUND	1	41,800	0.01
CDC - TRUSTEE ASKARI EQUITY FUND	1	13,500	0.00
CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	270,330	0.08
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	1	45,000	0.01

Additional Information

As at June 30, 2017

Shareholders' Category	No. of Shareholders	No. of Shares Held	Percentage %
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	1	71,000	0.02
CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	1	21,500	0.01
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	278,500	0.09
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	58,200	0.02
CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND	1	8,000	0.00
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	12,000	0.00
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	229,950	0.07
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	1	500	0.00
CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	1	24,000	0.01
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,260,235	0.39
CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	1	78,300	0.02
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	1	506,900	0.16
CDC - TRUSTEE PIML VALUE EQUITY FUND	1	11,500	0.00
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	603,800	0.19
CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	1	65,000	0.02
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	1,092,716	0.34
CDC - TRUSTEE PIML ASSET ALLOCATION FUND	1	11,500	0.00
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	274,350	0.08
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	52,850	0.02
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	297,900	0.09
CDC - TRUSTEE LAKSON TACTICAL FUND	1	52,921	0.02
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	6,847	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	143,900	0.04
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	968,550	0.30
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	23,100	0.01
CDC - TRUSTEE UBL CAPITAL PROTECTED FUND-III	1	9,100	0.00
CDC - TRUSTEE PICIC INVESTMENT FUND	1	265,500	0.08
CDC - TRUSTEE PICIC GROWTH FUND	1	555,200	0.17
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	229,800	0.07

Shareholders' Category	No. of Shareholders	No. of Shares Held	Percentage %
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	290,000	0.09
CDC - TRUSTEE MEEZAN BALANCED FUND	1	517,851	0.17
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	1	5,000	0.00
CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND	1	5,000	0.00
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	127,100	0.04
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	28,733	0.01
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1	36,950	0.01
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	904,617	0.29
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	5,423,329	1.68
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	25,000	0.01
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	390,800	0.12
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	185,000	0.06
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	707,884	0.22
CDC - TRUSTEE NAFA STOCK FUND	1	765,283	0.24
CDC - TRUSTEE NAFA MULTI ASSET FUND	1	51,664	0.02
CDC - TRUSTEE AGIPF EQUITY SUB-FUND	1	2,900	0.00
CDC - TRUSTEE AGPF EQUITY SUB-FUND	1	2,300	0.00
		21,429,825	**6.63**
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
Mr. 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	4,000	0.00

Additional Information

As at June 30, 2017

Shareholders' Category	No. of Shareholder	No. of Shares Held	Percentage %
Directors and their spouse(s) and minor children			
Azra Tariq - Spouse	1	1,800	0.00
Muhammad Abid Ganatra - Director	2	4,910	0.00
Samina Abid Ganatra - Spouse	1	15,000	0.00
		75,926,542	**23.48**
Executives	20	4,859	0.00
Public Sector Companies and Corporations	8	1,182,288	0.37
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds:			
Banks, development finance institutions, non-banking finance companies	18	4,465,281	1.38
insurance companies	20	6,460,450	2.00
takaful	5	52,100	0.02
modarabas	6	42,286	0.01
pension funds	28	2,064,593	0.64
Share holders holding 5% or more			
Jawed Yunus Tabba - Director	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 tranded during the year:

	Buy No. of shares	Sell No. of shares
Tariq Iqbal Khan- Independent Director	1,500	
Irfan Chawala- Chief Financial Officer	7	
Azra Tariq - Spouse Tariq Iqbal Khan	1,000	
Amin Ganny - Executive		1,000

The expression “executive” means the CEO, CFO, Head of Internal Audit, Company Secretary, COO, All Directors and Executive Director of the Company.

Notice Of 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting of the members of **Lucky Cement Limited** will be held on Monday, September 25, 2017 at 10:30 a.m., at the registered office of the Company situated at factory premises in Pezu, District Lakki Marwat, Khyber Pakhtunkhwa to transact the following businesses:

1. To confirm the minutes of the last Extraordinary General Meeting held on December 30, 2016.

2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2017 together with the Board of Directors' and Auditors' reports thereon.

3. To approve and declare cash dividend @ 120% i.e. PKR 12/- per share for the year ended June 30, 2017, as recommended by the Board of Directors.

4. To appoint Auditors and fix their remuneration for the year ending June 30, 2018. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

5. To transact any other business permission of the Chair.

By Order of the Board

Faisal Mahmood
Company Secretary

Karachi: August 31, 2017

Notes:

1. The Share Transfer Books of the Company shall remain closed from Monday September 11, 2017 to Monday, September 25, 2017 (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, September 9, 2017 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: 15%
   b) For non-filers of income tax returns: 20%

Notice Of 24th Annual General Meeting

To enable the Company to make tax deduction on the amount of cash dividend @ 15% 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. September 18, 2017; otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

(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 Secretarial, 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 Deposi tory Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.

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 24th Annual General Meeting of the Company to be held on Monday, September 25, 2017 and / or any adjournment thereof.

Signature this ______________________________ ______________________________ Year 2017

(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 witnesses

1 ____

____

2 ____

____

Important:

1. In order to be effective, this Proxy Form duly completed, signed and witnessed along with Power of Attorney, or other instru ments (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 25 ستمبر 2017 بروز پیر کو منعقد ہو رہا ہے، میں یا اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

دستخط بتاریخ ____________ دن، ستمبر 2017

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:

۱۔ 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 لکی 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 کیے جائیں گے۔

۳۔ برائے CDC اکاونٹ ہولڈرز/کارپوریٹ ہولڈرز، تصدیق شدہ سی ڈی سی کے رُکن کا نیا شناختی کارڈ یا پاسپورٹ اور اکاونٹ 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 12/- per share (i.e. 120%) to the shareholders for the year ended June 30, 2017.

The share transfer books of the company are closed for entitlement of dividend from September 11, 2017 to September 25, 2017 (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 @ 15% 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 September 9, 2017, 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

Dividend Mandate

The provisions of Section 242 of the Companies Act, 2017 (the "Act") provides that any dividend declared by a company must be paid to its registered shareholders or to their order within such period and in such manner as may be specified. Further, the second Proviso of the said section states that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders;

Further 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,

Faisal Mahmood
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

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 کی توقع

آپکی کمپنی کو اس بات کی قوی امید ہے کہ آئندہ مالی سال کے دوران بھی مقامی سطح پر فروخت کے حجم میں اسی طرح کی تیزی دیکھنے کو ملے گی۔ نجی اور پبلک سیکٹر کے پروجیکٹس اور بالخصوص سی پیک کے تحت بڑے پیمانے پر شروع کئے جانے والے دیگر پروجیکٹس کو مدنظر رکھتے ہوئے اس بات کی امید کی جاسکتی ہے کہ مقامی سطح پر سیمنٹ کی فروخت کا رجحان بہت تیز رہے گا۔ آپکی کمپنی کی قرضوں سے پاک مضبوط مالیاتی پوزیشن اور واجبات سے پاک نقد رقوم کی وجہ سے نہ صرف اس قسم کے پروجیکٹس میں سرمایہ کاری میں مدد ملے گی بلکہ دیگر نئے پروجیکٹس میں بھی سرمایہ کاری کے مواقع حاصل ہوتے رہیں گے جس کی وجہ سے کمپنی کی کاروباری سرگرمیوں میں بہتری لانے اور حصص داران کی سرمایہ کاری کو مزید بارآور کرنے میں مدد ملے گی۔

اظہار تشکر

اس موقع سے فائدہ اٹھاتے ہوئے آپکے ڈائریکٹرز تمام شراکت داروں کی جانب سے بھرپور حمایت اور حوصلہ افزائی کیلئے تہہ دل سے ان کے مشکور ہیں۔

ہم اس بات کو ریکارڈ کا حصہ بناتے ہوئے لکی فیملی کے اخلاص، انکی انتھک محنت اور انکی جانب سے بھرپور عزائم کو دل کی گہرائیوں سے سراہتے ہیں۔

اور حصص داران کے بھی بے حد مشکور ہیں جن کی جانب سے ہمیشہ کمپنی پر اعتماد اور یقین کا اظہار کیا جاتا رہا۔

منجانب بورڈ

محمد یونس ٹبہ
چیئرمین / ڈائریکٹر
کراچی: 31 جولائی 2017

سی ای او کی کارکردگی کا جائزہ

بورڈ آف ڈائریکٹرز کی جانب سے مستقل بنیادوں پر مالیاتی اور غیر مالیاتی نتائج کے معیارات کو مدنظر رکھتے ہوئے سال کے آغاز میں ہی سی ای او کی کارکردگی کا جائزہ لیا جاتا ہے۔ بورڈ کی جانب سے سی ای او کی کارکردگی برائے گزشتہ سال کا جائزہ لیا جا چکا ہے اور بورڈ سی ای او کی کارکردگی اور سالانہ اہداف کے حصول سے مطمئن ہے۔ بورڈ کو اس بات کا مکمل اطمینان ہے کہ سی ای او کمپنی کے تمام امور کو مستعدی کے ساتھ چلانے کیلئے صلاحیتوں کے حامل ہیں۔ وہ اس بات کے بھی ذمہ دار ہیں کہ مینجمنٹ ٹیم کیلئے کام کے معیارات کو مدنظر رکھتے ہوئے کارپوریٹ مقاصد کا تعین کریں اور مستقل بنیادوں پر ان مقاصد سے بورڈ کو آگاہ کریں کہ ٹیم کی کارکردگی کیسی رہی اور مقاصد کا حصول کس حد تک ممکن ہوا۔

ویژن، مشن اور مجموعی کارپوریٹ حکمت عملی کی بورڈ سے منظوری

بورڈ کی جانب سے انتہائی باریک بینی کے ساتھ ویژن، مشن اور مجموعی کارپوریٹ حکمت عملی کی بورڈ کا جائزہ لئے جانے کے بعد ان کی منظوری دی جا چکی ہے اور بورڈ کو اس بات پر مکمل اعتماد ہے کہ یہ اس فلسفے کے عین مطابق ہیں جس کی بنیاد پر لکی سیمنٹ کو قائم کیا گیا تھا۔ ہم اس بات پر مکمل یقین رکھتے ہیں کہ ہمارا ویژن اور مشن مجموعی کارپوریٹ حکمت عملی کی راہ متعین کرتے ہیں اور ہمارے مستقبل کے سفر کی ہر سطح پر غمازی کرتے ہیں۔ پورا ادارہ اسی مقصد کیلئے یکجا اور منسلک ہے اور یہی ہمارے روزمرہ کے فیصلوں کی بنیاد ہیں۔

سی ایف او اور اندرونی آڈٹ کے سربراہ کی قابلیت

سی ایف او اور اندرونی آڈٹ کے سربراہ کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق اہلیت کے حامل ہیں۔

ترتیب حصص داری

کمپنیز ایکٹ 2017 کے سیکشن (f) (2)227 اور کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق کمپنی کی ترتیب حصص داری کو رپورٹ برائے 30 جون 2017 کی اس رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

کمپنی کی مالیاتی دستاویزات برائے مالی سال 17-2016 کو میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے آڈٹ کیا ہے۔ موجودہ آڈیٹرز سالانہ عام اجلاس کے اختتام تک ریٹائرڈ ہو جائیں گے۔ اہلیت کے حامل ہوتے ہوئے آڈیٹروں نے اپنی خدمات دوبارہ پیش کی ہیں۔ بورڈ کی جانب سے آڈٹ کمیٹی کی سفارش کو مدنظر رکھتے ہوئے میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو اگلے سال کیلئے ایک مرتبہ پھر آڈیٹر مقرر کرنے کی سفارش کی گئی ہے جو کہ اگلے سالانہ عام اجلاس میں منظوری سے مشروط ہے۔

انسانی وسائل اور ادئیگیوں سے متعلق کمیٹی کی کام کی شرائط درج ذیل ہیں۔

الف۔ بورڈ کو انسانی وسائل سے متعلق پالیسیوں کے بارے میں تجاویز پیش کرنا۔

ب۔ بورڈ کی سی ای او کے انتخاب، جانچ، مشاہرے (بشمول ریٹائرمنٹ مراعات) اور جانشینی کی پالیسی سے متعلق مشورے دینا۔

ج۔ بورڈ کو سی ایف او، سی او او، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے انتخاب، جانچ، مشاہرے (بشمول ریٹائرمنٹ مراعات) اور جانشینی کی پالیسی سے متعلق مشورے دینا۔

د۔ ایسے اہم انتظامی عہدوں کیلیئے جو کہ براہ راست سی ای او کو رپورٹ کرتے ہوں کی تعیناتی سے متعلق سی ای او کی سفارشات کو زیر غور لانا اور ان کی منظوری دینا۔

ھ۔ انسانی وسائل سے متعلق جانچ کی رپورٹوں جانشینی کے منصوبوں اور ان کے نفاذ کو پوری کمپنی میں ممکن بنانے سے متعلق کی منصوبہ بندی پر نظر ثانی کرنا اور انکا جائزہ لینا۔

و۔ اگر بیرونی یا اندرونی آڈیٹروں کی جانب سے انسانی وسائل سے متعلق مسائل کے ضمن میں کوئی آڈٹ رپورٹ پیش ہو، تو اس پر نظر ثانی کرنا اور اس کا جائزہ لینا۔

حصص کی منتقلی کی کمیٹی

حصص کی منتقلی سے متعلق کمیٹی بورڈ کے درج ذیل ممبران پر مشتمل ہے:

نمبر شمار	ڈائریکٹروں کے نام	
1	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	چیئرمین
2	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	ممبر
3	محمد عابد گناترا غیر انتظامی ڈائریکٹر	ممبر

کمپنی سیکرٹری کو حصص کی منتقلی کی کمیٹی کے سیکرٹری کے بطور تعینات کیا گیا ہے۔

کام کی شرائط

حصص کی منتقلی کی کمیٹی کے کام کی شرائط درج ذیل ہیں:

1۔ حصص کی رجسٹریشن سے متعلق موصول ہونے والی درخواستوں اور ان کے ساتھ منسلک دیگر کاغذات جیسا کہ حصص منتقلی کا معاہدہ، حصص سرٹیفکیٹ، جانشینی سرٹیفکیٹ پاور آف اٹارنی اور اس مقصد کیلیئے جمع کرائے جانے والی دیگر دستاویزات پر غور کرنا اور انہیں مشروط یا بلا مشروط قبول یا مسترد کرنا جیسا بھی مناسب سمجھا جائے۔

2۔ حصص کی منتقلی، حصص کی سپلٹنگ یا ادغام، حصص سرٹیفکیٹ کے اجراء یا تنسیخ، نئے حصص پر کمپنی کی مہر ثبت کرنا اور حصص سرٹیفکیٹ کی توثیق اور ان کے ایگزیکیوشن جیسے معاملات کی منظوری دینا۔

بجٹ کمیٹی

بجٹ کمیٹی - اجلاس		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	محمد سہیل ٹبہ (چیئرمین) غیر انتظامی ڈائریکٹر	1
2	محمد علی ٹبہ انتظامی ڈائریکٹر	1
3	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	0
4	محمد عابد گناترا غیر انتظامی ڈائریکٹر	1

کمیٹی کے وہ ممبر جو اپنی مصروفیات کی وجہ سے اجلاس میں حاضر نہ ہو سکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

کام کی شرائط

بجٹ کی کمیٹی کیلئے کام کی شرائط درج ذیل ہیں:

الف۔ کمپنی کی جانب سے مستقل سرمایہ کاری اور آمدن کے ضمن میں بنائے گئے بجٹ کا جائزہ لینا اور ان کا تجزیہ کرنا اور ان بجٹوں کی منظوری کیلئے بورڈ سے سفارش کرنا۔

ب۔ فنانشل بجٹ میں کی گئی کسی بھی تبدیلی کا جائزہ لینا اور اس کا تجزیہ کرنا اور ایسی کسی بھی تبدیلی کے ضمن میں بورڈ کے سامنے منظوری کی سفارش کرنا۔

ج۔ سالانہ بجٹ اور اصل کئے اخراجات کا تقابلی جائزہ لینا اور بہت زیادہ فرق آنے کی صورت میں تصحیح کیلئے ایکشن لینا۔

د۔ اہم نوعیت کے کسی بھی مسئلے کو بورڈ کے سامنے پیش کرنے کی سفارش کرنا۔

انسانی وسائل اور ادائیگیوں سے متعلق کمیٹی

انسانی وسائل اور ادائیگیوں کی کمیٹی - 2 اجلاس		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	مریم ٹبہ خان (چیئرپرسن) غیر انتظامی ڈائریکٹر	2
2	محمد علی ٹبہ انتظامی ڈائریکٹر	2
3	محمد سہیل ٹبہ غیر انتظامی ڈائریکٹر	0
4	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	1
5	ذلیخہ ٹبہ مسکاتیہ غیر انتظامی ڈائریکٹر	1

کمیٹی کے وہ ممبران جو اپنی مصروفیات کی وجہ سے اجلاسوں میں حاضر نہ ہو سکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

کام کی شرائط

آڈٹ کمیٹی کیلئے کام کی شرائط درج ذیل ہیں:

الف۔ کمپنی کے اثاثوں کی حفاظت کیلئے مناسب پیمانوں کا تعین کرنا۔

ب۔ سہ ماہی، ششماہی اور سالانہ مالیاتی دستاویزات کا بورڈ کی جانب سے منظوری سے قبل جائزہ لینا اور دستاویزات میں درج ذیل امور پر توجہ دینا:

- اہم امور جن میں تجربے کی بنیاد پر فیصلے لینے کی ضرورت ہو۔
- آڈٹ کے نتیجے میں اہم تبدیلیاں۔
- ہمیشگی کی بنیاد پر کاروبار کو جاری رکھنا۔
- محاسبی کی پالیسیوں اور طریقہ کار میں تبدیلیاں۔
- قابل اطلاق محاسبی کے معیارات کی پاسداری۔
- لسٹنگ اور دیگر ریگولیٹری اور قانونی شرائط کی پاسداری کرنا۔
- متعلقہ پارٹیوں سے طے کئے معاملات۔

ج۔ رپورٹ شائع کئے جانے سے پہلے ابتدائی اعلانات اور ان کے نتائج کا جائزہ لینا۔

د۔ بیرونی آڈیٹروں کو سہولیات فراہم کرنا اور عبوری اور حتمی آڈٹ سے پہلے ان کے ساتھ اہم امور پر بحث کرنا اور ان معاملات پر بات کرنا جن کا آڈیٹر بطور خاص ذکر کرنا چاہتے ہوں (انتظامیہ کی غیر موجودگی میں جہاں بھی ضرورت محسوس ہو۔)

ھ۔ مینجمنٹ کیلئے بیرونی آڈیٹروں کے خطوط اور ان کے جوابات کیلئے انتظامیہ کی جانب سے لکھے گئے خطوط کا جائزہ لینا۔

و۔ کمپنی کے اندرونی اور بیرونی آڈیٹروں کے مابین تعاون کی فضاء قائم کرنا۔

ز۔ اندرونی آڈیٹروں کی ذمہ داریوں کے دائرہ کار کا جائزہ لینا اور اس بات کو یقینی بنانا کہ اندرونی آڈیٹرز کو اپنی ذمہ داریاں نبھانے کیلئے مناسب سہولیات میسر ہیں۔

ک۔ کمپنی میں فراڈ، کرپشن اور اختیارات کے غلط استعمال کے نتیجے میں پیدا ہونے والے واقعات کا جائزہ لینا اور اس سلسلے میں انتظامیہ کی جانب سے ردعمل کا جائزہ لینا۔

ل۔ اس بات کا جائزہ لینا کہ اندرونی کنٹرول سسٹم خواہ وہ مالیاتی نظام سے متعلق ہو یا کمپنی کے دیگر امور سے متعلق ہونے کے ذریعے معاملات کو بروقت ریکارڈ کا حصہ بنایا جا رہا ہے اور خرید و فروخت، لین دین، اثاثوں اور واجبات وغیرہ کی ریکارڈنگ کیلئے جامع اور مؤثر نظام اپنی جگہ کام کر رہا ہے۔

م۔ بورڈ آف ڈائریکٹرز کی توثیق سے پہلے کمپنی کی اسٹیٹمنٹ برائے اندرونی کنٹرول سسٹم کا جائزہ لینا اور اندرونی آڈٹ رپورٹس کا جائزہ لینا۔

ن۔ خصوصی پروجیکٹس کا آغاز کرنا، پیسے کی قدر اور دیگر امور کا جائزہ لینا جن کی جانب بورڈ کی توجہ مبذول کروائی جائے اور اس سلسلے میں کمپنی کے سی ای او سے مشورہ کرنا کسی بھی معاملے میں ادائیگی کے سلسلے میں بیرونی آڈیٹروں یا کسی دیگر بیرونی باڈی سے مشورہ کرنا۔

ح۔ متعلقہ قانونی ضوابط کی پاسداری کو تعین کرنا۔

ط۔ کارپوریٹ گورننس کی بہترین روایات کی پاسداری کا جائزہ لینا اور اس ضمن میں کی جانے والی قابل مؤاخذہ روگردانی کی نشاندہی کرنا۔

ی۔ اور ایسے کسی بھی مسئلے کو زیر غور لانا جس کی نشاندہی بورڈ کی جانب سے کی گئی ہو۔

بورڈ کی جانچ کیلئے معیارات

بورڈ ممبران کے بنیادی فرائض کی بجا آوری کے علاوہ، بورڈ کی کارکردگی کو جانچنے کیلئے باقاعدہ معیارات مقرر شدہ ہیں جس کی بنیاد پر ڈائریکٹروں کی انفرادی اور بطور ٹیم کارکردگی کو جانچا جاتا ہے۔

1۔ بورڈ میں جنسی تنوع، ذہانتوں اور مہارتوں کے بہترین امتزاج اور فلسفیانہ سوچ کے حامل ڈائرکٹروں کی شمولیت۔

2۔ بورڈ ممبران کی جانب سے دیانت، اچھی ساکھ اور مستعدی کا مظاہرہ کرنا۔

3۔ انتظامیہ کی جانب سے سالانہ اہداف پر نظر ثانی کرنا اور ان پر گہری نظر رکھنا۔

4۔ کمپنی کو رہنمائی فراہم کرنا اور کمپنی کی سمت کے تعین کرنے کی اہلیت کا مظاہرہ کرنا۔

5۔ ادارے میں ایسے امور کی نشاندہی کرنے کی قابلیت کا اظہار کرنا جن کیلئے اصلاح کی ضرورت ہو۔

6۔ مینجمنٹ کی سکسیشن پلاننگ پر نظر ثانی کرنا۔

7۔ کمپنی کو لاحق رسک کو سمجھنے کی صلاحیت ہونا اور انکے تجزیئے کی صلاحیت کا حامل ہونا۔

8۔ کمپنی میں صحت، ماحولیات، ملازمت کے مواقع اور دیگر پالیسیوں کی اصلاح اور نفاذ کے ضمن میں دلچسپی ظاہر کرنا اور عملی طور پر حصہ لینا۔

9۔ کمپنی کو غیر ضروری قانونی مقدمات اور ساکھ کو لاحق رسک کے خلاف کمپنی کی حفاظت کرنا۔

بورڈ کی کارکردگی کی جانچ

مندرجہ بالا معیارات کی بنیاد پر بورڈ کی مجموعی سالانہ کارکردگی اطمینان بخش رہی۔ بورڈ کی مجموعی کارکردگی کے حوالے سے کمپنیز ایکٹ 2017 کے سیکشن 192 کے تحت چیئرمین کی جانب سے پیش کی گئی رپورٹ کو بھی سالانہ رپورٹ کے ساتھ منسلک کیا گیا ہے۔

بورڈ کی کمیٹیاں اور ان کے اجلاس

آڈٹ کمیٹی - 4 اجلاس		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	طارق اقبال خان (چیئرمین) آزاد ڈائریکٹر	2
2	محمد سہیل ٹبہ غیر انتظامی ڈائریکٹر	4
3	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	4
4	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	3
5	ذلیخہ ٹبہ مسکاتیہ غیر انتظامی ڈائریکٹر	2
6	محمد عابد گناترا غیر انتظامی ڈائریکٹر	4

وہ ممبران جو اپنی مصروفیات کی وجہ سے ان اجلاسوں میں شرکت نہیں کرسکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز-6 اجلاس		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	محمد یونس ٹبہ (چیئرمین) غیر انتظامی ڈائریکٹر	5
2	محمد علی ٹبہ انتظامی ڈائریکٹر	6
3	محمد سہیل ٹبہ غیر انتظامی ڈائریکٹر	5
4	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	5
5	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	5
6	ذلیخہ ٹبہ مسکاتیہ غیر انتظامی ڈائریکٹر	5
7	محمد عابد گناترا غیر انتظامی ڈائریکٹر	6
8	طارق اقبال خان آزاد ڈائریکٹر	5

وہ ڈائریکٹر جو اپنی مصروفیات کی بنیاد پر ان اجلاسوں میں شرکت نہ کر سکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

بورڈ کی ساخت

کمپنی کا بورڈ ایک آزاد ڈائریکٹر، 6 غیر انتظامی ڈائریکٹر (بشمول چیئرمین)، اور ایک انتظامی ڈائریکٹر پر مشتمل ہے۔ بورڈ میں شامل ممبران کو جنسی عدم امتیاز، علم اور مہارتوں کی بنیاد پر بورڈ میں شامل کرنے کی وجہ سے بورڈ کی اہمیت اور افادیت میں اضافہ ہوا ہے۔ ہمارے بورڈ کی ساخت تمام شراکت داروں کے مفادات کی حفاظت کا غماز ہے۔

بورڈ کی تربیت

کمپنی کی جانب سے بورڈ کے ممبران کی پیشہ ورانہ تربیت کو بہت اہمیت دی جاتی ہے اور کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق بورڈ ممبران کی تربیت کیلئے ضروری اقدامات کئے گئے ہیں اور اس بات کو یقینی بنایا گیا ہے کہ بورڈ کے تمام ڈائریکٹرز ''ڈائریکٹرز ٹریننگ سرٹیفکیشن'' کی شرائط پر پورے اتریں۔

کوڈ آف کارپوریٹ گورننس اور اندرونی کنٹرول کا نظام

سیکیورٹیز اینڈ ایکسچینج کمیشن کی ہدایت پر پاکستان اسٹاک ایکسچینج کی جانب سے لسٹڈ کمپنیوں کیلئے شامل کئے جانے والے کوڈ آف کارپوریٹ گورننس سے متعلق ذمہ داریوں سے آپکی کمپنی کے ڈائریکٹرز بخوبی آگاہ ہیں۔ آپکی کمپنی کی جانب سے کوڈ آف کارپوریٹ گورننس کے اطلاق اور اسکی مکمل پاسداری کیلئے تمام ضروری اقدامات اٹھائے جاتے ہیں۔

کوڈ آف کارپوریٹ گورننس سے پاسداری کے متعلق ہم تصدیق کرتے ہیں کہ:

- کمپنی کی جانب سے تیار کی جانے والی مالیاتی دستاویزات شفاف انداز سے کمپنی کے معاملات، کاروباری نتائج، نقد رقوم کی ترسیل اور سرمایہ پر مبنی حصص میں ردو بدل کی نمائندگی کرتی ہیں۔
- کمپنی کی جانب سے محاسبی کے کھاتوں کو باقاعدہ محفوظ رکھا جاتا ہے۔
- محاسبی کی مناسب پالیسیوں کو مستقل بنیادوں پر مالیاتی دستاویزات کی تیاری میں استعمال کیا جاتا ہے اور محاسبی کے تمام تخمینے قرین قیاس ہیں۔
- مالیاتی دستاویزات بناتے وقت پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کو ممکن بنایا جاتا ہے اور اگر اس سلسلے میں کسی بھی قسم کی کوئی بھی رو گردانی کی جائے تو اس کی توضیح وتشریح بیان کردی جاتی ہے۔
- اندرونی کنٹرول کا نظام انتہائی مربوط ہے اور مؤثر انداز سے اس کا نفاذ کرنے کے بعد اس کی مسلسل مانیٹرنگ بھی کی جاتی ہے۔
- اس بات میں کسی شک کی کوئی گنجائش نہیں ہے کمپنی ہمیشگی کی بنیاد پر اپنے کاروبار کو چلا رہی ہے۔
- لسٹنگ ریگولیشن میں مزکور کوڈ آف کارپوریٹ گورننس کی بہترین روایات سے کمپنی نے کبھی کوئی ایسی روگردانی نہیں کی جو قابل محاسبہ ہو۔
- کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق ہم نے درج ذیل معلومات کو رپورٹ ہذا کا حصہ بنایا ہے:

1- اسٹیٹمنٹ برائے ترتیب حصص داری (علیحدہ سے منسلک شدہ ہے)
2- اسٹیٹمنٹ برائے حصص جو کہ متعلقہ اداروں یا افراد کی ملکیت میں ہیں۔ (علیحدہ سے منسلک شدہ ہے)
3- دوران سال بورڈ کے منعقد شدہ اجلاسوں کی اسٹیٹمنٹ بمعہ تمام ڈائریکٹروں کی حاضری کی تفصیلات۔
4- گزشتہ چھ سالوں سے متعلق اہم مالیاتی اور کاروباری شماریات (علیحدہ سے منسلک شدہ ہے)

کارپوریٹ معاشرتی ذمہ داری

عطیات	تعلیمی وظائف	طبی امداد اور غربت کے خاتمے کیلئے اقدامات	اہم مقاصد
انفرادی اور اداراتی سطح پر فلاح و بہبود کے کاموں کیلئے عطیات فراہم کئے جاتے رہے ہیں۔	تعلیم سے وابستہ اپنے عزائم کی تکمیل کیلئے آئی بی اے، کے ایس بی ایل، آئی او بی ایم، آئی وی ایس اور دیگر تعلیمی اداروں کے طلباء کیلئے تعلیمی وظائف کی فراہمی کو جاری رکھا گیا۔	عزیز طبہ فاؤنڈیشن کے ذریعے تعلیم اور صحت کے شعبوں میں ترقی کی غرض سے ہر قسم کی امداد کی فراہمی کو جاری رکھا گیا۔	عالمی یوم خواندگی، عالمی یوم ماحولیات اور عالمی یوم صحت کو منانے میں بڑھ چڑھ کر حصہ لیا گیا۔

کارپوریٹ معاشرتی ذمہ داری

آ پکی کمپنی اس بات کا عزم کئے ہوئے ہے کہ جس معاشرے میں یہ اپنے افعال سرانجام دے رہی ہے اس معاشرے کی قدر میں اضافے کیلئے اسے اخلاص نیت سے کام کرنا ہے۔ لہذا ماضی کی طرح آ پکی کمپنی کی جانب سے تعلیم کے شعبے میں ان مستحق طلباء کو وظائف دیئے گئے جو کہ وطن عزیز کی نامور جامعات میں زیر تعلیم ہیں۔ اسی طرح آ پکی کمپنی خواتین کو خودمختار بنانے کے لئے بھی اپنا بھرپور کردار ادا کر رہی ہے اور اس سلسلے میں زندگی ٹرسٹ کے ساتھ مل کر دو معروف سرکاری گرلز اسکولوں کی امداد جاری رکھے ہوئے ہے۔ وطن عزیز میں خواتین کی تعلیم کے سلسلے میں معاشرے کے کردار کو بنیاد بناتے ہوئے آ پکی کمپنی اس بات کی امید کرتی ہے کہ کمپنی کی جانب سے اس سلسلے میں کی جانے والی کوششیں ان گرلز اسکولوں کو پاکستان میں ماڈل گرلز اسکولوں کے بطور سامنے پیش کرنے میں معاون ثابت ہونگی۔ جبکہ دوسری جانب آ پکی کمپنی کی جانب سے دوران سال رواں حب اسکول کی مرمت و دیکھ بھال کا کام بھی سرانجام دیا جاتا رہا۔
وطن عزیز میں اعلی معیار کے صحت مراکز کے پروجیکٹس کی حمایت و امداد کا عزم لئے آ پکی کمپنی نے عزیز طبہ فاؤنڈیشن کے ساتھ مکمل تعاون جاری رکھا جو کہ وطن عزیز میں انسانی فلاح و بہبود کیلئے کام کرنے والے ممتاز اداروں میں شمار کیا جاتا ہے۔ عزیز طبہ فاؤنڈیشن کے زیر اہتمام چلنے والے دو اعلی معیار کے صحتی مراکز طبہ ہارٹ انسٹیٹیوٹ اور طبہ کڈنی انسٹیٹیوٹ کو چلانے کے سلسلے میں امداد فراہم کی گئی۔ اس کے علاوہ لکی سیمنٹ کی جانب سے نابینا بچوں کے علاج کیلئے پاکستان ویلفیئر ایسوسی ایشن آف دی بلائینڈ کی امداد بھی کی گئی۔

ماحول کو آلودگی سے پاک رکھنے جیسے مسئلے پر توجہ دیتے ہوئے آ پکی کمپنی کی جانب سے ماحول میں کاربن کے اخراج کو کم از کم سطح پر لانے کیلئے اقدامات اٹھائے گئے ہیں۔ لکی سیمنٹ پلانٹ کے اندر اور گردونواح کی فضاء میں کاربن کے قابل قبول حد تک اخراج کو ناپنے کیلئے لکی سیمنٹ کے پاس ہوا کے معیار کو جانچنے کا ایک مربوط نظام موجود ہے۔ آ پکی کمپنی کی جانب سے نیشنل انوائرنمنٹل کوالٹی اسٹینڈرڈز (این ای کیو ایس) کی جانب سے طے شدہ معیارات سے بھی کم آلودگی کا اخراج کیا جا رہا ہے۔ اسی طرح آلودگی سے متعلق چند خاص فاضل مادے جیسا کہ سلفر ڈائی آکسائڈ، نائٹروجن کے آکسائڈز، کاربن مونو آکسائڈ اور کاربن ڈائی آکسائڈ وغیرہ کا اخراج بھی این ای کیو ایس کی جانب سے مقرر کردہ معیار کے مقابلے میں انتہائی کم ہے۔

ان اقدامات کے علاوہ آ پکی کمپنی کی جانب سے چلڈرن ایس او ایس ویلیج میں ملازمین کی کمیونٹی سروس کیلئے بھی بھرپور کردار ادا کیا گیا۔ ملازمین مختلف عمروں سے تعلق رکھنے والے بچوں سے گھل مل گئے اور آ پکی کمپنی نے ادارے کی جانب سے پیش کی جانے والی زبردست کارکردگی کو سراہتے ہوئے ادارے کی کھل کر امداد کی۔ مزید برآں، پاکستان میں اسپیشل اولمپیکس کے انعقاد کیلئے بھی تعاون کیا گیا تا کہ وطن عزیز میں صحت افزاں جسمانی سرگرمیوں کو فروغ حاصل ہو۔ اس کے علاوہ وطن عزیز میں دیگر معاشرتی اصلاحات کیلئے بھی اقدامات اٹھائے گئے اور غیر سرکاری ایجنسیوں کی اس سلسلے میں امداد کی گئی۔

ماہ رمضان کے مبارک مہینے کے دوران آ پکی کمپنی کی جانب سے صدقات کی اصل روح کو سامنے رکھتے ہوئے مستحق خاندانوں کی خوراک کی بنیادی ضروریات کو پورا کیا گیا۔ مزید برآں، آ پکی کمپنی کی جانب سے عید کے تہوار کے موقع پر بھی اس سلسلے میں خطیر رقوم خرچ کی گئیں۔ آ پکی کمپنی کی جانب سے کمیونٹی ڈیولپمنٹ کے مقاصد کو آگے بڑھاتے ہوئے سی پی ایل سی کی امداد بھی جاری رکھی گئی۔ یہ ایک ایسا ادارہ ہے جو کہ صوبہ سندھ میں شہریوں کی حفاظت سے متعلق اپنی ذمہ داریاں نبھا رہا ہے۔

کاروبار کی نشوونما اور مختلف النوع کاروبار

کوئلے پر مبنی پروجیکٹ	کیا لکی موٹرز پاکستان لمیٹڈ (کے ایل ایم)	عراق میں سیمنٹ گرائینڈنگ کی توسیع	صوبہ پنجاب میں سیمنٹ پلانٹ	کراچی پلانٹ پر اضافی لائن کی تنصیب
فی الحال کمپنی پاور کے خریدار سے اس سلسلے میں گفتو شنید کررہی ہے کہ درآمد شدہ کوئلے کے استعمال کے سلسلے میں وقت کی پابندی کو خاطر میں نہ لایا جائے۔اس سلسلے میں مالیاتی معاملات کونمٹانے کیلئے دسمبر 2017 تک کی تاریخ مقرر کی گئی ہے۔	جدید آٹو موٹیو ڈیویلپمنٹ پالیسی کے تحت وزارت صنعت وپیداوار کی جانب سے کے ایل ایم کو کیٹگری ''A'' برائے گرین فیلڈ انویسٹمنٹ 2017 کے اعزاز سے نوازا گیا ہے۔ پلانٹ کے تعمیراتی کام کے آغاز کیلئے مالی سال 2017-18 کی دوسری سہ ماہی کا وقت مقرر کیا گیا ہے۔	قوی امید ہے کہ عراق کے سیمنٹ گرائینڈنگ پلانٹ پر توسیعی کام کی 100% تکمیل نومبر 2017 تک کر لی جائے گی۔	اس پروجیکٹ کے آغاز کیلئے ابھی تک کمپنی حکومت پنجاب سے ضروری امور میں منظوری حاصل کرنے کے مراحل میں ہے۔	اس پروجیکٹ کا تعمیری کام پوری رفتار کے ساتھ جاری ہے تا کہ دسمبر 2017 تک اس پروجیکٹ کا کمرشل بنیادوں پر آغاز کیا جاسکے۔

رسک مینجمنٹ

حکمت عملی کے رسک	آپریشنل رسک	مالیاتی رسک	ضوابط کی پاسداری کے رسک
حکمت عملی کے رسک میں سرکاری ایجنسیوں اور اتھارٹیز سے بطور صارف یا سپلائر نمٹنا، گیس یا متبادل ایندھن کی فراہمی برائے توانائی وغیرہ شامل ہیں، جیسا کہ گیس یا متبادل ایندھن کی قیمتوں غیر معمولی فرق کی وجہ سے پیداواری لاگت پر بہت گہرے اثرات مرتب ہوتے ہیں۔ مقامی سطح پر تیزی سے بدلتے ہوئے مسابقتی ماحول پر بھی گہری نظر رکھی جا رہی ہے۔کمپنی کی جانب سے توسیعی منصوبوں اور نشوونما کے اہداف پر بدلتے ہوئے حالات کے پیش نظر نظر ثانی کی جاتی ہے۔ اس قسم کے رسک کو کنٹرول کرنے کیلئے مناسب اقدامات اٹھائے جاتے ہیں۔	کمپنی کے پیداواری عمل اور فروخنگی کو متاثر ہونے سے بچانے کیلئے کاروبار بلاتعطل جاری رہنے اور آفات سے نمٹنے کیلئے خصوصی منصوبہ بندی کی جاتی ہے۔خام مال کی دستیابی، افرادی قوت کی بروقت فراہمی کو ممکن بنانا اور دونوں پلانٹس پر وافر مقدار میں توانائی کی پیداوار اور سپلائی چین کے لاجسٹک آپریشنز خواہ کمپنی کے ہوں یا دیگر پارٹیوں کے ذریعے سے ہوں میں خود کفالت حاصل کرنا جیسے اقدامات کی وجہ سے کمپنی کاروباری افعال پر مبنی رسک قابل قبول حد تک کم کرنے میں کامیاب ہوچکی ہے۔	قرضوں سے پاک بیلنس شیٹ اور غیر ملکی کرنسی میں لین دین کی صورت میں ایک فطری تحفظ حاصل ہونے کی وجہ سے کمپنی کسی بھی غیر معمولی مالیاتی رسک سے محفوظ ہے۔ تاہم غیر ملکی کرنسی کے لین دین کے معاملے میں کسی بھی قلیل المیعاد رسک سے نمٹنے کیلئے کمپنی محدود پیمانے پر فارن ایکسچینج کورحاصل کرتی ہے۔	کمپنی کی جانب سے تمام قواعد اور ضوابط کی مکمل پاسداری اور فنانشل رپورٹنگ میں شفافیت کی وجہ سے کمپنی اس رسک سے تقریباً محفوظ ہے۔ ضرورت پڑنے پر اہم قانونی مقدمات میں ملوث ہونے کی صورت میں کمپنی کی جانب سے معروف قانونی فرمز اور ماہرین قانون سے مشاورت کی جاتی ہے۔

کارپوریٹ اور برانڈ کی ساکھ

ایوارڈز	برانڈ سے متعلق آگہی	کارپوریٹ روابط	بین الاقوامی کانفرنسیں
• 32واں ایم اے پی کارپوریٹ ایوارڈ برائے حسن کارکردگی۔ • بہترین کارکردگی پر سالانہ ایوارڈ برائے ماحولیات 2016 (اے ای ای اے)۔ • مارکون ایوارڈ 2016۔ • برانڈ آف دی ایئر 2017۔ • پروفیشنلز نیٹ ورک: کارپوریٹ معاشرتی ذمہ داری سمٹ ایوارڈ 2017۔ • نیشنل فورم برائے ماحولیات وصحت کارپوریٹ معاشرتی ذمہ داری ایوارڈ 2017۔ • دی پروفیشنلز نیٹ ورک: ماحولیات، صحت اور سیفٹی ایوارڈ 2017۔	• سی بی ایم اوپن کانفرنس-- محمد علی ٹبہ کو لکی سیمنٹ کے بارے میں لیکچر دینے کیلئے بطور مہمان مقرر مدعو کیا گیا۔ • بین الاقوامی کانفرنس برائے ایڈوانس میٹیریئل اینڈ پروسیسنگ، ICMAP-17 بمقام مہران یونیورسٹی کیلئے اسپانسرشپ دی گئی۔ • انسٹیٹیوٹ آف بزنس ایڈمنسٹریشن میں اینگما کے ایونٹ کیلئے اسپانسرشپ دی گئی۔ • ورلڈ میمن آرگنائزیشن میں اسپارک ایونٹ کیلئے اسپانسرشپ دی گئی۔	صارفین تک پرنٹ میڈیا کے ذریعے پہنچنے کی کوششیں جاری رہی اور انٹرنیشنل سیمنٹ ریویو، ورلڈ سیمنٹ ریویو اور دیگر مقامی میگزینوں میں بھی آرٹیکلز شائع کروائے گئے۔	18 ویں ایشیاء سیمنٹ ٹریڈ ایونٹ - بنکاک، تھائی لینڈ اکتوبر 2016 میں بھرپور شرکت۔

انسانی وسائل کی ترقی

منصوبہ جانشینی	پرفارمنس مینجمنٹ	ٹیلنٹ مینجمنٹ	جنسی عدم امتیاز
کمپنی کے اندر ہی موجود وسائل کی نشاندہی کی غرض سے 9 باکس (کارکردگی مخفی توانائی) میٹرکس کا استعمال۔ اس ٹول کو استعمال کر کے ہم مستقبل میں اہم پوزیشنوں کیلئے افرادی قوت کی نشاندہی اور تربیت کا اہتمام کر سکتے ہیں۔	انسانی وسائل کی کمیٹی کی جانب سے پرفارمنس مینجمنٹ کیلئے ایک جوائنٹ ریویو سیشن کا اہتمام کیا گیا تا کہ اس بات کو یقینی بنایا جا سکے کہ تمام شعبے اور افراد کارپوریٹ اہداف کے عین مطابق اپنی صلاحیتوں کو بروئے کار لا سکیں۔	اسامیوں اور ان کیلئے درکار ضروری مہارتوں کی بنیاد پر کمپنی کے باہر سے بہترین افرادی قوت کے انتخاب کو ممکن بنانا۔ اس افرادی قوت کو ادارے میں میل جول کے ذریعے ادارے کے کلچر سے مانوس کرنا اور منتخب شدہ افرادی قوت کو ادارے میں ٹھہرنے اور اہم پوزیشنوں پر خدمات سرانجام دینے کیلئے آمادہ کرنا اور کمپنی کے ساتھ متحرک اور طویل المیعاد رشتہ قائم کرنے کیلئے تربیت دینا۔	کمپنی جنسی عدم امتیاز کیلئے سنجیدگی سے کام کر رہی ہے اور برابری کی بنیاد پر ملازمت فراہم کرنے میں اپنی ایک ساکھ رکھتی ہے۔ خواتین ملازمین کیلئے سازگار ماحول پر مبنی پالیسیوں کے نفاذ کو ممکن بنایا گیا ہے۔

ایچ ایس ای (صحت، تحفظ اور ماحولیات)

کام کے دوران صفر حادثات	این ای کیو ایس معیارات کی پاسداری	ڈبلیو ایچ آر (ویسٹ ہیٹ ریکوری) پلانٹ
کامیابی کے ساتھ دوران کام حادثات کو کم از کم رکھنے کی پالیسی کے اہداف حاصل کئے گئے (گزشتہ سال کے مقابلے میں حادثات کی شرح 54% کم رہی)	تمام گیسوں اور ذرات کے اخراج NEQ کے معیارات کی مقرر کردہ حد کے اندر رہے ہیں، جس کی وجہ فلٹر بیگ کی بروقت تبدیلی اور ہیٹ کا جمع کرنا ہے۔	WHR پلانٹ کی تنصیب کے بعد، گیسوں کے اخراج قانونی ہدف کے اندر برقرار رہے ہیں۔

کارکردگی کے معیارات

طے شدہ مقاصد واہداف کے حصول کو ممکن بنانے کیلئے کمپنی کی جانب سے کارکردگی کو جانچنے کے معیارات وعلامتیں مقرر کی گئی ہیں۔ان معیارات کو کمپنی کے ہر شعبے اور طول وعرض میں ''لکی سیمنٹ لمیٹڈ کے 9 اہداف'' کے نام سے فراہم کیا جا چکا ہے۔ان معیارات کی وجہ سے اپنے مستقبل کی حکمت عملی طے کرنے میں بھی مدد ملتی ہے۔

1۔ مقامی اور برآمدی مارکیٹوں میں مستقل اور منافع بخش نشوونما کو ممکن بنانا۔
2۔ صنعت میں سب سے کم پیداواری لاگت کو برقرار رکھنے کیلئے ہر ممکن کوشش کرنا۔
3۔ کارپوریٹ اور برانڈ کی ساکھ کو مزید بہتر بنانا۔
4۔ انسانی وسائل کو اپنی جانب مبذول کرنا، انہیں اپنے ساتھ رکھنا اور انہیں مزید نکھارنا۔
5۔ محفوظ اور صحت افزاں ماحول کو پروان چڑھانا۔
6۔ پاکستان سے باہر اپنی پہچان پیدا کرنا اور کاروبار میں نئی راہیں تلاش کرنا۔
7۔ آئی ٹی سسٹم اور انفرااسٹرکچر کو مضبوط کرنا۔
8۔ رسک مینجمنٹ پروگرام کو مربوط شکل میں پیش کرنا۔
9۔ کمپنی کے تمام امور میں کارپوریٹ معاشرتی ذمہ داری کو شامل کرنا۔

دوران سال رواں انتظامیہ نے مزکورہ بالا اہداف کو کمپنی میں ہر سطح پر اس مقصد کیلئے سب تک پہنچا دیا ہے تاکہ ہر شعبہ طے شدہ معیارات کو مدنظر رکھتے ہوئے اپنے اپنے دائرے میں تمام امور بشمول انسانی وسائل کے استعمال کے ضمن میں ان پر عمل درآمد شروع کردے۔ان اہداف کو گاہے بگاہے جانچنا اور ان پر باقاعدہ عمل درآمد کو چیک کرنا مینجمنٹ کمیٹی کے ذمے ہے اور کمیٹی اس ضمن میں دوران سال اجلاس منعقد کرتی رہی ہے۔

مالیاتی وغیر مالیاتی امور میں کارکردگی کی جانچ

مستقل اور منافع بخش نشوونما

مارکیٹ میں حصہ	کم از کم پیدواری لاگت	حجم برائے فروختگی	آمدن فی حصص	پیداواری لاگت میں کمی کیلئے اقدامات
مالی سال 17-2016 کے دوران 17.7% حصہ مارکیٹ میں حاصل کیا گیا۔	لاگت برائے فی ٹن پیداوار صنعت میں سب سے کم رہی۔*	سال بہ سال مجموعی طور پر آمدن کی شرح نمو 1.2% رہی۔	اس سال آمدن فی حصص 42.34 روپے رہی جو کہ گزشتہ سال کے مقابلے میں 5.8% زائد ہے۔	10 میگاواٹ کے ایک اور ڈبلیو ایچ آر پروجیکٹ کا پیز و میں آغاز کیا گیا۔

*بحوالہ کارپوریٹ نتائج برائے مالی سال 16-2015

ترقی برائے انسانی وسائل

جیسے جیسے ہم ترقی کے منازل طے کر رہے ہیں ہمارے انسانی وسائل کی ترقی اور ان کے کردار بھی اہمیت اختیار کرتے جا رہے ہیں، ہم ایسا ماحول فراہم کرنے کیلئے پرعزم ہیں جہاں ہمارے ملازمین خود کو قیمتی، قابل عزت، خودمختار اور پرجوش محسوس کریں۔ ذہین اور محنتی افراد ہمارے اس کلچر میں بنیادی حیثیت رکھتے ہیں جہاں میرٹ ہی آگے بڑھنے کی بنیاد ہے۔ اس لئے ہم افراد کی صلاحیتوں اور ذہانت کا احترام کرتے ہیں اور افرادی قوت کو سیکھنے اور آگے بڑھنے کے بھرپور مواقع فراہم کرتے ہیں۔
معیار کو بہتر بنانا ہمارے کاروبار کی طویل المیعاد اور مستقل کامیابی کیلئے انتہائی اہم ہے۔ تاہم ہم کاروبار میں اعداد اور تخمینوں کو بھی اتنی ہی اہمیت دیتے ہیں جس کی بنیاد پر اپنے کاروبار کو آگے بڑھا رہے ہیں۔ ہم نے اپنی ٹیم کیلئے واضح اہداف اور کارکردگی کو جانچنے کیلئے اہم علامتیں مقرر کر رکھی ہیں جن کی وجہ سے ہماری توجہ مکمل طور پر ایک ایسے نظام وضع کرنے پر مرکوز رہتی ہے جس کے تحت ہم ٹھوس نتائج برآمد کر سکیں۔ ہمارا ٹیلنٹ مینجمنٹ سسٹم اس بات کو ممکن بناتا ہے کہ ملازمین پوری دیانتداری اور مستقل مزاجی کے ساتھ ہمیں اپنی آراء سے آگاہ کریں اور اس کے علاوہ خود احتسابی کا جذبہ بھی ان میں پیدا ہو جس کا لازمی نتیجہ اس صورت میں سامنے آتا ہے کہ ہم بطور ٹیم خود کو بہترین انداز سے تیار کریں اور مستقبل کے چیلنجز سے نمٹنے کیلئے کارکردگی کی بنیاد پر مؤثر منصوبہ بندی کر سکیں۔ ہمیں اس بات پر فخر ہے کہ لکی سیمنٹ میں ایک ایسا کلچر موجود ہے جس کے تحت ملازمین کو خودمختار بنایا جاتا ہے اور وہ انفرادی اور اجتماعی طور پر بہترین انداز سے خود احتسابی کر سکتے ہیں۔

انتظامیہ کے اہداف اور حکمت عملی

آپکی کمپنی کی انتظامیہ کا سب سے اہم ہدف یہ ہے کہ پاکستان کی سیمنٹ کی صنعت میں کمپنی کی بالادستی کو برقرار رکھا جائے اور تمام شراکت داروں کی سرمایہ کاری کی قدر میں اضافہ کیا جائے۔ تمام کاروباری اہداف کا رخ اسی سمت میں ہے۔ کارکردگی کی اہم علامتوں کا تعین اس طرح کیا گیا ہے کہ وہ تمام شعبہ جات میں کمپنی کی بہتر ہوتی ہوئی کارکردگی کو جانچ سکیں۔

آج آپکی کمپنی ایک عالمی شناخت کی حامل ہے اور انتظامیہ اس سے بھی آگے بڑھ کر نئی منازل طے کرنے کی خواہش مند ہے جس کیلئے ہماری توجہ اعلیٰ پیشہ ورانہ اور انتہائی قابل ٹیم تشکیل دینے، بہترین ٹیکنالوجی میں سرمایہ کاری کرنے، صارفین کے اعتماد کو بحال رکھنے، سپلائی چین کے ذریعے مجموعی مؤثر نتائج حاصل کرنے اور ماحولیات اور معاشرے، جس میں رہ کر کمپنی اپنے کاروباری امور سرانجام دے رہی ہے کی ترقی کیلئے کام کرنے پر مرکوز ہے۔
دوران سال رواں کمپنی نے پیزو کے مقام پر کامیابی کے ساتھ ڈبلیو ایچ آر (ویسٹ ہیٹ ریکوری) کا 10 میگاواٹ کے پلانٹ کا افتتاح کیا ہے۔ نئے پلانٹ نے جنوری 2017 سے کام کا آغاز کر دیا تھا۔

طے شدہ کارپوریٹ اہداف کے حصول کو ممکن بنانے کیلئے آپکی کمپنی کے طول و عرض میں اوپر سے نیچے تک تمام ملازمین کو شامل کرتے ہوئے ہر کام کے سرانجام دینے کیلئے ایس او پیز (کام سرانجام دینے کے معیارات) اور کے پی آئیز (کارکردگی کو جانچنے کے پیمانے) مقرر کر دیئے ہیں۔ ان پیمانوں اور معیارات کو وسیع النظر کارپوریٹ اہداف کے ساتھ متوازن رکھا گیا ہے تاکہ کمپنی کا ہر ملازم ان شفاف پیمانوں کو مدنظر رکھتے ہوئے سالانہ اہداف کے پیش نظر بذات خود اس بات کا اندازہ لگا سکے کہ وہ کتنا کامیاب رہا۔ گزشتہ سال کمپنی میں کامیابی کے ساتھ SAP S/4 HANA کی تنصیب کا کام مکمل کر لیا گیا جو ملک بھر میں اپنی نوعیت کی پہلی اور دنیا کی سطح پر پانچویں تنصیب ہے۔ SAP S /4 HANA کی کامیابی سے تنصیب کے بعد اب اس کے ثمرات مؤثر کارکردگی، طریق ہائے کار کی پیچیدگیاں دور کرنے، دہرائے جانے والے کاموں کی تخفیف، مواصلاتی رابطوں میں تعطل کو ختم کئے جانے اور بروقت انفارمیشن پروسسنگ کی صورت میں سامنے آ رہے ہیں۔ مزید برآں، ہماری جانب سے انسانی وسائل سے متعلق پالیسیوں میں بھی مزید نکھار پیدا کیا گیا ہے اور کامیابی کے ساتھ ملک کے معروف تعلیمی اداروں کے اشتراک سے ایک طے شدہ مینجمنٹ تربیتی پروگرام کا آغاز کیا گیا ہے۔

آپکی کمپنی کی جانب سے اعلیٰ مالیاتی کارکردگی اور مارکیٹ لیڈرشپ اس بات کی غمازی کرتے ہیں کہ تمام حکمت عملیوں کے پیش نظر کمپنی اپنے کارپوریٹ اہداف حاصل کرنے میں کامیاب رہی ہے۔

شعبوں کی بنیاد پر کاروباری کارکردگی کا جائزہ

لکی سیمنٹ کی جانب سے آئی سی آئی پاکستان کا حصول کمپنی کی اس پالیسی کی غمازی کرتا ہے کہ لکی سیمنٹ کے کاروبار کو مختلف جہتوں 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:

کاروباری شعبے	شرح آمدن	خام آمدن کی شرح	کاروباری منافع کی شرح	شعبے کے اثاثہ جات (بلین روپے میں)	شعبے کے ذمے واجبات (بلین روپے میں)
سیمنٹ	1.22%	46.62%	40.65%	50.98	17.55
پولیسٹر	7.16%	0.89%	-2.11%	10.39	13.92
سوڈا ایش	1.84%	29.86%	25.57%	22.84	4.52
لائف سائینسز	32.72%	29.72%	10.80%	9.02	3.45
کیمیکلز	20.31%	22.03%	11.87%	7.43	2.14

کمپنی کی نقد رقوم کی ترسیل کے اہم ذرائع

نقد رقوم کی ترسیل کی حکمت عملی

آپ کی کمپنی نقد رقوم کی ترسیل کے ایک منظم سسٹم کی حامل ہے جس کے تحت نقد رقوم کی آمد اور اخراجات کے مستقبل بنیادوں پر تخمینے لگائے جاتے ہیں اور باقاعدگی کے ساتھ ان امور کی نگرانی کی جاتی ہے۔ کمپنی کے ورکنگ کیپٹل کی ضروریات کو نقد رقوم کے اندرونی ذرائع سے ہی پورا کرلیا جاتا ہے۔

دوران سال رواں کمپنی نے اپنے کاروباری افعال سے 20.14 بلین روپے کمائے جس میں سے مستقل سرمایہ کاری کی مد میں 6.20 بلین روپے، انکم ٹیکس کی ادائیگی کی مد میں 5.03 بلین روپے، طویل المیعاد سرمایہ کاری کی مد میں 0.89 بلین روپے اور حصص داران کو ڈیویڈنڈ تقسیم کرنے کی مد میں 3.22 بلین روپے خرچ کئے گئے۔

بورڈ آف ڈائریکٹرز اس بات سے مطمئن ہیں کہ کمپنی میں ایک مؤثر مالیاتی نظام کی موجودگی میں مستقبل قریب یا مستقبل بعید میں کمپنی کو کسی قسم کی کوئی مالیاتی رکاوٹیں نظر نہیں آرہیں اور زائد نقد رقوم کے ذریعے طے شدہ منصوبے کے تحت مختلف پروجیکٹس میں سرمایہ کاری کی جاتی ہے تاکہ ان رقوم کے ذریعے مزید آمدن کا حصول ممکن ہوسکے۔

سرمائے کی ساخت اور مالیاتی پوزیشن

رواں مالی سال کے دوران بھی آپ کی کمپنی سو فیصد حصص پر مبنی کمپنی رہی اور کمپنی کی بیلنس شیٹ پر صفر فیصد قرضے ظاہر کئے گئے ہیں۔ آپ کی کمپنی کے جانب سے اندرونی طور پر نقد رقوم کی پیداوار اور قرضوں سے پاک بیلنس شیٹ اس کی سب سے بڑی قوت ہیں۔ اس سے ایک جانب تو کمپنی کی انتظامیہ کو یہ موقع حاصل ہوتا ہے کہ کمپنی کی جانب سے لاگت میں کمی لانے والے جیسے منصوبوں پر سرمایہ کاری کی جائے اور دوسری جانب سپلائرز بھی پورے اعتماد کے ساتھ ہمارے کاروبار میں شامل ہوتے ہیں۔ دوران سال رواں ہمارے ذخائر میں 16% اضافہ ہوا ہے جس کے بعد ہمارے ذخائر 77 بلین روپے تک پہنچ چکے ہیں۔ ذخائر میں اس اضافے کی اصل وجہ کمپنی کے منافع کی شرح میں بہتری ہے۔ کمپنی کی حکمت عملی برائے سرمایہ کاری اور سرمائے کی ساخت میں کوئی خاطر خواہ تبدیلی نہیں کی گئی۔

بندوبست برائے تمویل

آپ کی کمپنی کے پاس نقد رقوم کے وافر ذخائر موجود ہیں اس لئے کمپنی کسی بھی قسم کے طویل المیعاد یا قلیل المیعاد قرضوں کی سہولت سے فائدہ نہیں اٹھارہی۔ جیسا کہ مارکیٹ میں لکی سیمنٹ ایک مستقل مزاج اور قابل اعتماد کاروباری ادارے کی ساکھ رکھتا ہے اس لئے ہمارے تمام تجارتی قرض فراہم کنندہ ہمارے مالیاتی بندوبست پر بھرپور اعتماد کا اظہار کرتے ہیں۔

پروجیکٹس ۔ نئے اور جاری

پلانٹ براؤن فیلڈ توسیع (1.25 ملین ٹن سالانہ کی اضافی لائن کی تنصیب) بمقام کراچی

اس پروجیکٹ کی سائٹ پر تعمیراتی کام بھرپور انداز سے جاری ہے تاکہ کمرشل آپریشن دسمبر 2017 شروع کیا جاسکے۔

پاکستان صوبہ پنجاب میں مکمل طور پر مربوط گرین فیلڈ سیمنٹ پلانٹ ۔2.3 ملین ٹن سالانہ

اس پروجیکٹ کے سلسلے میں ابھی تک آپ کی کمپنی حکومت پنجاب سے مختلف امور کی منظوری اور دیگر ضروری کاروائیوں کے لئے کوششیں کررہی ہے۔

سرمایہ کاری

1x660 میگاواٹ کے سپر کریٹیکل کوئلے پر مبنی پاور پروجیکٹ میں سرمایہ کاری

آپکی کمپنی پہلے ہی ای پی سی معاہدے پر عمل درآمد کرچکی ہے اور پاور کی خریداری کے معاہدے اور عمل درآمد کے معاہدے کو حتمی شکل دی جاچکی ہے اور سندھ اینگرو کول مائننگ کمپنی (ایس ای سی ایم سی) کی جانب سے کمپنی کو انٹیمیشن بھی وصول ہوچکا ہے۔ تاہم اس پر عمل درآمد میں تاخیر کی وجہ پاور کے خریدار کی جانب سے ایک خاص مدت کے بعد درآمد شدہ کوئلے کے استعمال پر پابندی عائد کرنا ہے۔حتیٰ کہ اگر معاہدے میں طے شدہ وقت پر مقامی (تھر) کوئلہ دستیاب نہ بھی ہوا تو بھی یہ پابندی برقرار رہے گی۔اس سلسلے میں مالیاتی معاملات کو حتمی شکل دیئے جانے کیلئے دسمبر 2017 کا وقت مقرر کیا گیا ہے اور اس سلسلے میں کمرشل بنیاد پر آپریشنز دسمبر 2020 تک شروع کئے جائیں گے۔

کمپنی کی مجموعی آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال 30 جون 2017 میں مزکورہ بالا پروجیکٹ کمپنی یعنی لکی الیکٹرک پاور کمپنی لمیٹڈ کے کل اثاثوں کو بھی شامل کیا گیا ہے جو کہ بالواسطہ سو فیصد کمپنی کی ملکیت میں ایک زیلی ادارہ ہے۔

آٹوموٹیو مینوفیکچرنگ پلانٹ میں سرمایہ کاری ۔کیا لکی موٹرز پاکستان لمیٹڈ (کے ایل ایم)

وزارت صنعت و پیداوار کی جانب سے جون 2017 میں کے ایل ایم کو کیٹیگری اے گرین فیلڈ رتبے سے نوازا گیا اور آٹوموٹیو ڈیویلپمنٹ پالیسی 2021 - 2016 کے تحت یہ پہلی کمپنی ہے جسے اس رتبے سے نوازا گیا۔ پلانٹ کی تعمیرات کو شروع کرنے کیلئے مالی سال 18-2017 کی دوسری سہ ماہی کا انتخاب کیا گیا ہے۔

سیمنٹ گرائینڈنگ یونٹ عراق میں براؤن فیلڈ توسیع ۔0.871 ملین ٹن سالانہ

امید کی جاتی ہے کہ عراق گرائینڈنگ یونٹ میں اکتوبر 2017 تک توسیعی منصوبے کا پہلا 50% (یعنی 0.4355 ملین ٹن) کام شروع کردے گا۔جبکہ بقیہ 50% توسیعی کام (0.4355 ملین ٹن) بھی نومبر 2017 کے اخیر تک پایہ تکمیل تک پہنچ جائے گا۔

پچاس (50) میگاواٹ کے بادبانی فارم کی منسلکہ کمپنی میں سرمایہ کاری پر مبنی حصص

پروجیکٹ کی کاروباری کاروائیوں کا آغاز ستمبر 2016 میں ہوا۔ پروجیکٹ میں کمپنی کی اصل حصص سرمایہ کاری 611.365 ملین روپے رہی، جبکہ اس کا تخمینہ 960 ملین روپے (بشمول لاگت کا تجاوز کرنا) تھا۔ اس کی بڑی وجہ یورو (کرنسی) کا روپے کے مقابلے میں موافق ریٹ اور سود کی شرح میں کمی تھی۔

ڈیویڈنڈ اور تقسیم منافع

مستقبل میں سرمایہ کاری کی منصوبہ بندی، مالیاتی ذمہ داریوں اور مستقل نوعیت کے اخراجات کو مدنظر رکھتے ہوئے بورڈ کی جانب سے مالی سال 30 جون 2017 کیلئے 12 روپے فی حصص کا نقد ڈیویڈنڈ دینے کی تجویز پیش کی گئی ہے (2016: ڈیویڈنڈ 10 روپے فی حصص)۔

یہ فیصلہ کمپنی کی اس پالیسی کا تسلسل ہے جس کے تحت کمپنی نے اپنے حصص داران کو مستقل بنیادوں پر باقاعدہ منافع دینے کا عزم کر رکھا ہے۔ غیر منقسم شدہ منافع کی صورت حال ذیل میں پیش خدمت ہے:

	روپے ہزاروں میں
صافی منافع برائے سال:	
غیر منقسم شدہ منافع سال کے آغاز پر	-
منافع دستیاب برائے تقسیم	13,695,893
	13,695,893
تقسیم منافع	
مجوزہ ڈیوڈنڈ برائے مالی سال 17-2016 @ 12 روپے	(3,880,500)
مجوزہ منتقلی برائے عمومی ذخائر	(9,815,393)
غیر منقسم شدہ منافع سال کے اختتام پر	-
بنیادی و تحلیلی آمدن فی حصص	42.34

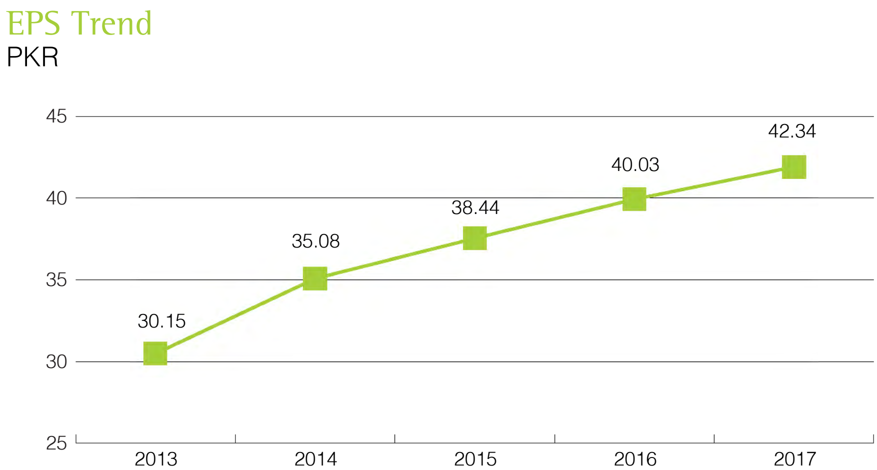
قومی خدمت کے سلسلے میں عطیات

کمپنی کو اپنی کارپوریٹ معاشرتی ذمہ داری کا مکمل احساس ہے اور کمپنی کی جانب سے خواتین کو خود مختار بنانے، شعبہ تعلیم، صحت اور متوازن ماحول کو پروان چڑھانے اور دیگر فلاحی کاموں کیلئے اقدامات کئے جا رہے ہیں۔ ان فلاحی کاموں کی غرض سے کمپنی براہ راست اپنی جانب سے فنڈز خرچ کرنے کے علاوہ بلواسطہ سول سوسائٹی کی تنظیموں اور غیر سرکاری فلاحی اداروں کی امداد بھی جاری رکھے ہوئے ہے تاکہ معاشرے میں فلاح و بہبود کے کاموں کے مثبت اثرات مرتب ہوں۔

حمایت	مالی سال 2017	مالی سال 2016
	روپے ہزاروں میں	
شعبہ صحت کے سلسلے میں اقدامات اور مریضوں کی مالی امداد وغیرہ۔	235,769	154,200
شعبہ تعلیم	25,200	36,117
عمومی عطیات	47,198	52,963
عطیات میں دی گئی کل رقوم	**308,167**	243,280

آمدن فی حصص

آ پکی کمپنی کی جانب سے مالی سال 30 جون 2017 کے دوران آمدن فی حصص 42.34 روپے رہی جبکہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص 40.03 روپے تھی۔



ٹیکس

آ پکی کمپنی نے اس سال 5.03 بلین روپے کی خطیر رقم انکم ٹیکس کی مد میں ادا کی جبکہ انکم ٹیکس کی مد میں ادا کی جانے والی یہ رقم گزشتہ سال 5.02 بلین روپے تھی۔ رواں سال مؤخر ٹیکس کیلئے 53.81 ملین روپے کا پروویژن قائم کیا گیا ہے جس کے بعد مجموعی مؤخر ٹیکس پروویژن کی مد میں جمع ہو جانے والی واجبات کی رقم 30 جون 2017 کو 5.82 بلین روپے تک پہنچ چکی ہے۔

فنانس ایکٹ 2016 کے مطابق، ان لسٹڈ کمپنیوں کیلئے 2 فیصد تک کم شرح ٹیکس کو متعارف کروایا گیا جو کہ مجوزہ شرعی اصولوں کی مکمل پاسداری کر رہی ہیں، کم شرح ٹیکس کیلئے ان ضوابط کی منظوری اسٹیٹ بینک آف پاکستان، سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور ایف بی آر نے دینا تھی۔ دوران سال رواں ایف بی آر کی جانب سے 10 جنوری 2017 کو ایک نوٹیفکیشن جاری کیا گیا جس میں ان کی شرعی اصول کی فہرست جاری کی گئی ہے۔ چونکہ آ پکی کمپنی کا کاروبار ''حلال'' ہے اور آ پکی کمپنی پہلے ہی سے پاکستان اسٹاک ایکسچینج کے کے ایس ای میزان انڈیکس (کے ایم آئی -30) میں شامل ہے اور ایف بی آر کی جانب سے جاری کردہ نوٹیفکیشن پر عمل کرنے کے تمام مراحل کو باقاعدہ عبور کر لیا ہے، اس لئے کمپنی نے اپنے رواں اور مؤخر ٹیکس ذمہ داریوں کو بالترتیب 29% اور 28% کے حساب سے کم شرح فیصد پر ریکارڈ کیا ہے۔

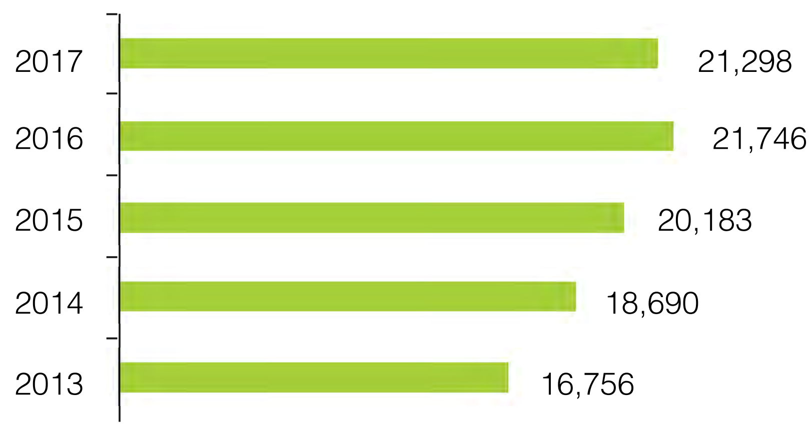
قومی خزانے میں حصہ

آ پکی کمپنی کی جانب سے انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری واجبات کی مدات میں 22 بلین روپے جمع کروائے گئے (2016: 17 بلین روپے)۔ مزید برآں، دوران سال رواں آ پکی کمپنی کی جانب سے سیمنٹ کی برآمدات کی مد میں وطن عزیز کیلئے 53.5 ملین امریکی ڈالر کا زرمبادلہ بھی حاصل کیا گیا۔

خام منافع

آپکی کمپنی زیرنظر رواں سال کے دوران %46.6 خام منافع حاصل کر پائی جبکہ گزشتہ سال اسی عرصے کے دوران خام منافع کی شرح %48.2 تھی۔

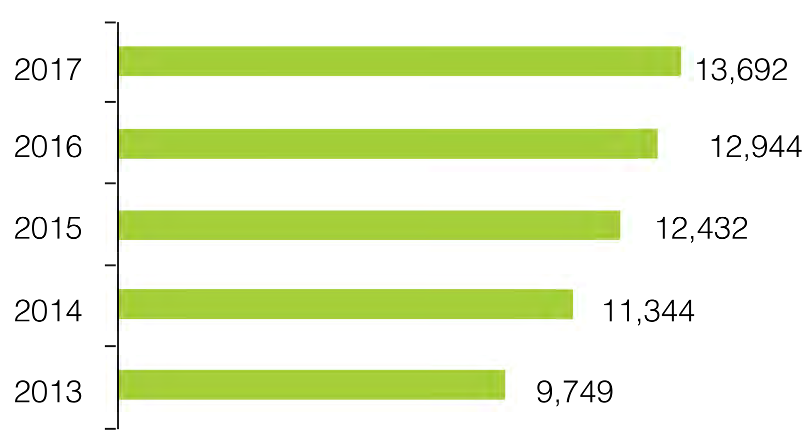
Gross Profit
In PKR Millions



صافی منافع

آپکی کمپنی نے زیرنظر رواں سال کے دوران 18,778 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جبکہ گزشتہ سال اسی عرصے کے دوران یہ منافع 18,400 ملین روپے تھا۔اسی طرح اس سال منافع بعداز ٹیکس 13,692 ملین روپے ریکارڈ کیا گیا جبکہ گزشتہ سال اسی عرصے کے دوران منافع بعداز ٹیکس 12,944 ملین روپے ریکارڈ کیا گیا تھا۔

NET PROFIT
In PKR Millions



مالیاتی کارکردگی

آپکی کمپنی کی مالیاتی کارکردگی برائے مالی سال 2016-17 کا تقابلی جائزہ بلحاظ گزشتہ سال درج ذیل ہے:

ماسوائے فی حصص آمدنی تمام ہندسے ملین روپوں میں ہیں

فرق فیصد	مالی سال 2015-16	مالی سال 2016-17	تفصیلات
10.2%	55,923	61,602	خام آمدنی
1.2%	45,135	45,667	خالص آمدنی
(2.1%)	21,746	21,298	خام منافع
(0.3%)	18,620	18,573	کاروباری منافع
0.1%	21,189	21,205	آمدنی قبل از سود، انکم ٹیکس اور فرسودگی
5.8%	12,944	13,692	آپریٹنگ منافع
5.8%	40.03/فی حصص	42.34/فی حصص	فی حصص آمدنی

آمدنی

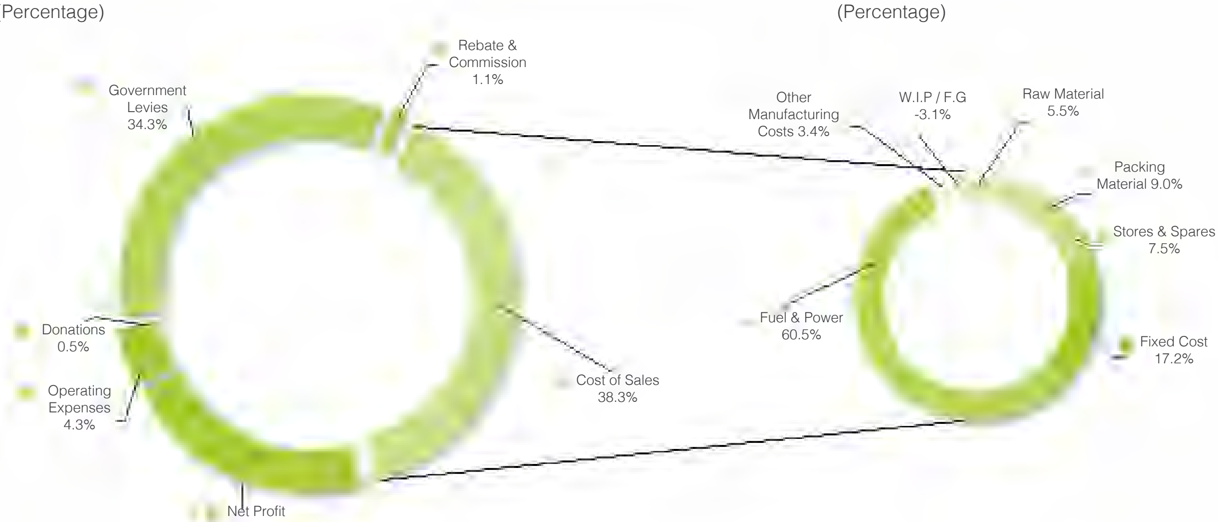
زیر نظر رواں مالی سال کے دوران آپکی کمپنی نے گزشتہ سال اسی عرصے کے مقابلے میں 1.2% کی مجموعی فروختگی کا ہدف حاصل کیا۔ فروختگی میں اس اضافے کی اصل وجہ فروختگی کے حجم میں اضافہ ہے۔

لاگت برائے فروختگی

گزشتہ سال کے مقابلے میں زیر نظر رواں سال کے دوران آپکی کمپنی کی لاگت برائے فروختگی میں 1.0% کا اضافہ ہوا۔ اس اضافے کی بنیادی وجہ کوئلے کے نرخوں میں اضافہ تھا۔

Distribution of Gross Revenue
(Percentage)

Distribution of Cost of Sales
(Percentage)

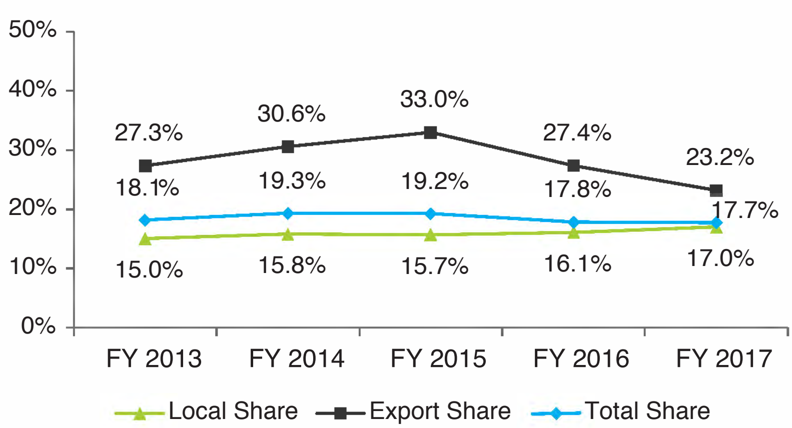


مارکیٹ میں حصہ	مالی سال 2016-17	مالی سال 2015-16	اضافہ/(کمی) فیصد میں
مقامی فروختگی	17.0%	16.1%	5.6%
برآمدات:			
بوری بند سیمنٹ	20.0%	25.5%	(21.6%)
کھلا سیمنٹ	100.0%	100.0%	-
کل برآمدات	23.2%	27.4%	(15.3%)
[illegible]	17.7%	17.8%	(0.6%)

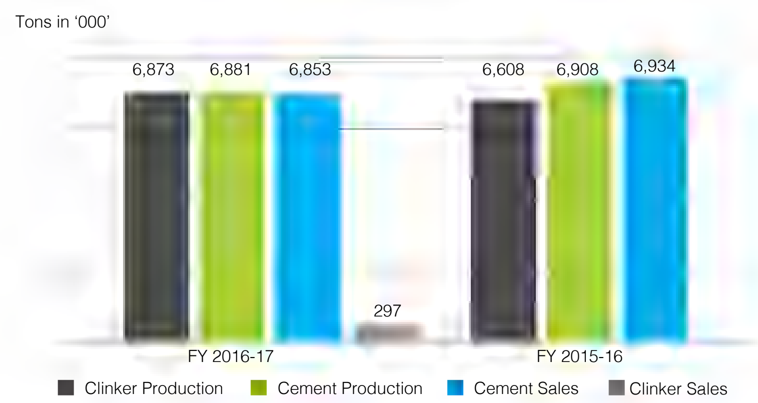
بحوالہ: APCMA ویب سائٹ

آپکی کمپنی کے مارکیٹ میں حصے سے متعلق سال بہ سال تقابلی جائزہ ذیل میں پیش کیا جارہا ہے:

Yearwise LCL Market Share



پیداوار اور فروختگی سے متعلق اعداد و شمار کو ذیل میں گراف کی صورت میں پیش کیا جا رہا ہے:



مال کی ترسیل سے متعلق آپ کی کمپنی اور سیمنٹ کی صنعت کا تقابلی جائزہ برائے مالی سال 2016-17 ذیل میں پیش کیا جا رہا ہے:

تفصیلات	مالی سال 2016-17	مالی سال 2015-16	اضافہ/(کمی)	فیصد میں
	ٹن ہزاروں میں			
سیمنٹ کی صنعت				
مقامی فروختگی	35,652	33,000	2,652	8.0%
برآمدات:				
بوری بند سیمنٹ	4,479	5,728	(1,249)	(21.8%)
کھلا سیمنٹ	185	145	40	27.6%
کل برآمدات	4,664	5,873	(1,209)	(20.6%)
مجموعی کل	40,316	38,873	1,443	3.7%
لکی سیمنٹ				
مقامی فروختگی				
سیمنٹ	5,772	5,327	445	8.4%
کلنکر	297	-	297	100.0%
کل مقامی فروختگی	6,069	5,327	742	13.9%
برآمدات:				
بوری بند سیمنٹ	896	1,462	(566)	(38.7%)
کھلا سیمنٹ	185	145	40	27.6%
کل برآمدات	1,081	1,607	(526)	(32.7%)
مجموعی کل	7,150	6,934	216	3.1%

ڈائریکٹرز رپورٹ

آ پکی کمپنی کے ڈائریکٹرز کیلئے یہ بات باعث مسرت ہے کہ انکی جانب سے کمپنی کے مالیاتی نتائج بشمول منفرد اور مجموعی آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال 30 جون 2017 آ پکی خدمت میں پیش کئے جا رہے ہیں۔

جائزہ

مالی سال 30 جون 2017 کے دوران پاکستان میں سیمنٹ کی صنعت کی شرح نمو %3.7 کے ساتھ 40.32 ملین ٹن رہی جبکہ گزشتہ سال سیمنٹ کی صنعت کا حجم 38.87 ملین ٹن تھا۔ ایک جانب مقامی سطح پر فروخت‌گی میں %8.0 کی شرح نمو کے ساتھ فروختگی کا حجم 35.65 ملین ٹن رہا جو کہ گزشتہ سال 33.00 ملین ٹن تھا تو دوسری جانب برآمدات میں %20.6 کی کمی واقع ہوئی ہے، اس سال برآمدات کا حجم 4.66 ملین ٹن رہا جو کہ گزشتہ سال 5.87 ملین ٹن تھا۔

آ پکی کمپنی کی جانب سے مجموعی طور پر فروختگی کی مد میں %3.1 کی شرح نمو کا ہدف حاصل کیا گیا ہے جس کے تحت فروختگی کا کل حجم مالی سال 17-2016 کے دوران 7.15 ملین ٹن رہا جبکہ گزشتہ سال اسی عرصے کے دوران یہ حجم 6.93 ملین ٹن تھا۔ مقامی سطح پر آ پکی کمپنی کی جانب سے فروختگی کی شرح نمو %13.9 رہی جس کے تحت مقامی فروختگی کا حجم رواں مالی سال کے دوران 6.07 ملین ٹن رہا جو گزشتہ مالی سال کے دوران 5.33 ملین ٹن تھا؛ جبکہ دوسری جانب مالی سال 17-2016 کے دوران برآمدات میں %32.7 کی کمی واقع ہوئی ہے، رواں مالی سال کے دوران برآمدات کا حجم 1.08 ملین ٹن رہا جبکہ گزشتہ سال برآمدات کا حجم 1.61 ملین ٹن تھا۔

مالی سال 30 جون 2017 کے اختتام پر فی حصص آمدن 42.34 روپے ریکارڈ کی گئی جو کہ گزشتہ سال کی فی حصص آمدن 40.03 روپے کے مقابلے میں %5.8 زائد ہے۔

کاروباری کارکردگی

الف۔ کارکردگی برائے پیداوار و حجم برائے فروختگی

آ پکی کمپنی کی جانب سے مالی سال 17-2016 کی بابت پیداوار اور فروختگی کا جائزہ بمعہ تقابل برائے گزشتہ سال ذیل میں پیش کیا جا رہا ہے:

تفصیلات	مالی سال 17-2016	مالی سال 16-2015	اضافہ/(کمی) فیصد میں
	ٹن ہزاروں میں		
کلنکر کی پیداوار	6,873	6,608	4.0%
سیمنٹ کی پیداوار	6,881	6,908	(0.4%)
فروختگی برائے سیمنٹ	6,853	6,934	(1.2%)
فروختگی برائے کلنکر	297	-	100.0%

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.
Tel: (+92-42) 35772508-11
Fax: (+92-42) 35772512

Peshawar
Syed Tower, Room No. 5, 6 & 7, 3rd Floor
Opposite Income Tax 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
58 Kilometers on Main Super Highway,
Gadap Town, 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