
LUCKY CEMENT
LEADERSHIP AS SOLID AS CONCRETE
ANNUAL REPORT 2012

A part of

YUNUS BROTHERS GROUP

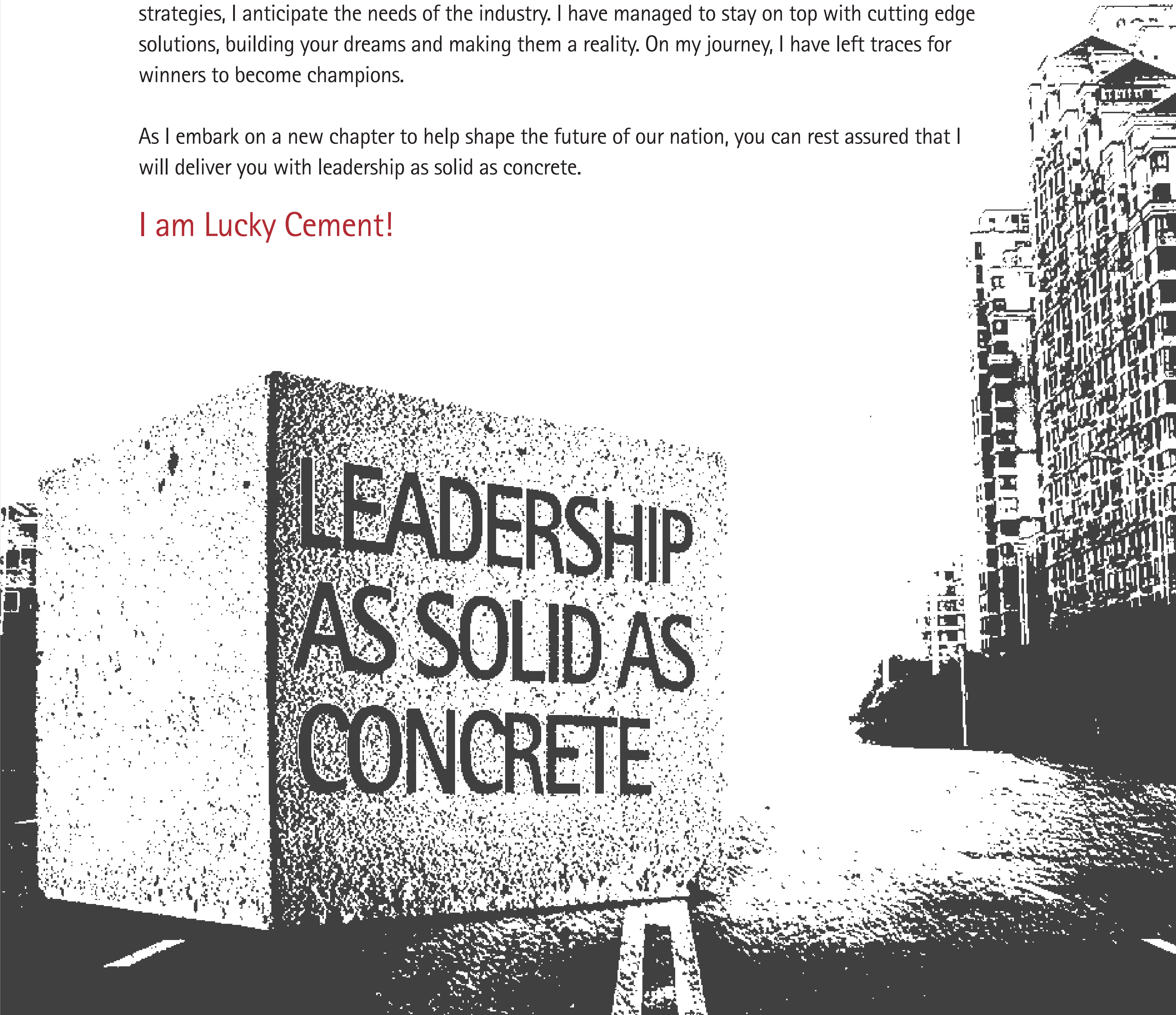
Leadership As Solid As Concrete

I was the first one to reach the top. None, but my shadow was my competition. I relied on the strength of my body and soul; my guiding stars were faith, honesty and excellence. I fired above the mark that I intended to hit. Energy and invincible determination with the right motives are the levers through which I moved the world.

Reflecting on my success, it is evident that I am the unparalleled market leader. Through my strategies, I anticipate the needs of the industry. I have managed to stay on top with cutting edge solutions, building your dreams and making them a reality. On my journey, I have left traces for winners to become champions.

As I embark on a new chapter to help shape the future of our nation, you can rest assured that I will deliver you with leadership as solid as concrete.

I am Lucky Cement!



CONTENTS

SCALING 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 organisation, 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

- Quality and consistency
- Commitment
- Customer satisfaction
- Fair practices

Social Responsibility

- Sustainable development
- Philanthropy
- Community development
- Environmentally conscious

Entrepreneurship

- Sense of ownership
- Loyalty
- Identifying and grabbing opportunities
- Foresightedness
- Proactive approach
- Value creation & addition
- Business oriented

Ethics and Integrity

- Prestige
- Honesty
- Uprightness
- Reliability

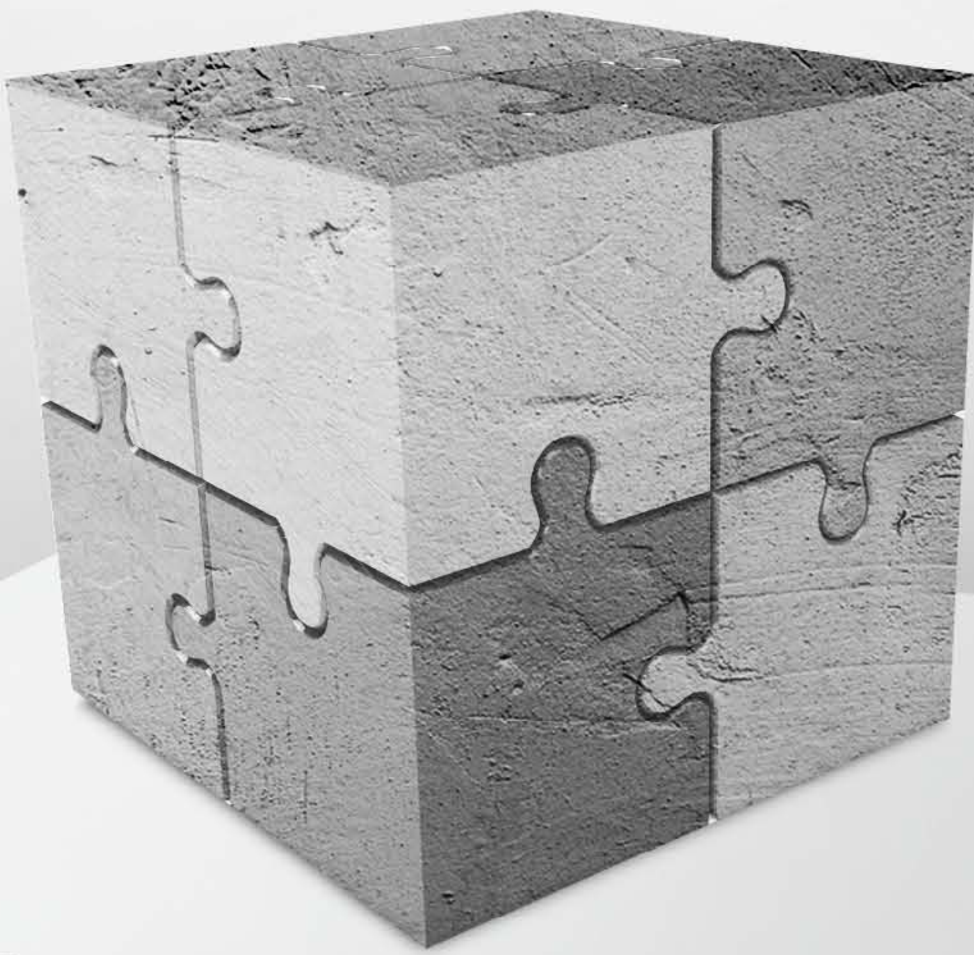
Innovation

- Creative solution
- Modernization
- First-movers advantage
- Setting trends

Excellence

- Benchmark practices
- Continuous improvement
- Efficient and effective performance

INNOVATING SOLUTIONS



BUSINESS STRATEGIES

Holding and growing local dominance

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

Increasing our share in international market

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

Efficiency (in terms of cost, energy and resource utilization)

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

Sustainable Development (In terms of environment and social responsibility)

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

HR Excellence

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

COMPANY INFORMATION

Board of Directors

Mr. Muhammad Yunus Tabba (Chairman)

Mr. Muhammad Sohail Tabba

Mr. Imran Yunus Tabba

Mr. Jawed Yunus Tabba

Mrs. Rahila Aleem

Mrs. Mariam Tabba Khan

Mr. Ali J. Siddiqui

Mr. Manzoor Ahmed (NIT)

Chief Executive

Mr. Muhammad Ali Tabba

Director Finance and Company Secretary

Mr. Muhammad Abid Ganatra

FCA, FCMA, FCIS

Chief Operating Officer

Mr. Noman Hasan

Statutory Auditors

M/s. Ernst & Young Ford Rhodes
Sidat Hyder, Chartered Accountants

A member firm of Ernst &
Young Global Limited

Internal Auditors

M/s. M. Yousuf Adil Saleem & Co.,
Chartered Accountants

A member firm of Deloitte Touche Tohmatsu

Cost Auditors

M/s. KPMG Taseer Hadi and Co.,
Chartered Accountants

Bankers

Allied Bank Limited

Askari Bank Limited

Bank AL-Habib Limited

Bank Alfalah Limited

Barclays Bank Plc

Citibank N.A.

Deutsche Bank

Faysal Bank Limited

Habib Bank Limited

Habib Metropolitan Bank Limited

Meezan Bank Limited

KASB Bank Limited

MCB Bank Limited

NIB Bank Limited

Standard Chartered Bank (Pakistan) Limited

United Bank Limited

Registered Office

Pezu, District Lakki Marwat,
Khyber Pakhtunkhwa

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

E-mail: info@lucky-cement.com

Production Facilities

1) Pezu, District Lakki Marwat,
Khyber Pakhtunkhwa

2) 58 Kilometers on
Main Super Highway,
Gadap Town, Karachi.

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.

(Toll Free): 0800 23275

BOARD COMMITTEES

Audit Committee

Mr. Muhammad Sohail Tabba (Chairman)

Mr. Imran Yunus Tabba

Mr. Jawed Yunus Tabba

Mrs. Mariam Tabba Khan

Mr. Ali J. Siddiqui

Human Resource and Remuneration Committee

Mrs. Mariam Tabba Khan (Chairperson)

Mr. Imran Yunus Tabba

Mr. Ali J. Siddiqui

Budget Committee

Mr. Jawed Yunus Tabba (Chairman)

Mr. Muhammad Sohail Tabba

Mrs. Rahila Aleem

Corporate Governance Committee

Mr. Manzoor Ahmed (Chairman)

Mr. Jawed Yunus Tabba

Mrs. Rahila Aleem

OUR ROAD TO SUCCESS

1996
Entered into commercial business with production capacity of 1.2 million tons per annum (Lines A and B at Pezu Plant)

1999
Production capacity increased to 1.5 million tons per annum

2001
Conversion of Kiln Firing System from furnace oil to coal based

2002
Started exporting cement

2005
Started new production line (Line C) at Pezu

Inaugurated new production facility in Karachi

Became the largest cement exporter from Pakistan

2006
Started new production line (Line D) in Pezu

Started production in Karachi Plant (Lines E and F)

Became largest cement producer of Pakistan

Acquired transportation fleet of Bulkers and Ship loaders

2007
Became the first company to export loose cement through sea

2008

Set up its own cement storage facility at Karachi Port with the capacity of 24,000 tons

Conversion of furnace oil power generation engines to gas-based

Got listed in London Stock Exchange and became the first cement company in Pakistan to issue GDR

2009

Started the 7th production line (Line G) at Karachi Plant, bringing the total production capacity to 7.75 million tons per annum

2010

In line with our environment friendly policies, Waste Heat Recovery Project started operations at both Karachi and Pezu plants

Acquired multi-purpose trailers for moving all kinds of payload, either bagged or in raw form

2011

Set up a plant to replace coal with Tyre Derived Fuel (TDF) further reducing the cost of production and further encourage pro-environment policies

Started a JV cement plant in DR Congo

2012

Started supplying electricity to HESCO

Signed LOI for supply of electricity to PESCO

Invested in a joint venture of cement grinding plant in Iraq

Shares acquisition of ICI Pakistan Limited

YUNUS BROTHERS GROUP

Group Profile

The history of Yunus Brothers Group (YBG) can be traced back to 1962 when the foundation of a trading house was laid. The establishment of the fabric trading business house, which turned into one of the largest conglomerates in Pakistan in a period spanning four decades, served as the first milestone in this prolific journey.

Since then, Yunus Brothers Group has established various other business concerns in textiles, cement, construction and power generation sectors and has proved its business standing in local and international markets by virtue of its outstanding achievements. It proudly owns one of the largest cement manufacturing facility and the largest yarn manufacturing unit in the country.

The following companies are part of the Yunus Brothers Group:

1962

Yunus Brothers (YB)

In 1962, Yunus Brothers Group started as a trading house; exporting cotton yarn to Far-Eastern countries and gradually added other commodities in its business portfolio. It holds a strong reputation in provision of high-quality products; accompanied with reliability and excellent customer services.

1962

Fazal Textile Mills Limited (FTML)

Fazal Textile Mills Limited is one of the top spinning mills in the country. It specializes in producing Cotton Ring Spun Yarn. FTML is equipped with state-of-the-art machinery from world's renowned textile machinery manufacturers and has the capacity to produce around 150 M tons of yarn daily.

1983

Lucky Textile Mills Limited (LTML)

Lucky Textile Mills took off as a fabric manufacturing concern in 1983. However, it modified its operations and currently has transformed into a vertically integrated mill, having annual production capacity of 60 Million meters. LTML has also exported its products and enjoys a strong presence in the international markets.

1987

Aziz Tabba Foundation (ATF)

Social activism has always been a hallmark of YB Group. Aziz Tabba Foundation, started in 1983, serves as a testimony to the philanthropic spirit of the company's founders. The Foundation carries out various activities for social welfare of the community in areas of health, education and enhancing economic prosperity.

1988

Gadoon Textile Mills Limited (GTML)

Established in 1988, Gadoon Textile Mill's aim was to provide employment to the local natives of the Swabi District that used to rely on cultivation of poppy and opium on their lands for achieving their livelihood. Thus, not limited to a profit-making venture, GTML has a socially motivated reason as its essence. GTML holds the distinction of being the second largest textile mill in the world to introduce compact core spun yarn. However, in Pakistan, it's the largest spinning unit with an approximate number of 200,000 spindles under one roof.

1993

Lucky Cement Limited (LCL)

Lucky Cement Limited is Pakistan's largest cement manufacturing company with an annual production capacity of 7.75 million tons. LCL is also Pakistan's first and largest exporter of loose cement and is the only cement manufacturer to have loading and storage terminal at Karachi Port. Other exclusive attributes that allow Lucky Cement to stand ahead of its competitors are its unique supply chain function with specialized loose cement carriers and ship loaders.

1993

Lucky Energy Private Limited (LEPL)

In 1993, YB Group diversified in the energy sector with establishment of Lucky Energy which is a gas-based thermal power generation unit. It is equipped with one of the most sophisticated and highly-efficient generators from Caterpillar USA. LEPL not only fulfills energy requirements of the Group companies, but also sells electricity to the Government of Pakistan.

1995

Aziz Tabba Kidney Centre (ATKC)

Aziz Tabba Kidney Centre is a centre of excellence that provides cost effective and state-of-the-art dialysis facilities to the underprivileged section of the society. ATKC is also the only centre in Karachi where HB positive patients are treated separately.

1998

Yunus Textile Mills Limited (YTML)

Yunus Textile Mills Limited is the producer and exporter of home textiles and beddings accessories. It is a fully vertically-integrated textile manufacturing facility, from spinning to stitching, with the annual production capacity of 100 million meters. Although, the manufacturing facility is based in Karachi, the company has its distribution units in USA, Canada, France, United Kingdom and Spain.

2005

Tabba Heart Institute (THI)

Tabba Heart Institute, a state-of-the-art, yet not-for-profit cardiac hospital, was established with the aim to provide quality services and compassionate care at an affordable cost. THI is a 120–bed cardiac unit equipped with modern and up to date equipment, with renowned cardiologists and cardiac surgeons.

CHAIRMAN

Muhammad Yunus Tabba

Mr. Y. Tabba has taken Yunus Brothers Group to a level which is appreciated by local and international business communities.

Mr. Muhammad Yunus Tabba started his 40-year long career with Yunus Brothers Group 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 Yunus Brothers Group to a level which is appreciated by local and international business communities. Muhammad Yunus Tabba has also been awarded "Businessman of the Year" by the Chamber of Commerce, several times during his career.

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

Directorships

Lucky Cement Limited
Fazal Textile Mills Limited
Gadoon Textile Mills Limited
Yunus Textile Mills Limited
Lucky Energy (Private) Limited
Lucky Textile Mills Limited
Y.B. Pakistan Limited
Yunus Energy Limited
Lucky Holdings Limited
Lucky Air (Private) Limited
Fashion Textile Mills (Private) Limited
Security Electric Power Company Ltd

CHIEF EXECUTIVE

Muhammad Ali Tabba

World Economic Forum bestowed Mr. Muhammad Ali Tabba with the honor of Young Global Leader 2010.

Mr. Muhammad Ali Tabba took over the position of Chief Executive of the Company in 2005, succeeding his late father.
Mr. Tabba has been associated with the Yunus Brother's Group since 1990 when he started his career as a Director in the small family-owned commodity trading business. Since then, he has successfully reformed and expanded the companies he heads in the Group, which also includes Yunus Textile Mills, a leading name in the home textiles industry.

Mr. Muhammad Ali Tabba is a distinguished leader and has been actively involved in many welfare organizations as well. Mr. Tabba also serves as a Trustee of the Fellowship Fund for Pakistan, a Board formed to identify and sponsor 'Leaders' of the Country to polish their leadership skills. Due to his extensive engagement in many community welfare projects, he has received numerous recognitions and awards for his social interventions. Mr. Tabba is also on the Board of Governors at various Universities, Institutions and Foundations. He also manages the Group's own Aziz Tabba Foundation with welfare projects in the field of education, health, housing and other social needs.

Acknowledging the professional accomplishments, distinguished leadership and commitment to shaping a better future, World Economic Forum bestowed Mr. Muhammad Ali Tabba with the honor of Young Global Leader 2010.

Directorships

Lucky Cement Limited - Chief Executive
Gadoon Textile Mills Limited
Fazal Textile Mills Limited
Yunus Textile Mills Limited
Lucky Energy (Private) Limited
Lucky Knits (Private) Limited
Lucky Textile Mills Limited
Y.B. Pakistan Limited
Luckyone (Private) Limited
Yunus Energy Limited
Lucky Holdings Limited
Lucky Air (Private) Limited
Yunus Textile (Private) Limited
Fashion Textile Mills (Private) Limited
Security Electric Power Company Ltd
Lucky Paragon Readymix Limited

BOARD OF DIRECTORS

Muhammad Sohail Tabba

Mr. Muhammad Sohail Tabba has vast experience in the manufacturing sector since he started his career 20 years ago. Mr. Sohail Tabba is heading various spinning mills in the country as the Chief Executive.

He is also the Chairman of the Board's Audit Committee.

Directorships

Fazal Textile Mills Limited
Gadoon Textile Mills Limited
Lucky Cement Limited
Yunus Textile Mills Limited
Lucky Energy (Private) Limited
Lucky Textile Mills Limited
Lucky Knits (Private) Limited
Luckyone (Private) Limited
Yunus Energy Limited
Y.B. Pakistan Limited
Lucky Air (Private) Limited
Lucky Holdings Limited
Security Electric Power Company Ltd
Lucky Paragon Readymix Limited

Imran Yunus Tabba

Mr. Imran Tabba is the Joint Chief Executive of one of the renowned textile companies in Pakistan and manages the administrative function of its units located in various parts of Karachi. Mr. Imran Tabba has contributed significantly in the performance of the Board.

Directorships

Fazal Textile Mills Limited
Lucky Cement Limited
Yunus Textile Mills Limited
Lucky Textile Mills Limited
Lucky Energy (Private) Limited
Yunus Energy Limited
Y.B. Pakistan Limited
Lucky Holdings Limited
Yunus Textile (Private) Limited
Security Electric Power Company Ltd
Lucky Paragon Readymix Limited

Jawed Yunus Tabba

Mr. Jawed Tabba has a rich experience in the textile industry and is currently the Managing Partner and Chief Executive of a renowned textile mill. His untiring efforts helped him acquire deep insight and expertise of export and manufacturing activities. Mr. Jawed Tabba is also the Chairperson of Budget Committee of the Board.

Directorships

Fazal Textile Mills Limited
Lucky Cement Limited
Gadoon Textile Mills Limited
Yunus Textile Mills Limited
Lucky Energy (Private) Limited
Luckyone (Private) Limited
Feroze 1988 Mills Limited
Yunus Energy Limited
Y.B. Pakistan Limited
Lucky Textile Mills Limited
Lucky Holdings Limited
Yunus Textile (Private) Limited
Security Electric Power Company Ltd

Rahila Aleem

With a rich experience in the export industry, Mrs. Raheela Aleem has been previously involved in the export driven Textile Industry with a background in management and export quality assurance. Mrs. Raheela is an active Board Member and is also serving as a member in other Board Committees.

Directorships

Lucky Cement Limited
Fazal Textile Mills Limited
Yunus Textile Mills Limited
Yunus Energy Limited
Lucky Textile Mills Limited
Y.B. Pakistan Limited
Lucky Holdings Limited

Mariam Tabba Khan

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

Directorships

Lucky Cement Limited
Fazal Textile Mills Limited
Gadoon Textile Mills Limited
Yunus Textile Mills Limited
Lucky Energy (Private) Limited
Lucky Textile Mills Limited
Yunus Energy Limited
Y.B. Pakistan Limited
Lucky Holdings Limited
Lucky Air (Private) Limited
Fashion Textile Mills (Private) Limited
Security Electric Power Company Ltd
Lucky Paragon Readymix Limited

Manzoor Ahmed

With an experience of over 20 years in mutual funds industry, Mr. Manzoor Ahmed is the Chief Operating Officer of NIT. He represents NIT as a nominee director on the Board of Directors of Lucky Cement.

Directorships

Lucky Cement Limited
Bannu Woollen Mills Limited
Linde Pakistan Limited,
formerly: BOC (Pakistan) Limited
General Tyre & Rubber Co. Limited
Mari Gas Company Limited
Millat Tractors Limited
Nishat (Chunian) Limited
Service Industries Limited
Soneri Bank Limited
Lotte Pakistan PTA Limited

Ali J. Siddiqui

Mr. Ali Jehangir Siddiqui is the Managing Partner of JS Private Equity Fund. He is also a Director of JS Group and also served as an Executive Director of JS Investments. Mr. Siddiqui was also based in Hong Kong as a Director at Crosby. Apart from his professional commitments, he is a Board Member of Acumen Fund as well as the Mahvash and JS Foundation.

Directorships

Lucky Cement Limited
Jahangir Siddiqui & Co. Limited
Ghani Glass Limited

BOARD COMMITTEES

Audit Committee

Muhammad Sohail Tabba (Chairman)

Imran Yunus Tabba

Jawed Yunus Tabba

Mariam Tabba Khan

Ali J Siddiqui

Terms of Reference:

The terms of reference of audit committee were presented to the members as required under the Code of Corporate Governance and the same were approved by the Committee accordingly, content of which are as under:

1. determination of appropriate measures to safeguard the assests of the company;
2. review of preliminary announcements of results prior to publication;
3. 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;
    - the going-concern assumption;
    - any changes in accounting policies and practices;
    - compliance with applicable accounting standards; and
    - compliance with listing regulations and other statutory and regulatory requirements.
4. facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in absence of management, where necessary);
5. review of management letter issued by external auditors and managements response thereto;
6. ensuring coordination between the internal and external auditors of the company;
7. review the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
8. consideration of major findings of internal investigations and management's response thereto;
9. ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;
10. review of company's statement on internal control systems prior to endorsement by the Board of Directors;
11. instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
12. determination of compliance with relevant statutory requirements;
13. monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
14. consideration of any other issue or matter as may be assigned by the Board of Directors.

Budget Committee

Jawed Yunus Tabba (Chairman)

Muhammad Sohail Tabba

Rahila Aleem

Terms of Reference:

1. Review and analyze the annual and revised budgets as prepared by the Company and recommend the final budget to the Board for its approval.
2. Review and analyze the budget comparison with actual results on quarterly and annual basis and give appropriate direction for any corrective action in case of major variances.
3. To recommend any matter of significance to the Board of Directors.

Review of Terms of Reference

The terms of reference of the Committee may be revised and modified with the approval of the Board.

Human Resource and Remuneration Committee:

Mariam Tabba Khan (Chairperson)

Imran Yunus Tabba

Ali J. Siddiqui

Terms of Reference:

1. To review and advise on the Human Resource policies of the Company and its revision from time to time, as and when necessary.
2. To determine the remuneration and terms of service of the Chief Executive and other non-board Directors of the Company including their performance benefits and other benefits such as pensions, gratuity, car(s) allowances, and other contractual terms.
3. To ensure that the best practices are adopted by the Management of the Company with emphasis that:
    - The people of appropriately high ability and calibre are recruited, retained and motivated by offering market competitive packages.
    - Clear statement of job description and responsibilities for each individual position are defined for proper performance measurement.
    - Performance evaluation process / mechanism is in place and carried out annually.
    - Market competitive pay scales of comparable size and turnover companies are determined through independent sources and compared with Company's existing pay scale.
4. To review and advise on the training, development and succession planning for the senior management of the Company.
5. To devise a mechanism for the approval of HR related policies of the Company.
6. To recommend any matter of significance to the Board of Directors.

Review of Terms of Reference

The terms of reference of the Committee may be revised and modified with the approval of the Board.

Corporate Governance Committee

Manzoor Ahmed (Chairman)

Jawed Yunus Tabba

Rahila Aleem

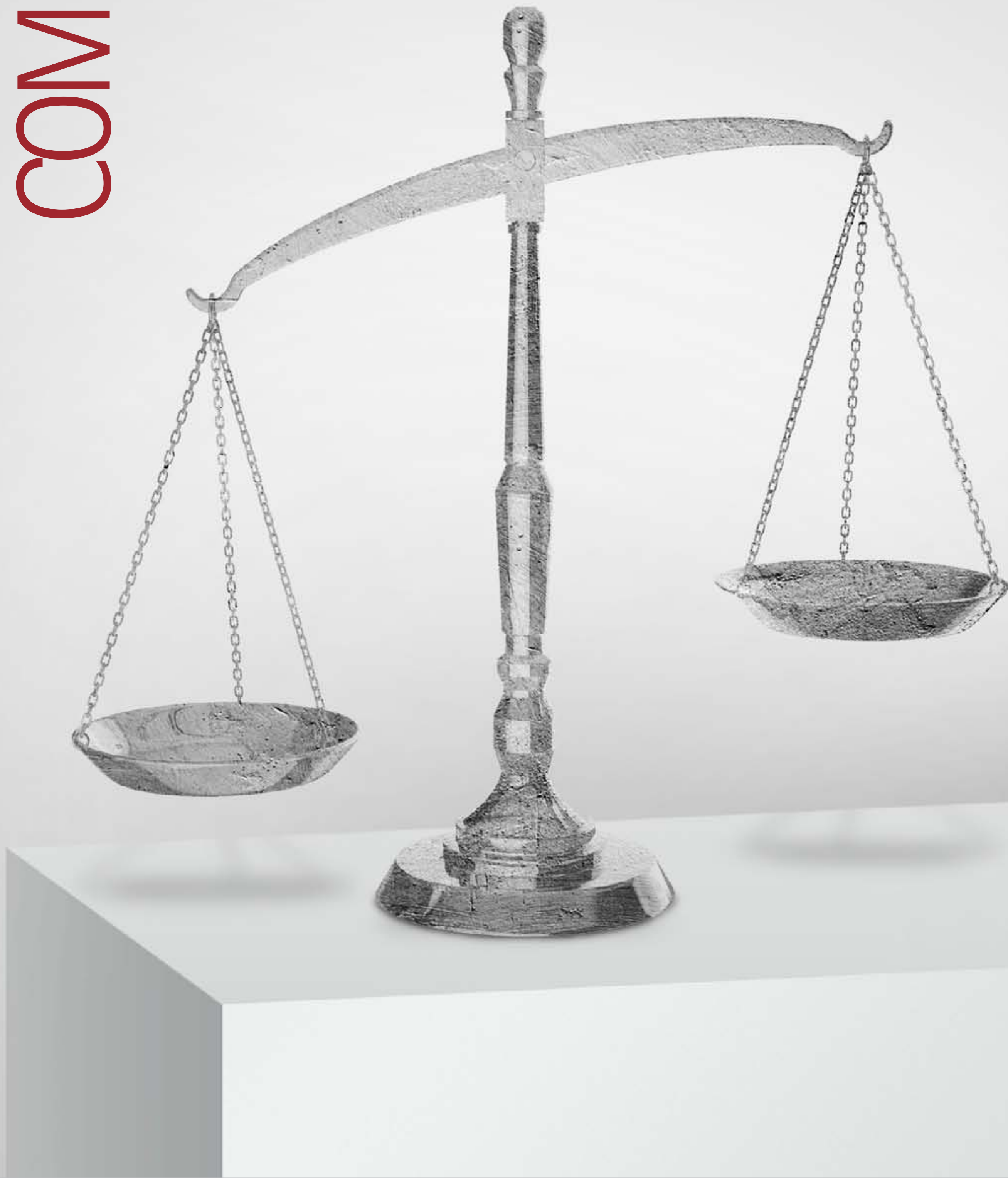
Terms of Reference

1. To adopt appropriate corporate governance policies and procedures with emphasis on the following and make appropriate changes whenever necessary:
   - The roles and responsibilities of the Board.
   - Duties and responsibilities of directors and officers.
   - Conflict of interest procedures.
   - Procedures for nomination, selection, and removal of directors.
   - Disclosures and transparency of the above policies.
2. To provide orientation and training programs for board members with emphasis on:
   - The organization's vision, mission and corporate strategy.
   - The organization's budget and financial statements and their analysis.
   - The roles, duties and responsibilities of the Board, committees, individual Directors and the non- board directors.
3. To review the Company's "Statement of Compliance with the Code of Corporate Governance Practices" set out in the Company's Annual Report on annual basis before publication.
4. To Review Report to the Members on Statement of Compliance with the Best Practices of the Code of Corporate Governance issued by the statutory auditors.
5. To identify and assess the potential probable compliance risk and to devise measures to mitigate the impact of its contingencies.
6. To recommend any matter of significance relating to the Corporate Governance to the Board of Directors.
7. To comply with the Code of Corporate Governance prevailing in Pakistan as well as to introduce International best practices.

Review of Terms of Reference

The terms of reference of the Committee may be revised and modified with the approval of the Board.

OUTWEIGHING COMPETITION



COMPETITIVE EDGES

Economies of Scale

The economy of scale enables Lucky Cement to maintain overhead cost and provides an edge over other competitors due to lower fixed cost per ton. Operational process cost is constantly monitored for increasing efficiency and reducing cost.

Energy Efficiency

Energy efficiency is a powerful and cost-effective path towards achieving a sustainable future. We have taken numerous initiatives towards saving energy. We have substantially reduced our Carbon Dioxide emissions by state-of-the-art Waste Heat Recovery Plant at our production facilities, which qualifies us for Carbon Credits. We are now planning to replace Coal burning by Tyre Derived Fuel (TDF). This project is a value-addition in the cement manufacturing sector as it contains about the same amount of energy as oil and 25% more energy than coal. This means that each ton of the TDF used can replace the impacts of 1.25 tons of coal and coal mining and reduces Carbon emission by 19%. Lucky Cement also has the credit of preparing feasibility and educating other players in the industry.

Infrastructure at Karachi Port

Lucky Cement has established a setup at Karachi Port, which has infrastructure and logistical arrangements to carry loose cement from its Karachi plant to the ports via its fleet of especially designed cement bulkers, with unique compressor system and capability of carrying up to 75 tons of cement.

For reducing the vessels idle time in turn making the shipments timely as per the customer requirements, Lucky Cement also installed cement storage silos at the port capable of storing 24,000 tons of cement and also setup automatic ship loaders at the site to make fully automatic loading from the silos when the vessels arrive. This system of discharging cement from the silos to the vessels at very fast discharge rates enables very quick loading time and ensures cement availability at the port anytime; thus playing a major role in increasing export capacity of the Company and making it a market leader in the country. This is a state-of-the-art project and is based on latest European technology and is a first of its kind in the South East Asia and Middle Eastern region. The loading capacity of this terminal is 10,000 to 12,000 tons per day of loose cement depending upon the size and construction of vessel(s).

Nationwide Brand

Lucky Cement has the advantage of being the only company that sells its products across Pakistan, from Karachi to Peshawar. This puts Lucky Cement in a position to advertise in the local market and create a first movers advantage in connecting with the local consumer. With this thought in mind, Lucky Cement revolutionized the industry by launching a world class television commercial to create Top of Mind Awareness for its brands across the Pakistani Consumer mind space. Lucky Cement's TVC, Tameer Sey Tabeer Tak, which is a first for the company and a first in the industry in over a decade, has proven once again that Lucky Cement is the leader in the cement category, whether we talk about exports, production processes, or advertising, Lucky Cement has always raised the bar for competition.

Dealers' Network

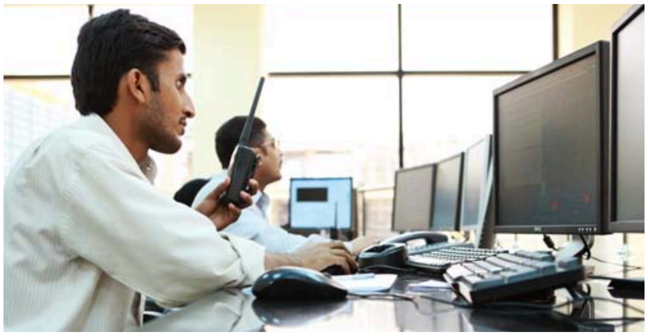
Dealers, retailers and block makers are an integral part of Lucky Cement's sales strategy. Our strong network of more than 200 dealers, located at strategic locations throughout the country, has enabled the company to create an impressive distribution system and access to markets, even in the remotest parts of the country.

Supply Chain Management

As we expand the depth of our operations, our main focus is being the industry trend-setter in a cost efficient manner. With the current market scenario, where only cost efficiency can help a company survive the competition, we are not only focused on cost reduction, but we aim at delivering the product to the right place at the right time. This calls for a well-defined integrated supply chain management program that offers high-quality and low-cost products within the shortest possible lead time. Our procurement process is directly beneficial for all the stakeholders. Our combined purchase strategies give us leverage and add to our negotiation strength. We have redesigned our internal process in a way that it is in the best interest of all the stakeholders. Our team consists of individuals with the ability to network and coordinate with our purveyors of goods, service, transportation and warehousing.

State-of-the-art Technology

Lucky Cement has established sound reputations for quality, reliability, and customer service by giving major emphasis to manufacture high quality cement by stringent quality control techniques, computerized control system using advance state of the art sophisticated equipment like Distributed Controllers, PLCs and online X-ray Analyzers.



Smart Logistical Set-up

Making logistical arrangements easier, Lucky Cement acquired multi-purpose trailers, capable of moving any kind of consignment, either bagged or in raw form. This has made LCL the first cement producing company to have its own multi-purpose transportation system.

Earlier, we had the unique facility of transporting loose cement through specialized Bulkers. However, in order to optimally utilize the resources, Lucky Cement acquired multi-purpose trailers to move all kinds of payload. We worked tirelessly to turn this idea into a workable reality and set a new trend in the cement industry. These trailers are used to transport bagged cement from factory to port and on return they carry Coal from port to factory. These trailers can carry goods up to 80 tons. This venture does not only strengthen the overall logistical capacity of Lucky Cement, but also reduces heavy transportation cost and the cost of outsourcing transport contractors.

IT Development

With growing business needs, we have adopted customized management information systems to provide efficient business solutions. Therefore, our management team played a strategic role in process development and meeting the ever-increasing business challenges.

We have migrated our information management systems to an advanced version of Oracle 10G, giving a new interface and updated technology to our in-house developed application modules.

Investment in international projects

Maintaining the leadership in Pakistan, Lucky Cement has expanded its horizon in the international front by investing in a project in DR Congo. Lucky Cement formed a joint venture with Group Rawji of Democratic Republic of Congo to build a 1.18 million-ton capacity plant in Congo, which is expected to take an estimated time of three years for completion.

This is a result of our foresightedness as Lucky Cement sees this project as an opportunity to have strong footing in the African region and a way to reach the neighboring markets. Lucky Cement has also signed a contract for the supply of plant and machinery to a cement grinding plant in Basra, Iraq. The project team has also been mobilized at the project site for a seamless execution.

Strategic Changes in Organizational Operations

We have changed our organizational design as such that we are now a matrix organization, having functional reporting structures and our Governance body is in line with the best Corporate Governance practices. We have grown from being an owner-managed company to pro-employee company, focused on people development and professional management.

SENIOR MANAGEMENT

Muhammad Ali Tabba
Chief Executive

Muhammad Abid Ganatra
Director Finance

Noman Hasan
Chief Operating Officer

Intisar-ul-Haq-Haqqi
Director Power Generation

Kalim Mobin
Director Marketing (North)

Humayun Khan
GM Govt. Relations & Administration (Islamabad)

Muhammad Shabbir
GM Pezu Plant

Mashkoor Ahmed
GM Karachi Plant

Syed Najmul Absar
GM Power Plant (Pezu)

Syed Hasan Mazhar Rizvi
GM Power Plant (Karachi Plant)

Syed Nusrat Ali
GM Production (Karachi Plant)

Saifuddin A. Khan
GM Marketing (South)

Muhammad Suhail
GM Finance

Moez Narsi
GM Audit

Faiz Durrani
GM Legal & Corporate Affairs

Waqas Abrar
GM Human Resources


Muhammad Ali Tabba
Chief Executive

CEO's MESSAGE

I take pleasure in stating that the year under review has ended as the best performing year in the history of your company. Despite the economic and industrial challenges, our people performed with great pride and commitment. Your Company witnessed a phenomenal growth and expanded its sales revenue level by 28% from last year and recorded highest after tax profits.

As part of our strategy to diversify our business interests, we have invested in major projects this year. We have gone beyond borders to set up Cement and Grinding units in D.R. Congo and Iraq; while we have also invested in an upcoming Windmill Energy Plant with our sister-concern. Another major investment was made in acquiring ICI Pakistan along with our Group Consortium, which will put us in forefront of the Chemicals and Pharmaceutical industry. From this year, your company has also started selling surplus electricity to Hyderabad Electric Supply Company (HESCO) which will earn additional income to off-set the increasing cost of production.

With our unwavering commitment for the future, we are dedicated to expand your company locally as well as internationally. Your company is also planning to increase its production capacity to expand its outreach. We will ensure that your company remains the leader in the domestic market while exploring new opportunities in exports. We hope to continue on our path of success with hard work and dedication while remaining true to our core values.


CENTRAL
CONTROL ROOM

DIRECTORS' REPORT

The Directors of your Company have the pleasure to present before you the annual report of your Company with audited financial statements for the year ended June 30, 2012.

OVERVIEW

We are pleased to report that, with the blessings of Almighty Allah, the financial year under review was concluded as the best performing year in the history of your Company. Your Company managed to register a new sales revenue level of Rs. 33.322 billion which was increased by 28% over the preceding year. Your Company generated a cash inflow of Rs. 10.138 billion from the operations and managed the highest ever after tax profits of Rs. 6.782 billion for the year under review. Resultantly, your company has a surplus net debt balance as on June 30, 2012.

By the grace of Almighty Allah, your Company also recently acquired a 75.81% shareholding in ICI Pakistan Limited from Omicron B.V., a 100% owned subsidiary of AkzoNobel N.V. Netherland in consortium with other group entities and jointly signed a Share Purchase Agreement in Amsterdam, Netherlands on Friday July 27th 2012.

The financial year under review was a milestone year for the cement industry as well as the highest ever annual domestic sales volume of 23.95 million tons was achieved in the history of the Country. The industry recorded total sales volume of 32.52 million tons for the year which was increased by 3% over preceding year. The domestic sales volume registered a handsome growth of 9% whereas export sales volume contracted by 9% and recorded at 8.57 million tons for the year compared to 9.43 million tons exported last year.

Your Company witnessed 3% growth in overall sales volume during the year under review and achieved 5.97 million tons cement sales. The domestic sales volume registered a handsome growth of 7% over preceding year whereas export sales volume registered a decline of 4% from 2.36 million tons last year to 2.25 million tons during the financial year under review.

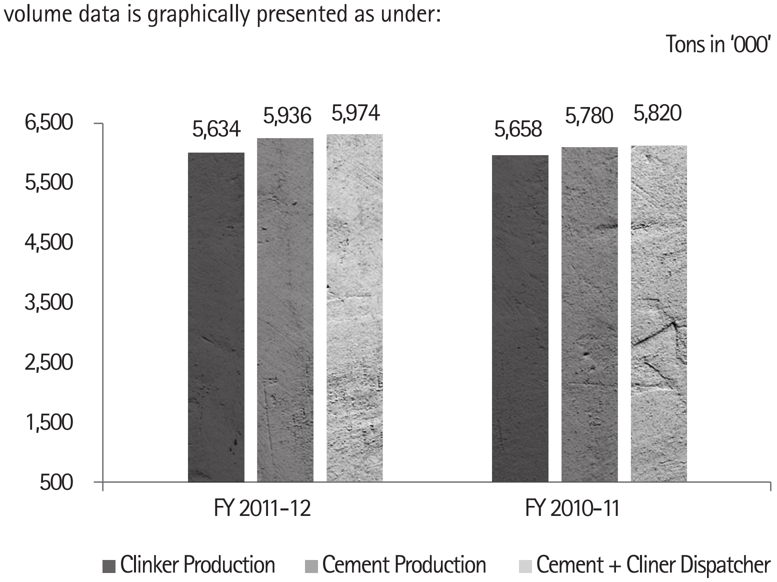
BUSINESS PERFORMANCE

(A) Production & Sales Volume Performance

The production statistics of your Company for the financial year under review as compared to same period last year is as under:

Particulars	FY 2011-12	FY 2010-11	Increase/(Decrease)%
	-------------- Tons	----------------	
Clinker Production	5,633,811	5,658,353	(0.43%)
Cement Production	5,935,790	5,779,710	2.70%
Cement + Clinker Dispatches	5,973,960	5,819,673	2.65%

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



A comparison of the dispatches of the industry and your Company for the financial year ended on June 30, 2012 with the same corresponding period last year is as under:

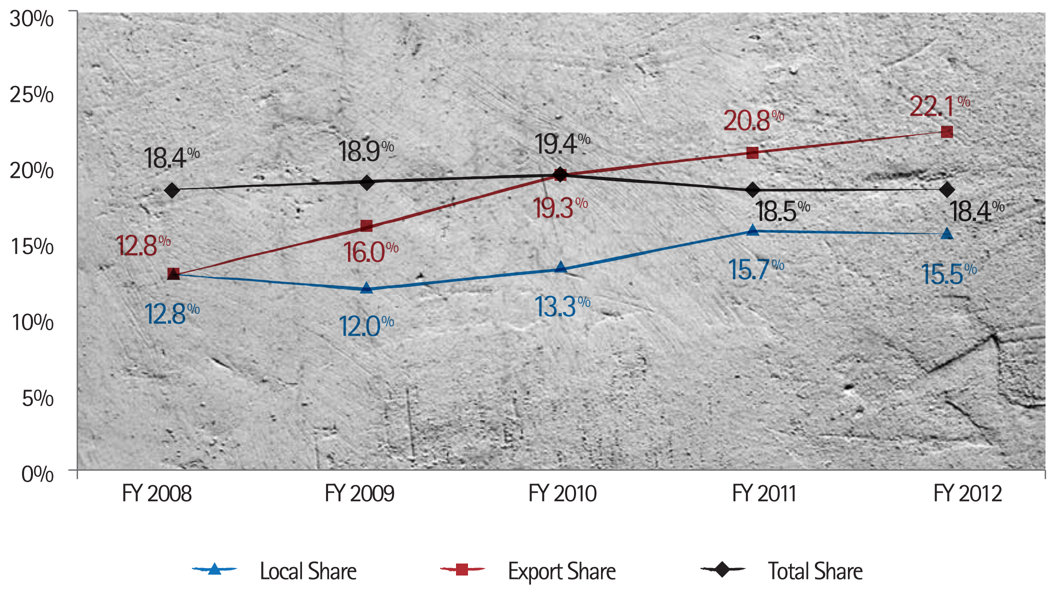
Particulars	FY 2011-12 (Tons)	FY 2010-11 (Tons)	Growth / (Decline) (Tons)	%
Cement Industry				
Local Sales	23,947,161	22,001,964	1,945,197	9%
Export Sales				
Cement				
- Bagged	8,110,217	8,690,876	(580,659)	(7%)
- Loose	457,612	536,899	(79,287)	(15%)
Sub-Total	8,567,829	9,227,775	(659,946)	(7%)
Clinker	3,955	200,168	(196,213)	(98%)
Total Export	8,571,784	9,427,943	(856,159)	(9%)
Grand Total	32,518,945	31,429,907	1,089,038	3%
Lucky Cement				
Local Sales	3,722,420	3,464,300	258,120	7%
Export Sales				
Cement				
- Bagged	1,789,973	1,804,375	(14,402)	(1%)
- Loose	457,612	513,899	(56,287)	(11%)
Sub-Total	2,247,585	2,318,274	(70,689)	(3%)
Clinker	3,955	37,099	(33,144)	(89%)
Total Export	2,251,540	2,355,373	(103,833)	(4%)
Grand Total	5,973,960	5,819,673	154,287	3%

Market Share

LCL - Market Share (%)	FY 2011-12	FY 2010-11
Local Sales	15.5%	15.7%
Export Sales		
Cement		
- Bagged	22.1%	20.8%
- Loose	100.0%	95.7%
Sub-Total	26.2%	25.1%
Clinker	100.0%	18.5%
Total Export	26.3%	25.0%
Grand Total	18.4%	18.5%

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

Yearwise LCL Market Share



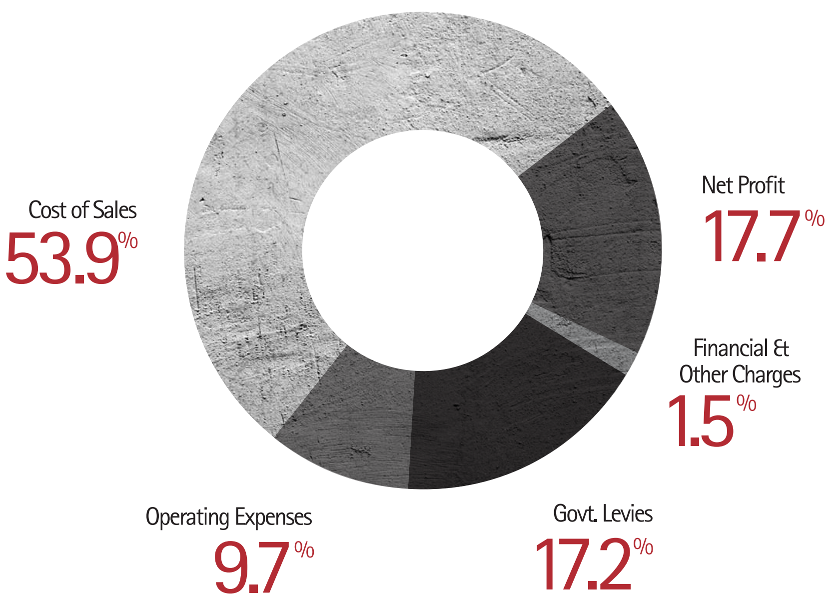
(B) Financial Performance

A comparison of the key financial results of the Company for the financial year ended on June 30, 2012 with the same period last year is as under:

Particulars	FY 2011-12 (Tons)	FY 2010-11 (Tons)	% Change
Sales revenue	33,323	26,018	28.08%
Gross profit	12,721	8,711	46.03%
Operating profit	9,010	5,161	74.58%
Profit before tax	8,324	4,321	92.66%
Net profit after tax	6,782	3,970	70.82%
Earnings per share	20.97	12.28	70.82%

* Rupees in Million except EPS.

Distribution of Revenue- FY 2011-12

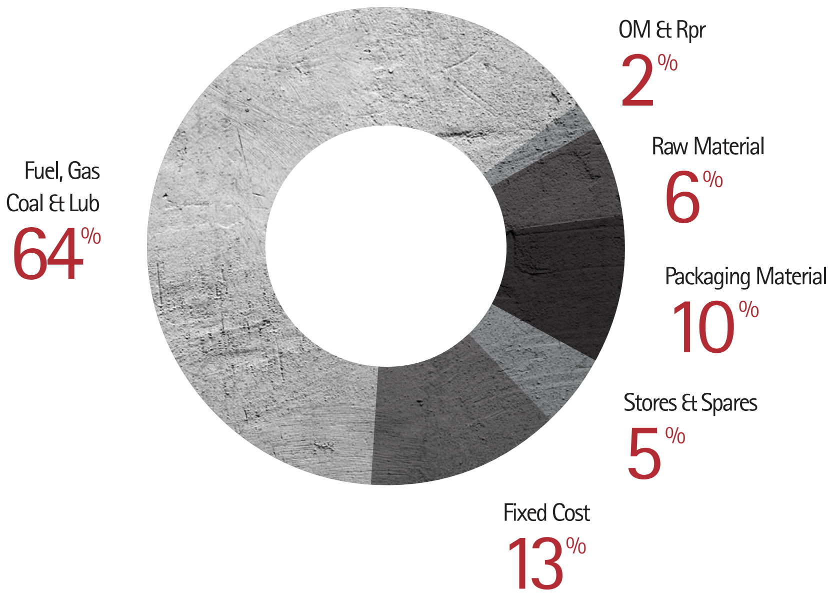


Revenues

During the year under review, your Company achieved an overall net sales revenue growth of 28% attributed to 3% increase in volume and 25% increase in net retention. The domestic sales revenue registered a robust growth of 42% because of better prices of cement compared to last year on the back of increase in cost of production.

Your Company derived 62% of its revenue from domestic sales whereas the export sales accounted for 38% of its revenue during the financial year under review.

Distribution of Cost - FY 2011-12

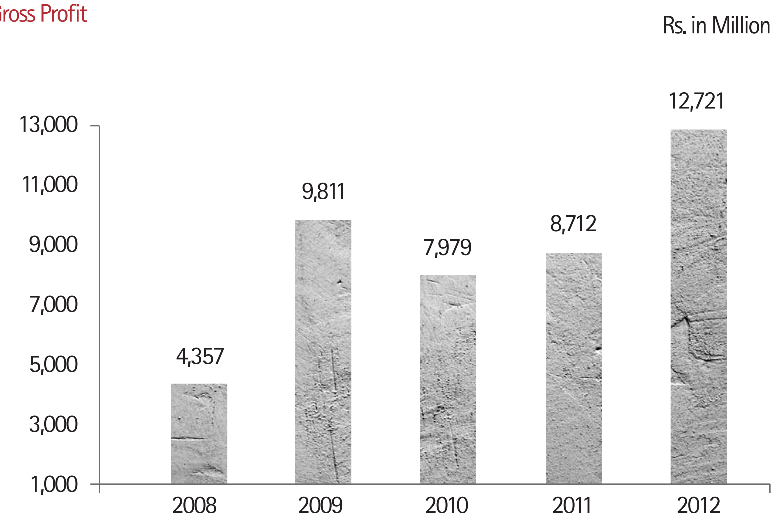


Cost of Production

The per ton cost of sales of your Company was increased by 15.9% during the financial year under review which was attributed to increase in raw material, fuel and energy cost, salaries and wages as well as other manufacturing cost.

The raw material cost was increased by 21%. The fuel and energy cost increased by 21% and other cost components consisting of salaries and wages, store and spares, depreciation and other manufacturing expenses were increased considerably.

Gross Profit



Gross Profit

Your Company achieved a gross profit rate of 38.2% for the year ended June 30, 2012 compared to 33.5% achieved during the same period last year.

Financial Cost

The financing cost of your Company during the year under review decreased to Rs. 253.23 million from Rs. 517.79 million during the same period last year.

Distribution cost

The percentage of distribution cost to exports sales was 23.4% for the year under review which was 26.4% last year.

Deferred Taxation

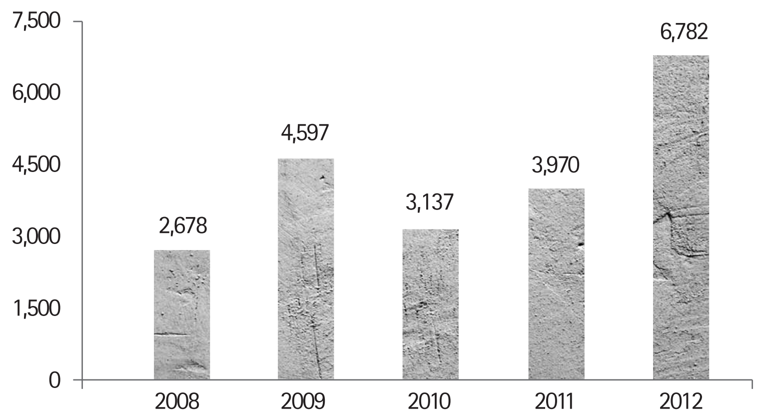
A deferred tax provision of Rs. 1.208 billion has been provided in the profit and loss account for the year under review making the cumulative deferred tax liabilities to Rs. 2.861 billion as on June 30, 2012.

Profit Before & After Tax

Your Company earned a before tax profit of Rs. 8.32 billion and after tax profit of Rs. 6.782 billion for the year under review compared to Rs. 4.32 billion and Rs. 3.97 billion respectively.

Net Profit

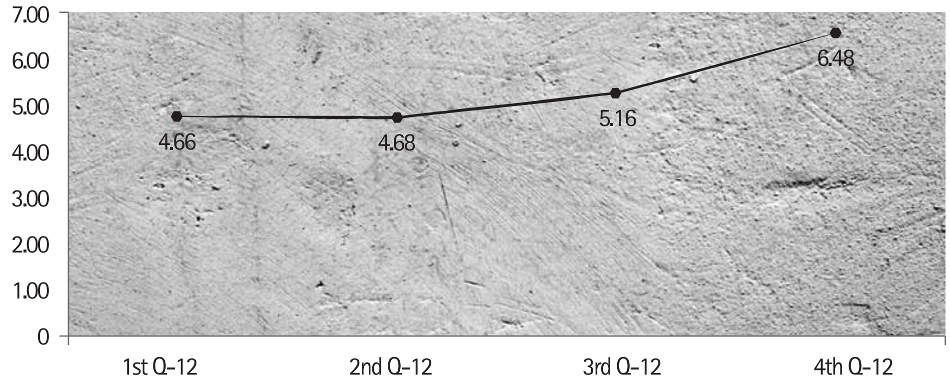
Rs. in Million



Earnings per share

The earnings per share of your Company for the year ended June 30, 2012 was Rs. 20.97 which registered a robust growth of 70.82% over preceding year.

Quarter wise EPS Trend



Capital Expenditures

During the period under review, your Company incurred capital expenditures on various projects comprising of TDF/RDF plant as well as new Packing Plant for Karachi Project.

Cash Flow Strategy

The Company has an effective Cash Flow Management System in place whereby cash inflow and outflows are projected on regular basis. Working capital requirements are planned through internal cash generations and short term borrowings.

During the year under review, an amount of Rs. 10.139 billion was generated from operating activities of the Company which was spent mainly on repayment of long and short term loans amounting to Rs. 6.567 billion, payment of dividends Rs. 1.283 billion and capital expenditures of Rs. 1.051 billion.

The Board is satisfied that there are no short or long term financial constraints because of efficient and timely debt discharging history with efficient financial management.

PROGRESS ON ONGOING PROJECTS

Supply of Power to HESCO

During the year under review, the project of electricity supply to HESCO was also successfully completed whereby a grid station and 22 KM interconnection lines were successfully installed. Resultantly, Your Company started supply of electricity to HESCO with effect from July 01, 2012.

Ventomatic Packing Plant

During the year under review, your Company has also successfully installed an European origin packing plant at Karachi project to further streamline its cement bagging requirements due to increase in local market share and higher export volume of bagged cement.

Alternative Fuel (RDF / TDF Plant)

During the year under review, an alternate fuel replacement plant was successfully commissioned to replace coal with used Tyres Derived Fuel and Residue Derived Fuel which also started smooth operations to replace upto 20% of coal with other cheap alternative fuels.

Investment in Projects

Investment in ICI Pakistan Business Acquisition

The acquisition of ICI Pakistan shares was a part of your Company's strategy to diversify its business into four well established business segments of Soda Ash, Polyester Fiber, Life Sciences and Chemicals which are integral to the economic fabric and opportunities in Pakistan.

The ICI Pakistan has a rich successful track record and strong corporate brand equity supported with highly organized infrastructure and dynamic management which provide a solid platform for robust future growth prospects.

Your Company in consortium with other group entities has signed a share purchase agreement for 75.81% shareholding in ICI Pakistan Limited with Omicron B.V., a 100% owned subsidiary of AkzoNobel N.V. Netherland at a bid value of USD 152.5 million (payable in equivalent Pak Rupees) which will be subject to certain adjustments based on lock box mechanism for cash and indebtedness to be ascertained as per the terms of the agreement.

The financing of this transaction has been planned in a manner to carry minimal debt on the books of your Company without compromising on its future growth prospects.

Joint Venture Investment in Cement Plant in DR Congo

The plant and machinery for this project has been finalized and negotiated with the European supplier whereas the terms of project financing are being finalized. The project team is in process of negotiating the concession agreement with the Congolese Government.

Joint Venture Investment in Cement Grinding Facility in Iraq

The contract for the supply of plant and machinery for this project has been signed and the project team has also been mobilized at the project site.

Equity Investment in Associated Company For 50 MW Wind Farm

The required approval for investment in the equity of 50 MW Wind Farm being setup by associated company under the name of "Yunus Energy Limited" has been granted by our shareholders in an extraordinary general meeting held on 31st May 2012. The total project cost is estimated at USD 143 million which would be financed through 20:80 debt equity ratio. Your Company would contribute USD 4 million towards 13.79% share of its equity in the proposed project.

Code of Corporate Governance

The Directors of your Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Rules of the Stock Exchanges in the country under instructions from the Securities & Exchange Commission of Pakistan. We are taking all the necessary steps to ensure Good Corporate Governance in your Company as required by 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 Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and is being effectively implemented and monitored. The function of internal audit has been outsourced to M/s. M. Yousuf Adil Saleem & Co. a member firm of Deloitte Touché Tohmatsu., Chartered Accountants.
- The Company has a very sound balance sheet with excellent debt equity ratio and therefore there is no doubt at all about 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.
- We have an Internal Audit Committee the members of which are amongst from the Board of Directors.
- We have prepared and circulated a Statement of Ethics and business strategy among directors and employees.
- The Board of Directors has adopted a mission statement and a statement of overall corporate strategy.
- As required by the Code of Corporate Governance, we have included the following information in this report:
  - Statement of pattern of shareholding has been given separately.
  - Statement of shares held by associated undertakings and related persons have been given separately.
  - Statement of the Board meetings held during the year and attendance by each director.
  - Key operating and financial statistics for last five years has been given separately.

Attendance of Directors At Board Meetings

During the year under review four board meetings were held and attendance of each director is as under:

S.#	Name of Directors	No. of Meeting Attended
1	Mr. Muhammad Yunus Tabba	4 / 4
2	Mr. Muhammad Ali Tabba	4 / 4
3	Mr. Muhammad Sohail Tabba	3 / 4
4	Mr. Imran Yunus Tabba	3 / 4
5	Mr. Jawed Yunus Tabba	4 / 4
6	Mrs. Rahila Aleem	4 / 4
7	Mrs. Mariam Tabba Khan	4 / 4
8	Mr. Manzoor Ahmed	1 / 4
9	Mr. Ali J. Siddiqui	2 / 4

Corporate Performance Highlights

Being a socially responsible corporate citizen, your Company has been actively supporting and promoting projects for promoting education in the country, providing medical assistance to underserved segments of the society and developing host communities.

Corporate Social Responsibility

Your Company mainly focused towards educational assistance to deserving students aspiring to pursue their professional studies in renowned local and international universities and developmental activities in close proximity to our plants. Your company is now working to construct a model village in partnership with Karachi Relief Trust to accommodate 1000 households with housing units in Sindh and some parts of Punjab province. We also partnered up with another NGO for construction of primary schools in slum areas of Karachi.


تعمیر سے تعمیر تک

Environmental Protection Measures

Your Company always ensures environment preservation as front line demeanor in adopting all the possible means for environment protection. We have been taking various steps to ensure minimal dust and gaseous emission from our plant and our production lines are installed with pollutant trapping and suppression systems to control dust particles and other emissions. A green belt around both production facilities also has been developed.

Community Investment & Welfare Schemes

Your Company as a conscious corporate citizen is constantly working to promote an active role in contributing towards a sustainable future and the welfare of the society at large. Your Company is working on various community development programs which include a health dispensary, women & children hospital, primary school in Pezu and renovation and upgrading of the D.I. Khan Airport.

National Cause Donations

Your company was one of the active participants in flood relief efforts and contributed generously towards providing relief to more than 15,000 households by donating food hampers, medicines and other items of daily necessity. Tents for shelter, comforters and sheets were also distributed among the flood victims.

Contribution to National Exchequer

Your Company contributed an amount of Rs. 6.56 billion (2011: Rs. 6.38 billion) into the Government Treasury on account of taxes, levies, excise duty and sales tax. Moreover, precious foreign exchange to the tune of USD 144.865 million approx. was also earned for the Country from export of cement during the year under review.

Occupational Safety & Health

Your Company ensures that all employees are protected from anything that may cause harm and risks to injury or health that could arise at the workplace. Awareness workshops are also held regularly to educate employees about basic first-aid, basic life support and fire-fighting trainings to have a safe and preventive work environment. Your Company also provides essential clinical, preventive and primitive healthcare, and working towards sustainable community health action.

Rural Development Programs

Your Company is the highest employment provider in the cement industry and provides direct and indirect employment for countless individuals including dealers, wholesalers, retailers, vendors, transporters and construction industry. The clean drinking water project provides benefit to around 2000 households residing in Pezu, Moreover, a transformer for uninterrupted supply of electricity to the localities in the outskirts of Pezu district has also been installed. We are, and will always remain active in building our nation and fulfill our responsibility of being a responsible corporate citizen.

Future Outlook

The financial year under review was the best ever year for cement industry in terms of domestic sales mainly on the back of agriculture support prices, hefty foreign exchange remittances from overseas Pakistanis and the reconstruction activities in the flood affected areas. The consumption of the cement in the country is expected to increase during the next financial year because of anticipated spending on public sector development projects by the government in the view of upcoming National elections.

The proportion of cement export to Afghanistan has increased considerably over a period of time and this trend is expected to continue in future because Afghanistan is our natural export market and we will be the net beneficiary for their increase in consumption of cement. Moreover, there still exists cement export prospects to the regional countries like Sri Lanka and Iraq as well as certain African countries by sea route.

Dividend

The Board is pleased to propose a dividend of Rs. 6/- per share for the financial year ended June 30, 2012. The appropriations approved by the Board of Directors are as follows:

Appropriation:	Rs. in '000'
Profit after Taxation	6,782,416
Un-appropriated profits from prior year	902,157
Available for appropriation	7,684,573
Subsequent Effects:	
Proposed dividends for the year on ordinary shares @ Rs. 6/-	1,940,250
Proposed transfer to General Reserves	5,000,000
	6,940,250
Un-appropriated profit carried forward	744,323

Auditors

The Auditors, M/s. Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants, retire and being eligible have offered themselves for reappointment.

Acknowledgement

Your Directors take this opportunity to express their deep sense of gratitude to the bankers and financial institutions that extended assistance in financing to the Company, supplier and contractors for their continued support.

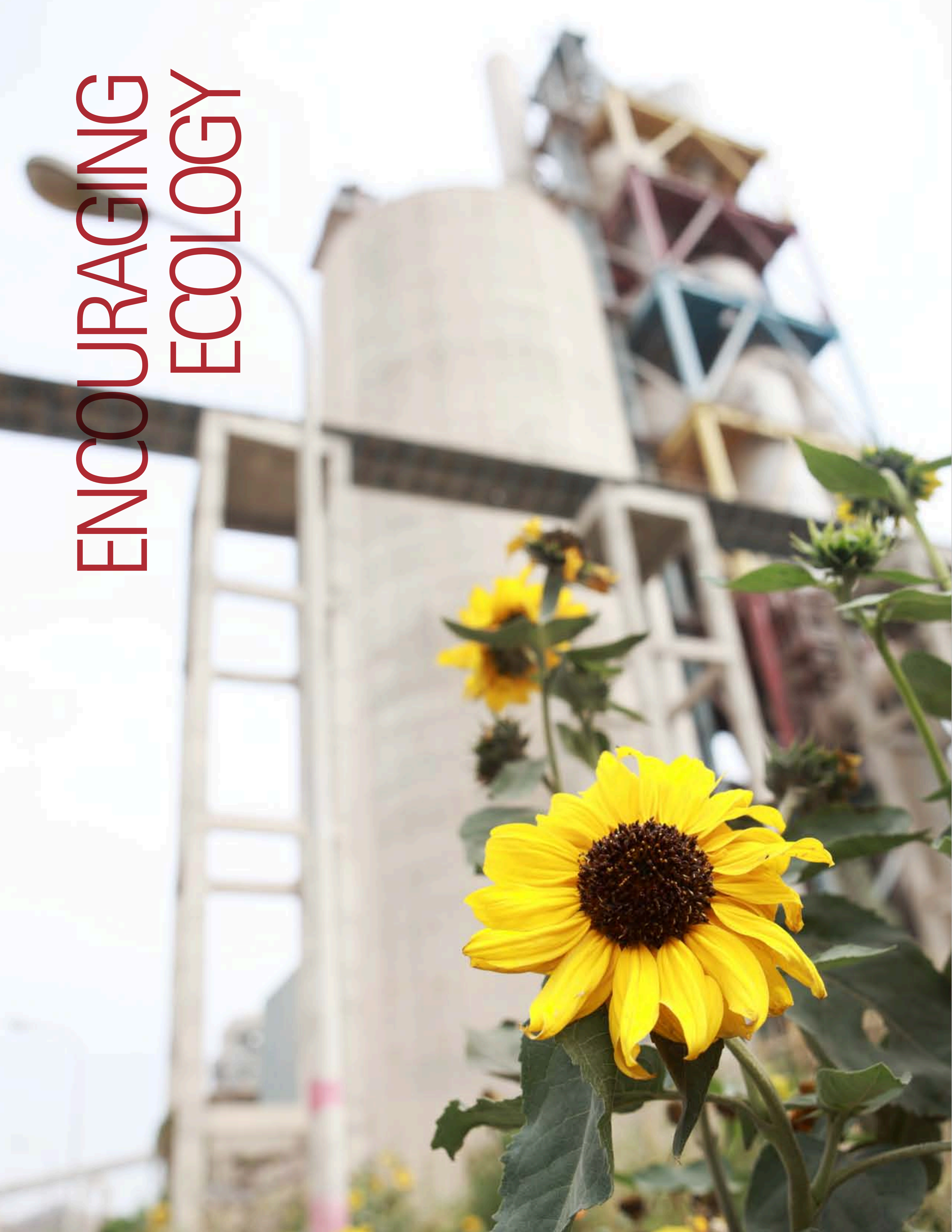
We would also like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Lucky family. To them, goes the credit for the Company's achievements.

And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

On behalf of the Board

MUHAMMAD YUNUS TABBA
Chairman / Director
Karachi: August 15th 2012.

ENCOURAGING ECOLOGY



Leading the way in Environmental Revolution

Lucky Cement, being the largest cement producer in Pakistan and one of the biggest exporters, has taken another lead by shifting from coal to Tyre Derived Fuel (TDF), generated by burning shredded tyres. The TDF plant has been installed at Lucky Cement's plant in Karachi. Lucky Cement has invested approximately one billion Rupees in this project.

The proposed activity of using scrap tyres as supplemental fuel / energy source is less expensive than fossil fuels and offers the potential advantage of decreasing Carbon emissions. This project is a value-addition in cement manufacturing sector as it contains about the same amount of energy as oil and 25% more energy than coal. This means that each ton of the TDF used can replace the impacts of 1.25 tons of coal and coal mining and reduces Carbon emission by 20 - 25%.

Scrap tyres are a sound source of energy generation and TDF Plant is an effective and environment friendly way of dumping and disposal of used tyres. Apart from tyres, Lucky Cement is also considering using other alternative fuels from raw materials like Municipal Solid Waste (MSW) and Rice Husk, which are known as Refused Derived Fuel (RDF). The installation and commissioning of TDF and RDF plants will reduce Lucky Cement's operational costs by 25 – 30%, thus providing yet another cost-effective business solution.

Waste Heat Recovery

Another pro-environment and cost effective initiative of Lucky Cement is the Waste Heat Recovery (WHR) Plant through which LCL has substantially reduced its cost by co-generating electricity by the wasted heat, which was previously being fed to the atmosphere. This power generation unit does not need any external fed fuel to operate, but it uses the wasted heat from the system as its fuel. Thus the Company is saving cost, environment and curtailing its energy needs in a unique way.

The design of this plant hinges around the idea of encapsulating all the wasted heat from the production system and using this steam to heat up boilers which eventually runs the turbine, thus producing electricity. The estimated annual CO_2 reduction by virtue of WHR plant at Pezu is 29,918 metric tons and by virtue of Dual Fuel conversion of Furnace oil engine is 29,000 metric tons and WHR at Karachi Plant is 50,000 metric tons.

Other Eco-Friendly initiatives of Lucky Cement

Cement production is one of the most energy intensive industrial processes in the world. In many regions, energy cost is 50% to 60% of the direct production cost of cement. Energy cost is incurred due to the need for large quantities of thermal heat for the kiln, calcinations and drying processes and electrical energy for operation of motors for grinding mills, fans, conveyers and other motor driven process equipment.

Lucky Cement primarily relies on coal for the thermal heat requirement and on natural gas for the generation of electricity for all of its electrical energy requirements. Lucky Cement has in-house power generation units at both its Karachi and Pezu Plant, producing 175 MW of energy. All the power generation units have been converted from Furnace Oil to Natural Gas, to ensure environmental efficiency. A total of 488,123,000 kWh of electricity was generated during the year through the use of Natural Gas. The Company saved approximately 29,000 tons of CO_2 emission annually by converting its power generation from HFO to Natural Gas.

Being the domestic leader, Lucky Cement undertakes the responsibility of driving all the resources and human intelligence towards a comprehensive strategy which ensures that the reductions in environmental degradation are meaningful and sustainable and not just profit oriented. This way, Lucky Cement has yet again adopted a pioneering stance in being an environmentally aware and responsible organization.

EMPOWERING RESPONSIBLY

Community Development Projects

Water supply scheme at Pezu

Lucky Cement established water supply scheme and distribution lines to provide clean drinking water to the residents of Pezu. The 9 Km long water supply line provides clean drinking water facility to the residents of the rural localities situated in the outskirts of Pezu town. The distribution line starts from Lucky Cement's Pezu Plant and provides water to outskirts of Pezu by connecting with two wells made by LCL. From these wells, water is then passed to the old distribution lines and hence spreads all over Pezu. This water supply line provides drinking water to almost 70% of the population of Pezu, which is equal to 5,000 households. Outside Pezu, almost 2,000 households get water from these lines.

Model Village in DI Khan

After providing relief to the affectees of the massive destructions caused by floods and heavy rains last year, Lucky Cement focused all the efforts towards rehabilitation of the IDPs. Lucky Cement generously donated cement bags to the Pak Army for the construction of a model village in Dera Ismail Khan.

DI Khan Airport Renovation

LCL also took responsibility of the renovation of DI Khan Airport as a welfare gesture for the locals of the area and to boost overall commerce and economy. Upgrading of the airport exterior and interior has been completed, along with provision of furniture for both arrivals and departure lounges.

Education

Karachi School of Business and Leadership (KSBL)

Karachi Education Initiative (KEI) is a not-for-profit organization, being run by group of diverse business leaders. KEI is establishing a world class graduate and post graduate level school in Karachi by the name of Karachi School of Business and Leadership (KSBL). KEI has partnered with Judge Business School (JBS) of the University of Cambridge for KSBL's curriculum designing, teaching material development, faculty formation, technological assistance and executive educational development.

To support the cause, Lucky Cement has donated a generous amount of Rs. 100 million for the construction of this world-class institution. Mr. Muhammad Ali Tabba also serves on the Board of Directors of KEI and is playing an active role in establishing this center of excellence.

The Hub School Project

The Hub School Project, which is located near Hub Dam Road in Karachi, is spread over a land area of 250 acres out of which, 190 acres is reserved for construction of a girls' boarding school, a university, playground, parks and residential facility for the staff. Lucky Cement has contributed generously in the construction of this non-profit school meant to educate the underprivileged children of the surrounding areas, especially females.

Partnership in Project Kitab with Concern for Children Trust

At Concern for Children Trust, Lucky Cement provided material support of cement to renovate three schools located at Machar Colony, a slum in the suburbs of Karachi. The company is also sponsoring the development of the syllabus for the participating school.

Scholarships / Educational Assistance

Lucky Cement offers various scholarship programs for students studying in numerous prestigious institutions across Pakistan to ensure that talented young Pakistanis have access to quality education regardless of their financial stature.

• Institute of Business Administration (IBA)

In memory of its late founder and Chairman, Lucky Cement has established an ongoing scholarship at IBA called "Lucky Cement – Abdul Razzak Tabba Scholarship" for the students who are exceptional in academics, but are in need of financial assistance.

• Scholarship Program for the students of Pezu

Lucky Cement's management in Pezu has initiated a merit cum need based scholarship scheme for the local students of Graduate and Post Graduate levels, registered with HEC recognized institutions to enable them to acquire higher education.

• Institute of Business Management (IoBM)

Lucky Cement has also setup a need-cum-merit scholarship at IoBM, needy students are thus referred by the institute administration to the Company for assistance.

• Lahore University of Management Sciences (LUMS)

Lucky Cement has joined hands with Lahore University of Management Sciences (LUMS) to set up a scholarship program to sponsor students of LUMS – National Outreach Program (NOP). Through this Outreach program, students from far flung areas of Pakistan are selected and provided full funding for education. The first batch of 23 Lucky Cement Scholars will graduate in 2014.

World-Class Primary School in Pezu

LCL is all set to construct a world-class primary school, near its factory in Pezu, District Lakki Marwat, in partnership with a renowned NGO, chartered by the Government of Pakistan and endorsed by the World Bank. This school will be affiliated with Pakistan's well known school system and will provide access to quality education to the residents of the area. In its first phase, the company will establish a primary school, which will later be expanded to secondary education as well. This school will be strategically constructed in an area where there are no such facilities currently available.

Lucky City School – Pezu

LCL also runs a well-maintained primary school, up to class five, for the children of the factory workers in Pezu. The school is registered with Benu Education Board and provides quality and free of cost education to the children of employees.

Gomal University Projects

In our efforts towards community development, multiple extra-curricular facilities were built at Gomal University including a swimming pool, fully equipped gymnasium and a day care center.

Supporting Local Pezu Schools

In order to develop the infrastructure of the areas surrounding Pezu Plant, furniture was donated to Shah Hassan Khel & Hayat Khel schools through Pak Army.

Health

Memon Medical Institute

Memon Medical Institute (MMI) Karachi – a project of Memon Health and Education Foundation (MHEF) is a state-of-the-art hospital offering health care facilities regardless of cast, Lucky Cement generously donated Rs. 10 million to MMI to help it achieve its vision of making quality health care accessible to all.

Lucky Welfare Dispensary – Pezu, Khyber Pakhtunkhwa

Lucky Cement has set up a dispensary clinic in Pezu, Khyber Pakhtunkhwa for providing medical facilities and treatment to the patients at very subsidized rates. This clinic has been set up specially to support the residents of the area, employees of Lucky Cement Plant in Pezu and their family members.

Ultrasound Facility for Women in Machar Colony

Lucky Cement, in partnership with Concern for Children Trust (CFC), has set up an Ultrasound facility for women at Mother and Children Health Care Centre (MCH) in Machar Colony. Machar Colony has a population of approximately 750,000 people deprived of basic necessities of life including quality health care for women.

Women and Children Hospital (WCH) – Ghazni Khel, Khyber Pakhtunkhwa

Lucky Cement is a major and regular donor of the Women and Children Hospital Ghazni khel, Khyber Pakhtunkhwa (KPK). This hospital provides necessary and quality maternity medical care to the poor and needy people. WCH is a 16-bed hospital in the remote area of the KPK Province with a well-equipped labor room, a diagnostic laboratory, ultrasound facility and an ambulance.

Maternity and Child Welfare Association

Continued financial assistance has been provided since several years towards "Support to Health and Welfare Program for Mothers and Children" which is an initiative by Maternity and Child Welfare Association of Pakistan.

Children Cancer Hospital

Children Cancer Hospital, a project of Children Cancer Foundation is a premier facility exclusively dedicated to the care of children suffering with cancer. Lucky Cement provided financial assistance to this hospital for the smooth running of their functions.

Financial assistance at IoBM

Community Development at Gomal University

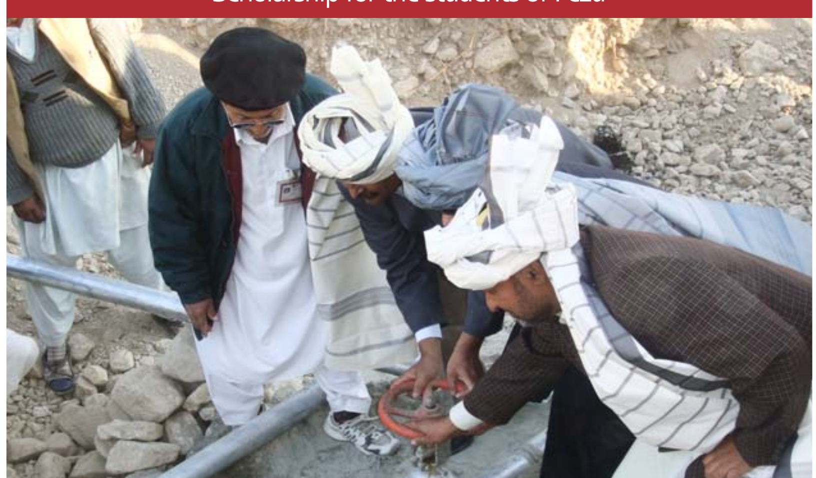
Lucky City School, Pezu

Lucky Welfare Dispensary in Pezu, KPK

Partnership with Project Kitab

Scholarship for the students of Pezu

Ultrasound facility for Women in Machar Colony



Water Supply Scheme at Pezu

Ghaznikhel Women & Children Hospital

Project Kitab School in Machar Colony

Memon Medical Hospital

Model Village in D.I. Khan

Scholarship programs at prestigious institutions of Pakistan

Fully equipped gymnasium at Gomal University

Lucky City School in Pezu

Furniture donated to Hayat Khel school – Pezu

ENJOYING DOMINANCE

NATIONAL CSR EXCELLENCE AWARD

Appreciating and acknowledging Lucky Cement's continuous efforts to raise the Educational and Health standards and Environment-friendly business practices, CSR Association of Pakistan awarded Lucky Cement with the National CSR Award. Each year, these awards are given to companies that play an active role in fulfilling their Corporate Social Responsibility.

Lucky Cement has been receiving this Award for three consecutive years.

BRAND OF THE YEAR AWARD

Lucky Cement was declared as the Brand of the Year - 2010 in category of cement. This award represents our increasing brand popularity, product availability and a consistent quality.

ANNUAL ENVIRONMENT EXCELLENCE AWARD

National Forum for Environment and Health (NFEH) awarded Lucky Cement with the Environment Excellence Award 2012 to recognize a number of Lucky Cement's pro-environment initiatives including installation of Waste Heat Recovery Plant at its production facilities, active participation in various community based environmental programs including efforts to promote "cleaner and greener" Pakistan by cycling and beach cleaning initiatives and association with the President of Pakistan's Forestation Program to contribute towards a cleaner environment. NFEH is affiliated with United Nations and is supported by Ministry of Environment, Government of Pakistan.

RECOGNITIONS FROM CHAMBER OF COMMERCE AND INDUSTRY

Khyber Pakhtunkhwa Chamber of Commerce and Industry

Awarded the following distinctions.

- Top Sales Tax Payer
- Top Exporter
- Top Income Tax Payer

BUILDING NETWORK

Building Network

Lucky Cement maintains a strong network of association with its corporate stakeholders. Our association with prominent public and corporate platforms enable us in strengthening our bond with local as well as international businesses.

Pakistan Business Council (PBC)

PBC represents big businesses, enterprises with substantial investments in manufacturing and in the financial sector. PBC's aim is to promote and facilitate the integration of Pakistani businesses into world economy and to encourage the development and growth of Pakistani companies.

Pakistan Institute of Corporate Governance (PICG)

The PICG undertakes activities geared towards achieving good corporate governance in the country and creating an enabling environment for effective implementation of the Code of Corporate Governance. PICG is focused on encouraging professional interaction between members and to enhance competitiveness of the domestic corporations.

CSR Association of Pakistan

The CSR Association of Pakistan promotes CSR principles and practices to businesses in Pakistan because it makes companies more innovative, productive, and competitive.

Marketing Association of Pakistan (MAP)

MAP is an independent association that promotes the study of all branches of knowledge relevant to the profession of marketing. It provides facilities for the study of inquiry and research into marketing problems. The Association enjoys patronage from the Government of Pakistan and is represented on the Advisory Council of the Ministry of Commerce.

US Atlantic Council

The Atlantic Council has been a preeminent, nonpartisan institution devoted to promoting transatlantic co-operation and international security. The council provides an essential forum for navigating dramatic shifts in economic and political influence.

ENABLING ASSURANCE

SAFETY AND SECURITY

For us, safety and security means not just protecting our employees from any hazards, but also taking all the requisite measures to prevent any harm. We ensure that all our stakeholders are protected from any potential hazards. Today, when information related to health issues is widely available and just a click away, there is still a significant lack of knowledge regarding the typical signs and risk factors associated with serious medical conditions. We effectively control any risks to injury or health that could arise at the workplace and educate our employees on how to deal with risks and train them with various first-aid techniques.

Basic Life Support – Cardiopulmonary Resuscitation (CPR)

Basic life support consists of a number of medical procedures provided to patients with life threatening conditions that may cause pain or dysfunction. We organized a session on Basic Life Support training for our employees, which was fruitful in enabling them to identify several life-threatening emergencies, performing CPR and ease choking in a safe, timely and effective manner. All the participants actively performed the practical and were given certificates for their participation.

Fire Fighting

We believe that the ample knowledge in first aid and fire fighting support should be an essential aspect for an office environment as these trainings are important for both the support provider and the victim and minimizes the potentials of any unpleasant event.

HARNESSING TALENT

Resourcing the future leaders

We recognize that the key factor behind our legacy of excellence is our people ....our team. We are committed to a strategy of vibrant growth. Lucky Cement Limited is in the process of setting up plants in Iraq as well as Zaire Congo. The recent acquisition of ICI by our group is another testament to our commitment to expansion and growth. All these achievements depict our belief in people and our commitment in harnessing and building people's capabilities.

We hire persons not positions

We believe hiring and retaining the best people, driving performance and employee engagement are the top-notch priorities for us to sustain our competitive edge. The significance of these are demonstrated by the fact that we are consistently striving to implement policies and best practices that will help us stand as an "Employer of Choice". To envision our aim, we have significantly increased our focus on executive development and are hiring high profile executives from top companies.

Alongside, hiring highly skilled individuals in the year 2011-12, we continued to focus on creating the right and inclusive environment for our people. We have empowered and enabled our employees to do what they do best every day in order to help them achieve their personal and career goals. We have struggled to reflect a culture that is driven by our leadership principles and strong business ethics.

Performance Management

Our approach towards rewarding our employees is closely aligned with their performance. During the year 2011-12, we launched a well-defined and transparent Performance Management Framework to assess the success, performance and career development of our employees. As our business is constantly evolving, this tool will further help us in effective decision making and reinforcing the links between performance and rewards.

We believe in providing an inclusive environment that supports and fosters an open dialogue between employees and their line managers. Our Performance and Development Plan (PDP) has served as a baseline for identifying and delivering challenging goals, self-assessment and succession planning i.e. taking responsibility for the next step years ahead.

Our Talent Monitor Meetings have been designed to help employees in having a clear and thorough understanding of what is expected from them, sharing and accepting feedback, their impact and contribution to organization's success.

Professional Development

We are committed to continuous improvement and extensively invest in the training and professional development of our employees to exercise their skills and develop their full potential. We offer our employees on-the-job training plus external training and development programs tailored to specific needs.

Diverse Perspectives

LCL is an equal opportunity employer where we celebrate diversity and diverse perspectives. We commit to develop a progressive and fair organizational culture that inspires and breeds success. Bearing this in mind, our robust induction programs and policies have been revamped in order to strictly comply with non-discriminatory acts thus thriving on transparency, openness and fairness.

In 2011-12, we focused on increasing the proportion of women at all levels of the organizational structure.

More than a job, we're a family!

We strive to create an atmosphere of innovation and excellence where employees have an open gate for their creativity and initiatives. We believe we are successful only when people who work for us are successful. We aim to foster work-life balance, bond of trust, contentment and provide a path of growth and learning for people who truly want to succeed.

2011-12 marks another year where we have ensured employee engagement across the company. As a part of our efforts to retain talented staff, we have not only ensured that our people are constantly learning and improving, but also that members of the Lucky family have the opportunity to be motivated, to develop and to satisfy their ambition to have a rewarding working life.

Reward and Recognition

At LCL, our approach towards rewarding our employees is closely aligned with their performance. We have ensured that our reward and pay structures are closely aligned with the compensation structures of most of the prestigious local and multinational organizations. We have also undertaken a salary survey during the year 2011-12 to ensure that our pay structures are market competitive and fair.

We aim to maintain the highest health, safety and environmental standards at our plants in Karachi and Pezu and strive to minimize the potential risks of injury and accidents to our employees by putting our people's well-being on priority. Based on our pledge of excellence, aspiration and hard work, we have grown by leaps and bounds in past and we look forward to touch greater heights in the future.

FINANCIAL PERFORMANCE

Financial Ratios	UoM	2007	2008	2009	2010	2011	2012
Profitability Ratios							
Gross profit to sales	percent	29.35%	25.73%	37.26%	32.56%	33.48%	38.18%
Net profit after tax to sales	percent	20.34%	15.79%	17.46%	12.80%	15.26%	20.35%
EBITDA to sales	percent	31.54%	23.57%	31.51%	23.07%	25.88%	32.21%
Operating Leverage	percent	19.27%	0.94%	243.55%	595.79%	351.78%	265.61%
Return on Equity after tax	percent	27.23%	14.35%	19.77%	12.50%	14.30%	20.39%
Return on Capital Employed	percent	14.59%	12.46%	17.40%	11.55%	14.39%	21.85%
Liquidity Ratios							
Current ratio	times	0.85 : 1	1.09 : 1	0.86 : 1	0.71 : 1	0.88 : 1	2.64 : 1
Quick/Acid test ratio	times	0.43 : 1	0.46 : 1	0.36 : 1	0.23 : 1	0.18 : 1	0.80 : 1
Cash to Current Liabilities	times	0.15 : 1	-0.19 : 1	0.10 : 1	0.03 : 1	0.03 : 1	0.23 : 1
Cash flow from Operations to Sales	times	0.15 : 1	0.07 : 1	0.25 : 1	0.21 : 1	0.16 : 1	0.28 : 1
Activity / Turnover Ratios							
Inventory turnover	times	4.05	3.34	3.49	3.58	2.84	2.89
No. of days in Inventory	days	90.12	109.28	104.58	101.96	128.52	126.30
Debtor turnover	times	43.55	28.33	26.50	23.95	37.16	39.87
No. of days in Receivables	days	8.38	12.88	13.77	15.24	9.82	9.15
Creditor turnover	times	5.90	4.95	5.31	5.78	4.88	5.58
No. of days in Payables	days	61.86	73.74	68.74	63.15	74.80	65.41
Operating Cycle	days	36.64	48.42	49.61	54.05	63.54	70.04
Total assets turnover	times	0.49	0.50	0.69	0.64	0.63	0.82
Fixed assets turnover	times	0.62	0.66	0.86	0.78	0.82	1.07
Investment Valuation Ratios							
Earnings per share (after tax)	rupees	9.67	9.84	14.21	9.70	12.28	20.97
Price / Earning ratio (after tax)	times	12.72	9.96	4.12	6.40	5.77	5.50
Dividend Yield	percent	1.02%	-	6.83%	6.44%	5.65%	5.20%
Dividend Payout ratio	percent	12.93%	-	28.15%	41.23%	32.58%	28.61%
Dividend Cover ratio	times	7.74	-	3.55	2.43	3.07	3.50
Cash Dividend per share	rupees	1.25	-	4.00	4.00	4.00	6.00
Break up value per share	rupees	35.51	57.69	71.90	77.61	85.88	102.86
Market Value Per Share as on 30th June	rupees	123.04	97.93	58.53	62.14	70.84	115.39
Capital Structure Ratios							
Financial leverage ratio	times	1.37 : 1	0.56 : 1	0.45 : 1	0.32 : 1	0.26 : 1	0.02 : 1
Weighted Average Cost of Debt	percent	6.64%	1.09%	11.80%	6.12%	6.76%	6.42%
Debt to Equity ratio	times	0.89 : 1	0.36 : 1	0.18 : 1	0.07 : 1	0.02 : 1	0.01 : 1
Interest Coverage ratio	times	3.55	24.27	5.83	7.45	9.97	35.58

SIX YEARS AT A GLANCE

Financial Ratios	2007	2008	2009	2010	2011	2012
Assets Employed						
Property, plant and equipment	20,319	25,881	30,477	31,378	31,705	31,017
Intangible Assets	-	-	-	3	2	1
Long term investments	-	-	55	55	55	55
Long term deposit & deferred cost	2	2	2	2	3	3
Current assets	5,403	8,356	7,858	6,871	9,444	9,555
Total Assets	25,724	34,239	38,392	38,310	41,210	40,631
Assets Employed						
Shareholders' Equity	9,354	18,655	23,252	25,096	27,773	33,262
Long-term liabilities						
Long term finance	8,329	6,633	4,300	1,659	658	393
Current portion of long term finance	1,615	242	-	176	265	265
	9,944	6,875	4,300	1,834	923	658
Long term deposits and deferred liabilities	1,689	1,264	1,742	1,914	2,082	3,352
Current liabilities	6,352	7,687	9,099	9,642	10,697	3,624
Current portion of long term finance	(1,615)	(242)	-	(176)	(265)	(265)
	4,737	7,445	9,099	9,466	10,432	3,359
Total Funds Invested	25,724	34,239	38,392	38,310	41,210	40,631
Turnover & Profit						
Turnover	12,522	16,958	26,330	24,509	26,018	33,323
Gross Profit	3,675	4,357	9,811	7,979	8,711	12,721
Operating Profit	3,066	3,076	7,217	4,243	5,161	9,010
Profit before taxation	2,690	2,307	5,177	3,418	4,321	8,324
Profit after taxation	2,547	2,678	4,597	3,137	3,970	6,782
Cash Dividends	263	329	-	1,294	1,294	1,294
General Reserve	3,000	2,000	-	5,000	2,500	2,500
Profit carried forward	2,730	3,078	7,675	4,519	4,696	7,685
Earning per share (Rupees)	9.67	9.84	14.21	9.70	12.28	20.97
Cash Flow Summary						
Net Cash from Operating Activities	1,850	1,225	6,515	5,267	4,074	9,375
Net Cash used in Investing Activities	(2,037)	(6,488)	(5,742)	(2,315)	(1,895)	(1,030)
Net Cash (Outflow) / Inflow from Financing Activities	(893)	2,841	1,577	(3,529)	(2,161)	(7,851)
(Decrease) /Increase in Cash and Cash Equivalents	(1,081)	(2,422)	2,350	(577)	18	493
Cash and Cash Equivalents at beginning of the Year	2,064	983	(1,439)	911	334	351
Cash and Cash Equivalents at end of the Year	983	(1,439)	911	334	351	844

ANALYSIS OF BALANCE SHEET

	2007	2008	2009	2010	2011	2012
Share Capital & Reserves	9,353,550	18,655,423	23,251,972	25,095,929	27,772,829	33,261,745
Non Current Liabilities	10,024,247	7,896,754	6,041,712	3,572,624	2,740,237	3,745,172
Current Liabilities	6,352,429	7,686,897	9,098,678	9,641,691	10,696,789	3,624,324
Total Equity & Liabilities	25,730,226	34,239,074	38,392,362	38,310,244	41,209,855	40,631,241
Non Current Assets	20,321,083	25,883,550	30,534,420	31,438,780	31,765,389	31,076,594
Current Assets	5,409,143	8,355,524	7,857,942	6,871,464	9,444,466	9,554,647
Total Assets	25,730,226	34,239,074	38,392,362	38,310,244	41,209,855	40,631,241
Vertical Analysis - %						
Share Capital & Reserves	36.35	54.49	60.56	65.50	67.39	81.86
Non Current Liabilities	38.96	23.06	15.74	9.33	6.65	9.22
Current Liabilities	24.69	22.45	23.70	25.17	25.96	8.92
Total Equity & Liabilities	100.00	100.00	100.00	100.00	100.00	100.00
Non Current Assets	78.98	75.60	79.53	82.06	77.08	76.48
Current Assets	21.02	24.40	20.47	17.94	22.92	23.52
Total Assets	100.00	100.00	100.00	100.00	100.00	100.00
Horizontal Analysis (i) Cumulative %						
Share Capital & Reserves	100.00	99.45	148.59	168.30	196.92	255.61
Non Current Liabilities	100.00	(21.22)	(39.73)	(64.36)	(72.66)	(62.64)
Current Liabilities	100.00	21.01	43.23	51.78	68.39	(42.95)
Total Equity & Liabilities	100.00	33.07	49.21	48.89	60.16	57.91
Non Current Assets	100.00	27.37	50.26	54.71	56.32	52.93
Current Assets	100.00	54.47	45.27	27.03	74.60	76.64
Total Assets	100.00	33.07	49.21	48.89	60.16	57.91

Horizontal Analysis (ii) Year on Year %	2007	2008 vs 2007	2009 vs 2008	2010 vs 2009	2011 vs 2010	2012 vs 2011
Share Capital & Reserves	100.00	99.45	24.64	7.93	10.67	19.76
Non Current Liabilities	100.00	(21.22)	(23.49)	(40.87)	(23.30)	36.67
Current Liabilities	100.00	21.01	18.37	5.97	10.94	(66.12)
Total Equity & Liabilities	100.00	33.07	12.13	(0.21)	7.57	(1.40)
Non Current Assets	100.00	27.37	17.97	2.96	1.04	(2.17)
Current Assets	100.00	54.47	(5.96)	(12.55)	37.44	1.17
Total Assets	100.00	33.07	12.13	(0.21)	7.57	(1.40)

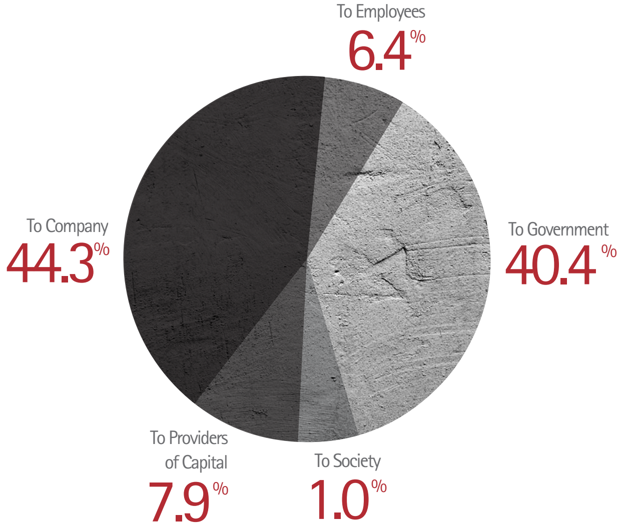
ANALYSIS OF PROFIT & LOSS ACCOUNTS

	2007	2008	2009	2010	2011	2012
Turnover	12,521,861	16,957,879	26,330,404	24,508,793	26,017,519	33,322,535
Cost of Sales	8,846,708	12,600,706	16,519,138	16,529,932	17,306,400	20,601,261
Gross Profit	3,675,153	4,357,173	9,811,267	7,978,861	8,711,119	12,721,274
Distribution Cost	497,729	1,155,054	2,427,837	3,433,047	3,236,425	3,236,721
Administrative Cost	111,311	125,752	165,936	303,244	313,389	474,135
Operating Profit	3,066,113	3,076,367	7,217,494	4,242,570	5,161,305	9,010,418
Finance Cost	862,847	126,743	1,236,971	569,184	517,788	253,234
(Other Income)/Charges	(487,085)	643,095	803,521	255,872	322,996	433,207
Profit before taxation	2,690,351	2,306,529	5,177,002	3,417,514	4,320,521	8,323,977
Taxation	143,059	(371,141)	580,453	280,057	350,121	1,541,561
Profit after taxation	2,547,292	2,677,670	4,596,549	3,137,457	3,970,400	6,782,416
Vertical Analysis - %						
Turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	70.65	74.31	62.74	67.44	66.52	61.82
Gross Profit	29.35	25.69	37.26	32.56	33.48	38.18
Distribution Cost	3.97	6.81	9.22	14.01	12.44	9.71
Administrative Cost	0.89	0.74	0.63	1.24	1.20	1.42
Operating Profit	24.49	18.14	27.41	17.31	19.84	27.04
Finance Cost	6.89	0.75	4.70	2.32	1.99	0.76
(Other Income)/Charges	(3.89)	3.79	3.05	1.04	1.24	1.30
Profit before taxation	21.49	13.60	19.66	13.94	16.61	24.98
Taxation	1.14	(2.19)	2.20	1.14	1.35	4.63
Profit after taxation	20.34	15.79	17.46	12.80	15.26	20.35
Horizontal Analysis (i) Cumulative - %						
Turnover	100.00	35.43	110.28	95.73	107.78	166.11
Cost of Sales	100.00	42.43	86.73	86.85	95.63	132.87
Gross Profit	100.00	18.56	166.96	117.10	137.03	246.14
Distribution Cost	100.00	132.06	387.78	589.74	550.24	550.30
Administrative Cost	100.00	12.97	49.07	172.43	181.54	325.96
Operating Profit	100.00	0.33	135.40	38.37	68.33	193.87
Finance Cost	100.00	(85.31)	43.36	(34.03)	(39.99)	(70.65)
Other Income/Charges	100.00	(232.03)	(264.97)	(152.53)	(166.31)	(188.94)
Profit before taxation	100.00	(14.27)	92.43	27.03	60.59	209.40
Taxation	100.00	(359.43)	305.74	95.76	144.74	977.57
Profit after taxation	100.00	5.12	80.45	23.17	55.87	166.26
Horizontal Analysis (ii) Year on Year %	2007	2008 vs 2007	2009 vs 2008	2010 vs 2009	2011 vs 2010	2012 vs 2011
Turnover	100.00	35.43	55.27	(6.92)	6.16	28.08
Cost of Sales	100.00	42.43	31.10	0.07	4.70	19.04
Gross Profit	100.00	18.56	125.18	(18.68)	9.18	46.03
Distribution Cost	100.00	132.06	110.19	41.40	(5.73)	0.01
Administrative Cost	100.00	12.97	31.96	82.75	3.35	51.29
Operating Profit	100.00	0.33	134.61	(41.22)	21.66	74.58
Finance Cost	100.00	(85.31)	875.97	(53.99)	(9.03)	(51.09)
Other Income/Charges	100.00	(232.03)	24.95	(68.16)	26.23	34.12
Profit before taxation	100.00	(14.27)	124.45	(33.99)	26.42	92.66
Taxation	100.00	(359.43)	(256.40)	(51.75)	25.02	340.29
Profit after taxation	100.00	5.12	71.66	(31.74)	26.55	70.82

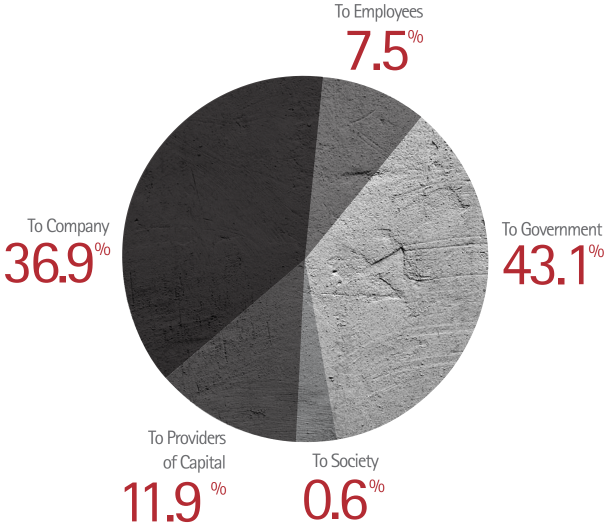
STATEMENT OF VALUE ADDITION & ITS DISTRIBUTION

	2012 Rs. In '000'	%	2011 Rs. In '000'	%
WEALTH GENERATED				
Total revenue inclusive of sales tax and other income	39,128,351		31,769,539	
Bought-in-material and services	(19,928,801)		(16,747,452)	
	19,199,550	100.0%	15,022,087	100.0%
WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	1,219,159	6.4%	1,128,979	7.5%
To Government				
Income tax, sales tax, excise duty and others	7,765,927	40.4%	6,474,185	43.1%
To Society				
Donation towards education, health and environment	184,507	1.0%	89,822	0.6%
To Providers of Capital				
Dividend to shareholders	1,293,500	6.7%	1,293,500	8.6%
Markup / Interest expenses on borrowed funds	229,713	1.2%	493,165	3.3%
To Company				
Depreciation, amortization & retained profit	8,506,744	44.3%	5,542,436	36.9%
	19,199,550	100.0%	15,022,087	100.0%

Wealth Distribution 2012

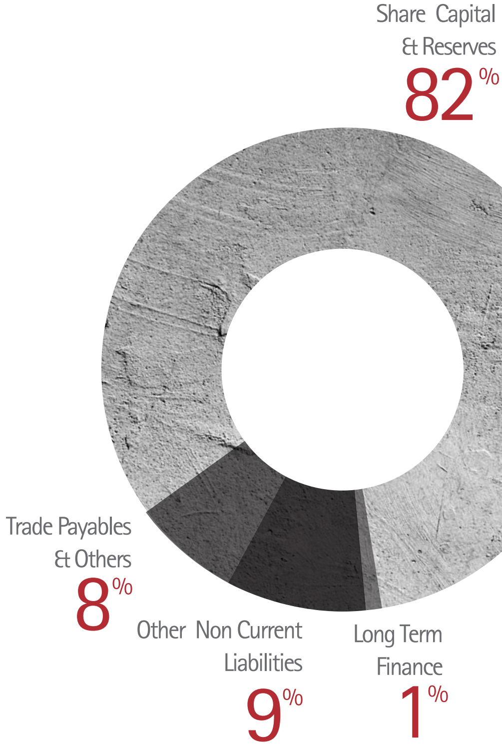


Wealth Distribution 2011

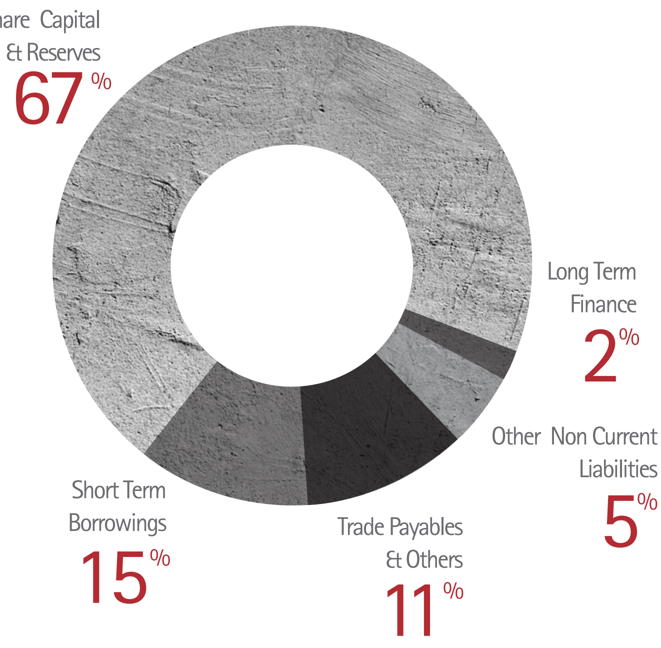


COMPOSITION OF BALANCE SHEET

EQUITY AND LIABILITIES FY 2012

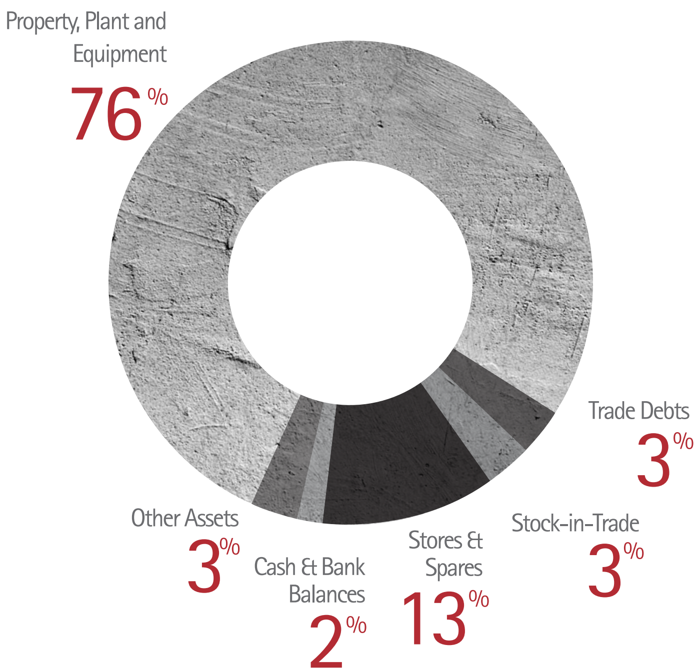


EQUITY AND LIABILITIES FY 2011

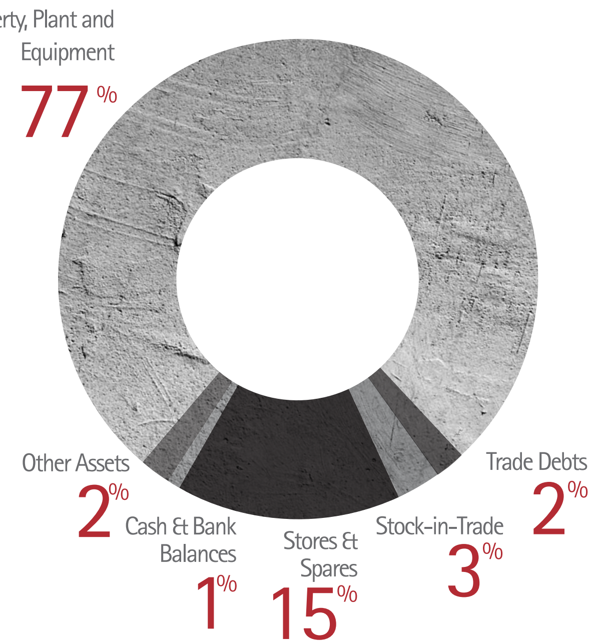


COMPOSITION OF BALANCE SHEET

ASSETS FY 2012



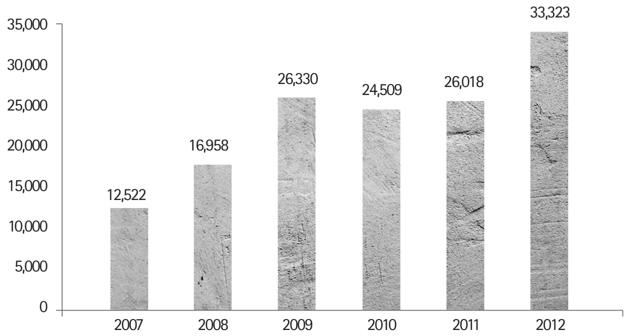
ASSETS FY 2011



FINANCIALS AT A GLANCE

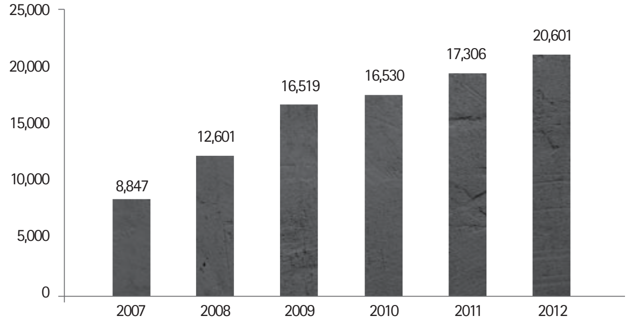
Sales Revenue

Rs. in Million



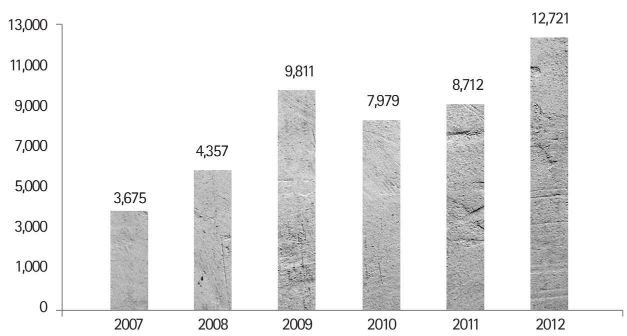
Cost of Sales

Rs. in Million



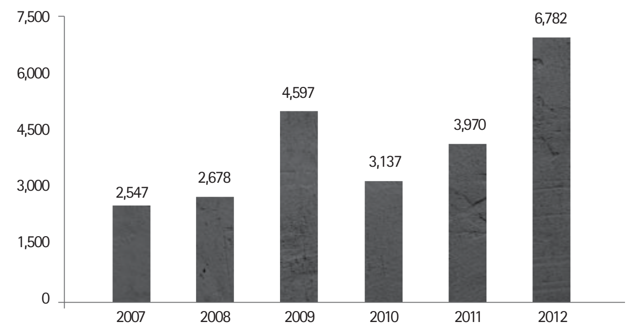
Gross Profit

Rs. in Million

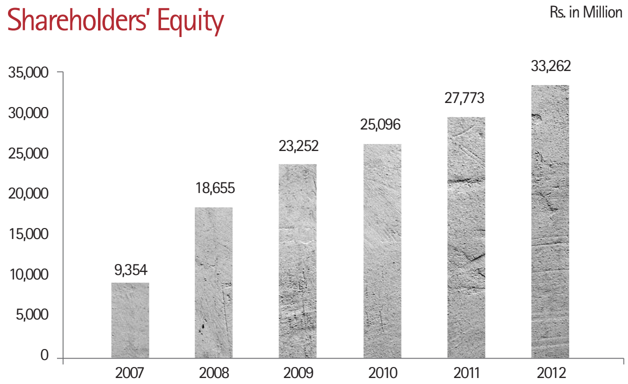


Net Profit

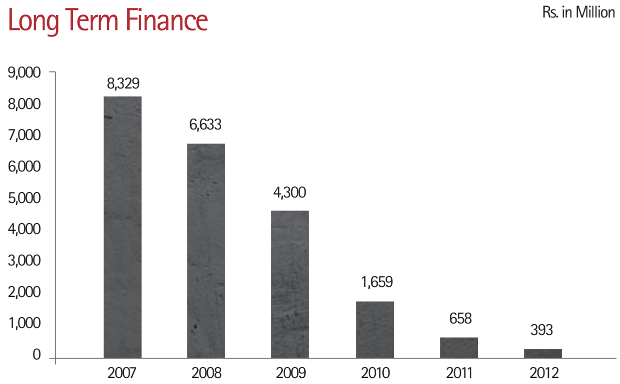
Rs. in Million



Shareholders' Equity



Long Term Finance



Statement of Compliance

Statement of Compliance with the Code of Corporate Governance
For the year ended June 30, 2012

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a frame work of good governance, whereby a listed company is managed in compliance with the Best Practices of Corporate Governance.

The Company had applied the principles contained in the Code in the following manner:

1. The Company encourages representation of non-executive directors on its Board. The Board of Directors comprises eight directors, excluding the Chief Executive Officer (CEO). At present, the Board includes six non-executive directors and two executive directors.
2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the Resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the year ended June 30, 2012.
5. The Company has prepared a 'Code of Conduct' which is in process of disseminating throughout the company along with its supporting policies and procedures.
6. The BOD has adopted a vision / mission statement and overall Corporate Strategy of the Company and has also formulated significant policies as mentioned in the Code. 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 other 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 or chief executive elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board has been provided with detailed in-house briefings and information package to acquaint them with the Code, applicable laws, their duties and responsibilities to enable them to effectively manage the affairs of the Company, for and on behalf of the shareholders. One Director is certified from PICG. In future, arrangements will also be made for other Directors for acquiring certification under the directors training programme.
10. The CFO, Company Secretary and head of Internal Audit continued their service and no changes were made during this financial year.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The Financial statements of the Company were duly endorsed by the 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 Code.

15. The Board has formed an Audit Committee comprising of 5 members, all of whom are non-Executive Directors including Chairman.
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 Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises 3 members, all of whom are non-executive Directors including Chairman of the Committee.
18. The Board has outsourced the scope of Internal Audit work to M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants, a member firm of Deloitte Touché Tohmatsu. The firm has setup an effective internal audit function managed by suitable qualified and experienced personnel. They are involved in the internal audit function on full time basis.
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 ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period' prior to the announcement of interim/ final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles contained in the code have been complied with.

On Behalf of the Board of Directors

MUHAMMAD YUNUS TABBA
Chairman / Director

MUHAMMAD ALI TABBA
Chief Executive

Review Report to the Members

Review Report to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 30 June 2012, prepared by the Board of Directors of Lucky Cement Limited (the Company) to comply with the Listing Regulation No. 35 (Chapter XI) of Karachi, Lahore and Islamabad Stock Exchanges, 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 reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board'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.

Further, the Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval of 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, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee of the Company. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee of the Company. 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 does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

Date: August 15, 2012

Karachi

Auditor's Report to the Members

We have audited the annexed balance sheet of Lucky Cement Limited (the Company) as at 30 June 2012 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

b) in our opinion:

   i) the balance sheet and profit and loss account, together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes as stated in note 4.3 to the accompanying financial statements, with which we concur;

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and the 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 affair as at 30 June 2012 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.

We draw attention to note 14 to the financial statements which explain the reasons for recording an asset representing a claim of refund of excise duty amounting to Rs. 538.812 million in the books of account of the Company. Our opinion is not qualified in respect of this matter.

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants
Audit Engagement Partner: Shariq Ali Zaidi
Date: August 15, 2012
Karachi.

BALANCE SHEET
As at June 30, 2012

	Note	2012	2011
		------- (Rupees in'000') -------	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	31,016,532	31,705,156
Intangible assets	6	1,514	1,685
		31,018,046	31,706,841
Long-term advance	7	55,373	55,373
Long-term deposits		3,175	3,175
		31,076,594	31,765,389
CURRENT ASSETS			
Stores and spares	8	5,396,220	6,313,584
Stock-in-trade	9	1,276,433	1,248,538
Trade debts	10	1,050,639	620,961
Loans and advances	11	148,189	72,164
Trade deposits and short term prepayments	12	67,894	38,669
Other receivables	13	105,677	218,884
Tax refunds due from the Government	14	538,812	538,812
Taxation - net		126,361	41,652
Cash and bank balances	15	844,422	351,202
		9,554,647	9,444,466
TOTAL ASSETS		40,631,241	41,209,855
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	3,233,750	3,233,750
Reserves	17	30,027,995	24,539,079
		33,261,745	27,772,829
NON-CURRENT LIABILITIES			
Long-term finance	18	392,898	658,298
Long-term deposits	19	52,752	37,306
Deferred liabilities	20	3,299,522	2,044,633
		3,745,172	2,740,237
CURRENT LIABILITIES			
Trade and other payables	21	3,345,605	4,043,689
Accrued mark-up	22	13,319	85,448
Short-term borrowings	23	-	6,302,252
Current portion of long-term finance	18	265,400	265,400
		3,624,324	10,696,789
CONTINGENCIES AND COMMITMENTS	24		
TOTAL EQUITY AND LIABILITIES		40,631,241	41,209,855

The annexed notes from 1 to 40 form an integral part of these financial statements.

Manzoor Ahmed
Director

Muhammad Ali Tabba
Chief Executive

PROFIT AND LOSS ACCOUNT
For the year ended June 30, 2012

	Note	2012		2011	
		------- (Rupees in'000') -------			
Gross sales	25		39,123,147		31,767,053
Less: Sales tax and excise duty		5,485,629		5,545,549	
Rebates and commission		314,983		203,985	
			5,800,612		5,749,534
Net sales			33,322,535		26,017,519
Cost of sales	26		(20,601,261)		(17,306,400)
GROSS PROFIT			12,721,274		8,711,119
Distribution cost	27		(3,236,721)		(3,236,425)
Administrative expenses	28		(474,135)		(313,389)
Finance cost	29		(253,234)		(517,788)
Other charges	30		(438,411)		(325,482)
Other income	31		5,204		2,486
PROFIT BEFORE TAXATION			8,323,977		4,320,521
Taxation					
current	32	(333,225)		(260,175)	
deferred		(1,208,336)		(89,946)	
			(1,541,561)		(350,121)
PROFIT AFTER TAXATION			6,782,416		3,970,400
Other comprehensive income			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			6,782,416		3,970,400
			(Rupees)		
EARNINGS PER SHARE - BASIC AND DILUTED	33		20.97		12.28

The annexed notes from 1 to 40 form an integral part of these financial statements.

Manzoor Ahmed
Director

Muhammad Ali Tabba
Chief Executive

CASH FLOW STATEMENT
For the year ended June 30, 2012

	Note	2012	2011
		------- (Rupees in'000') -------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows generated from operations	34	10,138,988	4,842,927
Finance cost paid		(325,363)	(587,841)
Income tax paid		(417,935)	(156,677)
Gratuity paid		(36,219)	(29,176)
		(779,517)	(773,694)
Long-term deposits		15,446	4,349
Net cash flows from operating activities		9,374,917	4,073,582
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,051,458)	(1,905,143)
Sale proceeds on disposal of fixed assets		21,020	9,711
Net cash used in investing activities		(1,030,438)	(1,895,432)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(265,400)	(910,661)
(Repayments) / receipt of short-term borrowings		(6,302,252)	35,140
Dividends paid		(1,283,607)	(1,285,056)
Net cash used in financing activities		(7,851,259)	(2,160,577)
Net increase in cash and cash equivalents		493,220	17,573
Cash and cash equivalents at the beginning of the year		351,202	333,629
Cash and cash equivalents at the end of the year	15	844,422	351,202

The annexed notes from 1 to 40 form an integral part of these financial statements.

Manzoor Ahmed
Director

Muhammad Ali Tabba
Chief Executive

STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2012

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves		Total reserves	Total equity
		Share premium	General reserves	Unappropriated Profit		
	----------------------------	(Rupees in'000')	----------------------------			
Balance as at June 30, 2010	3,233,750	7,343,422	10,000,000	4,518,757	21,862,179	25,095,929
Transfer to general reserve	-	-	2,500,000	(2,500,000)	-	-
Final dividend at the rate of Rs. 4/- per share for the year ended June 30, 2010	-	-	-	(1,293,500)	(1,293,500)	(1,293,500)
Total comprehensive income for the year	-	-	-	3,970,400	3,970,400	3,970,400
Balance as at June 30, 2011	3,233,750	7,343,422	12,500,000	4,695,657	24,539,079	27,772,829
Transfer to general reserve	-	-	2,500,000	(2,500,000)	-	-
Final dividend at the rate of Rs. 4/- per share for the year ended June 30, 2011	-	-	-	(1,293,500)	(1,293,500)	(1,293,500)
Total comprehensive income for the year	-	-	-	6,782,416	6,782,416	6,782,416
Balance as at June 30, 2012	**3,233,750**	**7,343,422**	**15,000,000**	**7,684,573**	**30,027,995**	**33,261,745**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Manzoor Ahmed
Director

Muhammad Ali Tabba
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2012

1. The Company and its Operation

Lucky Cement Limited (the Company) was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on all the three stock exchanges in Pakistan. 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.

2. Statement of Compliance

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

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to these financial statements:

Property, plant and equipment

The Company has made certain estimations with respect to residual value, depreciation method and depreciable lives of property, plant and equipments. Further, the Company reviews the value of assets for possible impairment on each reporting period.

Effective July 01, 2011, the Company has changed its depreciation rates and method of depreciation for the various classes of assets (see note No. 4.4). Company believes that the revised estimates reflects more accurately the useful life and pattern of consumption of economic benefit of the respective assets.

Provision for stores and spares

The Company has made estimation with respect to provision for slow moving, damaged and obsolete items and their net realizable value.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 20.1.1.5 to these financial statements for valuation of present value of defined benefit obligations.

Income taxes

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

Future estimation of export sales

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

Contingencies

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

4. Summary of Significant Accounting Policies

4.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except for defined benefit obligations which are stated at present value in accordance with the requirements of IAS-19 "Employee Benefits", as referred to in note 20.

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

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

	Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 7	Financial Instruments : Disclosures - (Amendments) Amendments enhancing disclosures about offsetting of financial assets and financial liabilities	January 01, 2013
IAS 1	Presentation of Financial Statements - Presentation of items of comprehensive income	July 01, 2012
IAS 12	Income Taxes (Amendment) - Recovery of Underlying Assets	January 01, 2012
IAS 19	Employee Benefits - (Amendment)	January 01, 2013
IAS 32	Offsetting Financial Assets and Financial liabilities (Amendment)	January 01, 2014
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 01, 2013

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect on the Company's financial statements in the period of initial application.

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

Standard		IASB Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments: Classification and Measurement	January 01, 2015
IFRS 10	Consolidated Financial Statements	January 01, 2013
IFRS 11	Joint Arrangements	January 01, 2013
IFRS 12	Disclosure of Interests in Other Entities	January 01, 2013
IFRS 13	Fair Value Measurement	January 01, 2013

4.3 Standards, amendments and interpretations adopted during the year

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

New and amended standards and interpretations

The Company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year:

IFRS 7	Financial Instruments: Disclosures (Amendment)
IAS 24	Related Party Disclosure (Revised)
IFRIC 14	Prepayments of a Minimum Funding Requirements (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 7	Financial Instruments : Disclosures (Clarification of disclosures)
IAS 1	Presentation of Financial Statements (Clarification of statement of changes in equity)
IAS 34	Interim Financial Reporting (Significant events and transactions)
IFRIC 13	Customer Loyalty Programmes (Fair value of award credits)

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the financial statements of the Company.

4.4 Property, plant and equipment

These are stated at cost less accumulated depreciation / amortization and impairment losses, if any, except for 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 4.17 to these financial statements.

During the year, the management of the Company has revised accounting estimates in respect of useful life of certain assets. Further, the method of depreciation has also been changed from diminishing balancing method to straight line method. Had the estimate not been changed, the profit after tax for the year ended June 30, 2012 and the net book value of the Property, Plant and Equipment as at that date would have been higher by Rs. 43.925 million.

The change has been accounted for prospectively in accordance with the requirement of IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors" .

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

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

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized.

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

4.5 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any.
Amortization is charged to profit and loss account applying the straight line method.

4.6 Stores and spares

These are valued at lower of weighted average cost and net realizable value, except items in transit, which are stated at cost. Provision for slow moving, damaged and obsolete items are charged to profit and loss account. Value of items is reviewed at each balance sheet date to record provision for any slow moving items, damaged and obsolete items.

Net realizable value signifies the selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.

4.7 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 estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

4.8 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 / receivable is based on the management's assessment of customers' outstanding balances and creditworthiness. Bad debts are written-off when identified.

4.9 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

4.10 Long-term and short-term borrowings

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

4.11 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. Actuarial gains and losses are recognized as income or expense immediately in the period in which they arise.

4.12 Compensated absences

The Company accounts for compensated absences in the accounting period in which these are accrued.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

4.14 Provisions

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

4.15 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits available, if any, or minimum tax on turnover whichever is higher and tax paid on final tax regime basis.

Deferred tax

Deferred tax is provided in full using the balance sheet liability method on all temporary differences arising at the balance sheet date, between the tax bases of the assets and the liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

4.16 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company 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. The following recognition criteria must be met before revenue is recognized:

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

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

4.17 Borrowing costs

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

4.18 Foreign currency translations

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

4.19 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.

4.20 Offsetting

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

4.21 Impairment

At each balance sheet date, the carrying amount of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account.

4.22 Dividend and appropriation to reserves

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

4.23 Functional and presentation currency

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

5. Property, Plant and Equipment

	Note	2012	2011
		------- (Rupees in'000') -------	
Operating assets - tangible	5.1	30,637,815	30,565,211
Capital work-in-progress	5.4	378,717	1,139,945
		31,016,532	31,705,156

5.1 Operating assets - tangible

Particulars	COST At July 01, 2011	COST Additions/ *transfers/ (disposals)	COST At June 30, 2012	DEPRECIATION / AMORTIZATION At July 01, 2011	DEPRECIATION / AMORTIZATION For the year/ (disposals)	DEPRECIATION / AMORTIZATION At June 30, 2012	NET BOOK VALUE At June 30, 2012	Rate of depreciation
	------------------------------------ (Rupees in'000') ------------------------------------							
Land - lease hold	951,113	17,967	969,080	22,819	11,612	34,431	934,649	99 & 53 Yrs
Buildings on lease hold land	6,054,969	363	6,309,071	1,758,177	308,417	2,066,594	4,242,477	5%
		* 253,739						
Plant and machinery	19,227,409	-	20,430,617	3,803,272	701,315	4,504,587	15,926,030	UPM
		* 1,203,208						
Generators	10,448,532	-	10,662,951	1,764,806	522,566	2,287,372	8,375,579	UPM
		* 214,419						
Quarry equipments	800,927	495	754,368	275,935	81,471	307,500	446,868	10%
		* 15,322						
		(62,376)			(49,906)			
Vehicles including cement bulkers	767,740	73,827	830,799	272,222	62,211	325,871	504,928	10%-20%
		(10,768)			(8,562)			
Furniture and fixtures	43,655	3,354	46,570	19,047	5,445	23,394	23,176	20%
		* 926						
		(1,365)			(1,098)			
Office equipments	105,311	7,447	116,198	47,244	12,750	59,261	56,937	20%
		* 5,074						
		(1,634)			(733)			
Computer & Accessories	51,845	6,682	62,294	40,840	4,694	45,531	16,763	33%
		* 3,842						
		(75)			(3)			
Other assets (Laboratory	170,343	659	174,830	52,271	12,152	64,422	110,408	10%
equipment etc.)		* 3,838			-			
		(10)			(1)			
June 30, 2012	38,621,844	110,794	40,356,778	8,056,633	1,722,633	9,718,963	30,637,815	
		* 1,700,368			-			
		(76,228)			(60,303)			

UPM = Unit of Production Method

Particulars	COST			DEPRECIATION / AMORTIZATION			NET BOOK VALUE	Rate of depreciation
	At July 01, 2010	Additions/ *transfers/ (disposals)	At June 30, 2011	At July 01, 2010	For the year/ (disposals)	At June 30, 2011	At June 30, 2011	
	---------------------------------- (Rupees in'000') ----------------------------------							
Land - lease hold	741,922	209,191	951,113	14,842	7,977	22,819	928,294	99 & 53 Yrs
Buildings on lease hold land	5,913,079	-	6,054,969	1,446,861	311,316	1,758,177	4,296,792	5%
		* 141,890						
Plant and machinery	18,884,099	4,150	19,227,409	3,159,223	644,049	3,803,272	15,424,137	UPM
		* 339,160						
Generators	8,624,076	310	10,448,532	1,278,000	486,806	1,764,806	8,683,726	UPM
		* 1,824,146		-				
Quarry equipments	800,927	-	800,927	235,889	40,046	275,935	524,992	5%
Vehicles including cement bulkers	653,534	28,126	767,740	223,045	54,691	272,222	495,518	10-20%
		* 98,841						
		(12,761)			(5,514)			
Furniture and fixtures	42,559	706	43,655	16,469	2,695	19,047	24,608	10%
		* 543						
		(153)			(117)			
Office equipments	99,928	2,025	105,311	41,074	6,170	47,244	58,067	10%
		* 3,358		-				
Computer & Accessories	48,341	2,606	51,845	36,908	4,702	40,840	11,005	33%
		* 1,866						
		(968)			(770)			
Other assets (Laboratory equipments etc.)	149,160	374	170,343	40,180	12,093	52,271	118,072	10%
		* 20,830						
		(21)			(2)			
June 30, 2011	35,957,625	247,488	38,621,844	6,492,491	1,570,545	8,056,633	30,565,211	
		* 2,430,634						
		(13,903)			(6,403)			

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

	Note	2012	2011
		------- (Rupees in'000') -------	
Cost of sales	26	1,626,225	1,488,133
Distribution costs	27	74,546	72,068
Administrative expenses	28	21,862	10,344
Total		1,722,633	1,570,545

5.3 The details of property, plant and equipments 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
	------------------- (Rupees in'000') -------------------						
Suzuki Cultus AJJ-417	605	446	159	512	353	Tender	Mr. Talha Sufi, Karachi
Toyota Corolla KC-670	1,304	985	319	600	281	Negotiation	Mr. Mansoor Khan Leghari
Suzuki Alto-070	513	362	151	428	277	Tender	Mr. Altaf Ahmed, Karachi
Suzuki Cultus ALS-974	609	429	180	506	326	Tender	Mr. Munir Ahmed, Karachi
Honda City AGZ-643	809	691	118	525	407	Tender	Mr. Amjad Saeed Khan, Karachi
Suzuki Cultus AGJ-164	569	466	103	468	365	Tender	Mr. Waseem Mirza, Karachi
Honda City AJM-491	850	657	193	755	562	Tender	Mr. Waseem Mirza, Karachi
Daihatsu Coure APH-573	488	315	173	563	390	Tender	Mr. Waseem Mirza, Karachi
Toyota Corolla HT-663	1,019	840	179	836	657	Tender	Mr. Muhammad Iqbal, Rawalpindi.
Honda City IDM-1801	793	704	89	626	537	Negotiation	Mr. Mamoon-ur-Rashid, Pezu.
Toyota Corolla ANC-251	1,316	1,029	287	787	500	Tender	Mr. Asif Mehmood
Suzuki Bolan CN-6242	374	309	65	362	297	Tender	Mr. Sajid Mohammad
Honda City LRZ-8509	813	700	113	640	527	Tender	Mr. Muhammad Ibraheem, Lahore
Suzuki Cultus AEW-224	568	506	62	367	305	Negotiation	Mr. Irfan, Karachi
Quarry Equipment	4,131	1,652	2,479	1,484	(995)	Insurance Claim	New Jubilee Insurance, Karachi
Quarry Equipment	58,245	48,254	9,991	10,309	318	Tender	Mr. Mushtaq, D.I. Khan
Computer & Acc	75	3	72	87	15	Insurance Claim	Jubilee General Insurance, Karachi
Office Equipment	1,542	664	878	920	42	Tender	Friends Business Circle, Karachi
Furniture & Fixture	1,365	1,098	267	117	(150)	Tender	M/s. Auction House, Islamabad.
Items having book value less than Rs.50,000 each	240	193	47	128	81	-	Various
Total	76,228	60,303	15,925	21,020	5,095		
2011	13,903	6,403	7,500	9,711	2,211		

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

	Note	Opening balance	Additions	Transferred to operating fixed assets	Closing balance 2012	Closing balance 2011
		(Rupees in'000')				
Building and civil works		213,129	144,086	253,739	103,476	213,129
Plant and machinery		792,974	597,690	1,203,208	187,456	792,974
Generators	5.5	46,057	168,361	214,418	-	46,057
Hydel Power Project		61,347	-	-	61,347	61,347
Others		26,438	29,003	29,003	26,438	26,438
		1,139,945	939,140	1,700,368	378,717	1,139,945

5.5. During the year, borrowing costs amounting to Rs. Nil (June 30, 2011: Rs. 8.274 million) have been capitalized in the capital work in progress. Weighted average capitalization rate is Nil (2011: 8.41%) per annum.

6. Intangible Assets

Represents various computer softwares at a cost of Rs. 6.166 million (2011: 4.642 million) which are amortized on straight line basis over the period of 36 months.

7. Long Term Advance

This represents advance given to Sui Southern Gas Company Limited in respect of additional gas line which will be adjusted after commisioning of gas in 48 equal monthly installments.

8. Stores and Spares

	Note	2012	2011
		(Rupees in'000')	
Stores	8.1	2,986,372	4,188,478
Spares	8.2	2,559,876	2,225,765
		5,546,248	6,414,243
Less: Provision for slow moving spares	8.3	150,028	100,659
		5,396,220	6,313,584

8.1 This includes stores in transit of Rs. 663.158 million (2011: Rs. 1,139.823 million) as at the balance sheet date.

8.2 This includes spares in transit of Rs. 79.205 million (2011: Rs. 46.053 million) as at the balance sheet date.

8.3 Movement in provision for slow moving spares:

	Note	2012	2011
Opening balance		100,659	76,010
Provision during the year	26	49,369	24,649
Closing balance		150,028	100,659

9. STOCK-IN-TRADE

	Note	2012	2011
		------- (Rupees in'000') -------	
Raw and packing materials		552,924	539,202
Work-in-process		564,367	484,692
Finished goods		159,142	224,644
		1,276,433	1,248,538

10. TRADE DEBTS - considered good

	Note	2012	2011
Bills receivable - secured		664,245	406,966
Others - unsecured		386,394	213,995
	10.1	1,050,639	620,961

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

		2012	2011
Neither past due nor impaired		1,050,639	620,961

11. LOANS AND ADVANCES

	Note	2012	2011
Considered good, secured			
Loans and advances due from:			
Employees	11.1	10,638	5,516
Executives	11.1&11.2	27,119	5,946
		37,757	11,462
Advance to suppliers and others	11.3	110,432	60,702
		148,189	72,164

11.1 Represents loans provided as per the Company's employee loan policy. These loans are secured against the gratuity of respective employees. The maximum aggregate balance due from executives at the end of any month during the year was Rs. 27.119 million (2011: Rs.5.946 million).

11.2 Reconciliation of carrying amount of loan to executives (key management personnel)

		2012	2011
Opening balance		5,946	3,123
Disbursements		27,320	5,835
Repayment		(6,147)	(3,012)
Closing balance		27,119	5,946

11.3 These advances are mainly secured against the insurance and bank guarantees from the respective suppliers.

12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2012	2011
		------- (Rupees in'000') -------	
Deposits			
Containers		210	60
Coal supplier		1,000	1,000
Karachi Port Trust		7,770	5,740
Utilities		735	730
Others		5,021	4,908
		14,736	12,438
Prepayments			
Insurance		12,282	11,785
Rent		4,402	2,187
Others		36,474	12,259
		53,158	26,231
		67,894	38,669

13. OTHER RECEIVABLES - Unsecured, considered good

	Note	2012	2011
Inland freight subsidy - export		-	135,790
Rebate on export sales		60,977	45,576
Due from Collector of Customs	13.1	19,444	19,444
Others		25,256	18,074
		105,677	218,884

13.1 The Company imported cement bulkers during October 19, 2006 to December 05, 2006 under SRO 575(1) of 2006 dated June 05, 2006 for export of loose cement which provided concessionary rate of import duty to an industrial concern. The 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 Company deposited three post dated cheques aggregating to Rs.19.444 million for three different consignments of cement bulkers and simultaneously approached to the FBR for giving direction to the Collector of Customs, Karachi.

The FBR moved a summary to the Federal Government / ECC on the representation of the Company and finally issued SRO 41(1) of 2007 on January 07, 2007 which clarified that the imported cement bulkers were also entitled for concessional rate of duty of 5%. The Collector of Customs instead of releasing the post dated cheques, encashed the same on the plea that the effect of SRO will not be given to the Company with retrospective effect despite the fact that the said classification was issued on the representation of the Company.

The Company has 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 matter is pending before the High Court of Sindh. The management believes that the ultimate outcome of the matter will be in favor of the Company. Hence no provision has been made against the said advance in these financial statements.

14. 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 Fedral Board of Revenue (FBR) from the very first day the Company started sales of cement in 1996. The FBR's point of view was that excise duty be calculated on the declared retail price inclusive of excise duty whereas the Company contended that the excise duty would not be included in retail price for 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 Rs.1,400 per ton. The Peshawar High Court after hearing both the parties issued a detailed judgment, operating para 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 Honourbale the High Courts of Sindh and Lahore respectively. Both the Courts also decided the case against the method of calculation of excise duty as interpreted by the FBR.

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

As a result of the full bench judgment of the Honourable Supreme Court of Pakistan, the Company filed a refund claim of Rs. 538.812 million on May 08, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Company on the basis of legal opinions obtained, recognised this refund claim in the financial statements for the year ended June 30, 2007.

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

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar has issued show cause notice to the Company raising certain objections against the release of said refund including an objection that the burden of this levy has been passed on to the end consumer. The Company has challenged this show cause notice in the Honourable Peshawar High Court and taken 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 Honorable Peshawar High Court granted a stay order to the Company against any adverse proceeding by the FBR in this case.

The Company is actively pursuing the matter with the FBR for settlement of the said refund claim.

15. CASH AND BANK BALANCES

	Note	2012	2011
		------- (PKR in'000') -------	
Cash in hand		1,230	1,330
Sales collection in transit		398,317	247,146
Cash at bank - on current accounts		36,250	38,869
- on deposit accounts		408,625	63,857
		444,875	102,726
		844,422	351,202

16. SHARE CAPITAL

	Note	2012	2011
Authorized capital			
500,000,000 (2011: 500,000,000) Ordinary shares of Rs.10/- each		5,000,000	5,000,000
Issued, subscribed and paid-up capital			
305,000,000 (2011: 305,000,000) Ordinary shares of Rs.10/- each issued for cash	16.1	3,050,000	3,050,000
18,375,000 (2011: 18,375,000) Ordinary shares of Rs. 10/-each issued as bonus shares		183,750	183,750
		3,233,750	3,233,750

16.1 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 GDRs issued by the Company on the Professional Securities Market of the London Stock Exchange. The GDR issue constituted an offering to qualified institutional buyers in the United States under Rule 144A and to non US persons outside the United States (US) under Regulation - S of the US Securities Act of 1933. The GDRs have also been included for trading on the International Order Book system of the London Stock Exchange, which will make the GDRs issued under Rule 144A to become eligible for trading by qualified institutional buyers in the Portal Market; a subsidiary of the NASDAQ Stock Market, Inc. in the United States. The Company 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 Rs. 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 Rs.10 each of the Company were issued at a premium of Rs. 110 per ordinary equity share (total premium amount being Rs. 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.

17. RESERVES

	Note	2012	2011
		------- (Rupees in'000') -------	
Capital reserve			
Share premium		7,343,422	7,343,422
Revenue reserves			
General reserve		15,000,000	12,500,000
Unappropriated profit		7,684,573	4,695,657
		22,684,573	17,195,657
		30,027,995	24,539,079

18. LONG-TERM FINANCE – Secured

Long-term finance utilized under mark-up arrangements from the following:

	Installments Number	Installments From	Note	2012	2011
Allied Bank Ltd.	16 quarterly	Oct-10		425,384	597,620
Allied Bank Ltd.	16 quarterly	Mar-11		232,914	326,078
				658,298	923,698
Less : Current portion of long term finance				265,400	265,400
			18.1&18.2	392,898	658,298

18.1 The long term finance carries mark-up at the rates of 7.50% and 8.2% (2011: 7.50% and 8.2%) per annum.

18.2 The above finance is secured by a letter of hypothecation providing charge over plant, machinery, equipment, generators, all tools and spares of the Company and all future modifications and replacement thereof. The finance agreements executed by the Company with the above mentioned financial institutions contain a prepayment clause with no penalty.

19. LONG TERM DEPOSITS

	Note	2012	2011
Cement stockists	19.1	17,747	11,976
Transporters	19.2	32,675	24,000
Others		2,330	1,330
		52,752	37,306

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

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

20. DEFERRED LIABILITIES

	Note	2012	2011
		------- (Rupees in'000') -------	
Staff gratuity	20.1	438,391	391,837
Deferred tax liability	20.2	2,861,131	1,652,796
		3,299,522	2,044,633
20.1 Staff gratuity	20.1.1	438,391	391,837

20.1.1 The amounts recognized in the balance sheet, based on the recent actuarial valuation carried on June 30, 2012 are as follows:

	2012	2011
20.1.1.1 Present value of defined benefit obligation	438,391	391,837

20.1.1.2 Movement in the liability recognized in the balance sheet are as follows:

	2012	2011
Opening balance	391,837	319,217
Net charge for the year	82,773	101,796
	474,610	421,013
Payments made during the year	(36,219)	(29,176)
Closing balance	438,391	391,837

20.1.1.3 The amount recognized in the profit and loss account is as follows:

	2012	2011
Current service cost	66,213	57,049
Interest cost	52,322	42,649
Actuarial (gains) / losses recognized	(35,762)	2,098
	82,773	101,796

20.1.1.4 The charge for the year has been allocated as follows:

	Note	2012	2011
Cost of sales	26	65,717	78,951
Distribution cost	27	2,295	3,862
Administrative expenses	28	14,761	18,983
		82,773	101,796

20.1.1.5 Principal actuarial assumptions used are as follows:

	2012	2011
Expected rate of increase in salary level	12.50%	14%
Valuation discount rate	12.50%	14%

20.1.1.6 Comparisons for five years:

As at June 30	2012	2011	2010	2009	2008
	--------------------- (Rupees in'000') ---------------------				
Present value of defined benefit obligation	438,391	391,837	319,217	234,633	174,171

20.2 Deferred tax liability

	Note	2012	2011
		------- (Rupees in'000') -------	
This comprises of the following:			
Deferred tax liability			
- Difference in tax and accounting bases of fixed assets		3,789,558	3,280,809
Deferred tax assets			
- Unabsorbed tax losses		(768,313)	(1,495,783)
- Provisions		(160,114)	(132,230)
		(928,427)	(1,628,013)
		2,861,131	1,652,796

20.2.1 Deferred tax asset has not been recognised on the tax credit available due to minimum tax provision amounting to Rs. 401.675 million (2011: Rs. 195.010 million) in accordance with the Company's policy as stated in note 4.15 to these financial statements.

21. TRADE AND OTHER PAYABLES

	Note	2012	2011
Creditors		802,516	1,073,380
Bills payable		1,577	494,999
Accrued liabilities		1,006,590	860,017
Customers running account		487,610	659,047
Retention money		96,989	121,199
Sales tax payable		110,527	61,470
Excise duty payable		163,029	215,967
Unclaimed and unpaid dividend		44,414	34,521
Other charges payable	21.1	614,658	512,491
Others		17,695	10,598
		3,345,605	4,043,689

21.1 It includes Workers' Profit Participation Fund, the movement of which is as follows:

	2012	2011
Balance at July 01,	234,365	156,942
Allocation for the year	438,411	232,487
Interest on funds utilized by the Company	5,837	3,735
	678,613	393,164
Payments during the year	(342,081)	(158,799)
	336,532	234,365

22. ACCRUED MARK UP

	Note	2012	2011
		------- (Rupees in'000') -------	
Long-term finance		13,256	18,403
Short-term borrowings		63	67,045
		13,319	85,448

23. SHORT-TERM BORROWINGS – Secured

	Note	2012	2011
Export refinance	23.1 & 23.2	-	350,000
Foreign currency import finance	23.1 & 23.3	-	5,952,252
		-	6,302,252

23.1 The Company has financing facilities of Rs. 16,225 million available from various banks as at June 30, 2012, which remained unutilized at the year end. These facilities are renewable and are secured by way of hypothecation on stores and spares, stock-in-trade and trade debts.

23.2 The export refinance facility carries mark-up at a rate of 10.50% (2011: 8.00% and 10.50%) per annum.

23.3 The rate of interest on these facilities ranges between 0.60% and 2.50% (2011: 0.60% and 2.50%) per annum.

24. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

24.1 The Honourable Supreme Court of Pakistan, while disposing off an appeal of the Collector of Customs Karachi, has issued a judgment on July 28, 2009 whereby it has set aside the earlier order of the Peshawar Honourable High Court decided in favour of the Company on the issue of plant and machinery imported under SRO 484(I)/92 dated May 14, 1992 after obtaining approvals from the concerned ministries. On August 20, 2009, the Company has filed a review petition against the referred order which is pending before the Honourable Supreme Court of Pakistan. The amount of disputed levy is not ascertainable at this stage as no order was earlier framed by the Collector of Customs.

24.2 The Company was entitled to sales tax exemption on cement produced by it from the date of commissioning to June 30, 2001 vide SROs 580(1)/91 and 561(1)/94 dated 27-06-1991 and 09-06-1994 respectively. In June 1997, the Federal Government withdrew the sales tax from the entire cement industry and deprived the Company from the advantage of its sales tax exemption. Being aggrieved, the Company had filed a writ petition in the Peshawar High Court. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore withdrawn on legal advice but at the same time a suit was filed for compensation. The civil judge Peshawar has granted the ex-parte decree in favor of the Company amounting to Rs. 1,693.61 million along with 14% per annum until the said amount is actually paid. The above would be recorded at the appropriate time in accordance with the requirements of International Accounting Standard-37.

24.3 The Income Tax Department levied tax of Rs. 85 million on certain pre- operational earnings for assessment years 1994-95, 1995-96 and 1996-97. The Commissioner Income Tax (CIT) [Appeals] has reversed the order of the assessing officer and decided the case in favour of the Company. The Income Tax Department filed appeals before Income Tax Appellate Tribunal (ITAT) who deleted the order of CIT (Appeals). The Company filed an appeal in Honourable Peshawar High Court and the Court has decided the case against the Company. The Company has now filed appeal in the Honourable Supreme Court of Pakistan and also referred the matter to FBR for constitution of Dispute Resolution Committee. The amount of tax has already been deposited with the relevant tax authority.

24.4 The Competition Commission of Pakistan has 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 thereby 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 Rs. 1,271.84 million which has been challenged in the Courts of Law. The Company's legal counsel is confident that the Company has a good case and there are reasonable chances of success to avoid the penalty, hence, no provision for the above has been made in these financial statements.

24.5 Also refer to notes 13.1 and 14 to these financial statement.

COMMITMENTS

24.6 Capital commitments

	Note	2012	2011
		------- (Rupees in'000') -------	
Plant and machinery under letters of credit		439,303	304,738

24.7 Other commitments

Stores, spares and packing material under letters of credit	1,685,833	1,364,705
Bank guarantees issued on behalf of the Company	685,425	638,629

25. GROSS SALES

Local	26,277,041	20,130,785
Export	12,846,106	11,636,268
	39,123,147	31,767,053

26. COST OF SALES

	Note	2012	2011
		------- (Rupees in'000') -------	
Salaries, wages and benefits	20.1.1.4	1,021,952	957,453
Raw material consumed		1,207,864	999,735
Packing material	26.1	2,020,140	1,857,967
Fuel and power		13,190,935	10,949,832
Stores and spares consumed		1,049,973	1,054,096
Repairs and maintenance		75,147	86,507
Depreciation/amortization	5.2	1,626,225	1,488,133
Insurance		75,421	73,165
Provision for slow moving spares	8	49,369	24,649
Earth moving machinery		150,198	122,346
Vehicle running and maintenance		39,076	31,748
Communication		11,180	10,406
Mess subsidy		23,634	20,649
Transportation		4,363	4,217
Traveling and conveyance		6,149	4,692
Inspection fee for electrical installation		1,353	1,049
Rent, rates and taxes		2,593	1,708
Printing and stationery		5,023	2,659
Other manufacturing expenses		54,839	31,286
		20,615,434	17,722,297
Work-in-process:			
Opening		484,692	100,813
Closing		(564,367)	(484,692)
		(79,675)	(383,879)
Cost of goods manufactured		20,535,759	17,338,418
Finished goods:			
Opening		224,644	192,626
Closing		(159,142)	(224,644)
		65,502	(32,018)
		20,601,261	17,306,400

26.1 These are net of duty draw back on export sales amounting to Rs.56.116 million (2011: Rs. 56.588 million).

27. DISTRIBUTION COSTS

	Note	2012	2011
		------- (Rupees in'000') -------	
Salaries and benefits	20.1.1.4	52,727	47,302
Logistic and related charges		2,956,950	3,024,099
Loading and others		52,771	43,216
Communication		3,669	3,377
Traveling and conveyance		2,254	2,018
Printing and stationery		879	855
Insurance		13,198	7,480
Rent, rates and taxes		8,707	7,394
Utilities		1,725	1,565
Vehicle running and maintenance		10,599	8,655
Repairs and maintenance		1,020	1,715
Fees, subscription and periodicals		746	563
Advertisement and sales promotion		50,463	11,262
Entertainment		976	727
Depreciation	5.2	74,546	72,068
Others		5,491	4,129
		3,236,721	3,236,425

28. ADMINISTRATIVE EXPENSES

	Note	2012	2011
Salaries and benefits	20.1.1.4	144,480	124,224
Communication		9,995	6,626
Traveling and conveyance		16,388	14,153
Insurance		1,518	1,050
Rent, rates and taxes		4,191	2,777
Vehicle running and maintenance		13,807	11,109
Printing and stationery		6,223	4,599
Fees and subscription		10,382	6,309
Security services		5,266	2,423
Legal and professional		18,592	15,097
Transportation and freight		822	67
Utilities		4,841	4,603
Repairs and maintenance		10,080	6,722
Advertisement		3,280	1,741
Donations	28.1	184,507	89,822
Auditors' remuneration	28.2	1,603	1,483
Other auditors' remuneration	28.3	6,138	6,103
Depreciation	5.2	21,862	10,344
Amortization		1,695	1,491
Others		8,465	2,646
		474,135	313,389

28.1 No directors or their spouses have any interest in any donee's fund to which donations were made.

28.2 Auditors' Remuneration

	Note	2012	2011
		------- (Rupees in'000') -------	
Statutory auditors (Ernst & Young Ford Rhodes Sidat Hyder)			
Audit fee		1,100	1,000
Half yearly review fee		300	300
Fee for the review of Code of Corporate Governance		75	75
Out of pocket expenses		128	108
		1,603	1,483

28.3 Other auditors' remuneration

	Note	2012	2011
Internal auditors (M.Yousuf Adil Saleem & Co.)			
Remuneration		5,400	5,400
Others		521	518
		5,921	5,918
Cost auditors (KPMG Taseer Hadi & Co.)			
Cost audit fee		200	170
Out of pocket expenses		17	15
		217	185
		6,138	6,103

29. FINANCE COSTS

	Note	2012	2011
Mark-up on long-term finance		22,183	45,984
Mark-up on short-term borrowings		207,530	447,181
Interest on Workers' Profit Participation Fund		5,837	3,735
Bank charges and commission		17,684	20,888
		253,234	517,788

30. OTHER CHARGES

	Note	2012	2011
Workers' Profit Participation Fund	21.1	438,411	232,487
Others		-	92,995
		438,411	325,482

31. OTHER INCOME

	Note	2012	2011
Income from non-financial assets			
Gain on disposal of fixed assets	5.3	5,095	2,211
Others		109	275
		5,204	2,486

32. TAXATION

32.1 This represents minimum tax on local turnover and on income chargeable under Final Tax Regime (FTR), therefore, no numerical tax reconciliation is given.

32.2 The tax assessments of the Company have been finalized upto and including the tax year 2011.

33. EARNINGS PER SHARE - Basic and diluted

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

	2012	2011
Profit after tax (Rupees in thousands)	6,782,416	3,970,400
Weighted average no. of ordinary shares (in thousands)	323,375	323,375
Earnings per share - (Rupees)	20.97	12.28

34. CASH GENERATED FROM OPERATIONS

	Note	2012	2011
		------- (Rupees in'000') -------	
Profit before taxation		8,323,977	4,320,521
Adjustments for non cash charges and other items			
Depreciation	5.2	1,722,633	1,570,545
Amortization on intangible assets	28	1,695	1,491
Provision for slow moving spares	8.3	49,369	24,649
Gain on disposal of fixed assets	5.3	(5,095)	(2,211)
Provision for gratuity	20.1.1.3	82,773	101,796
Finance cost		253,234	517,788
Profit before working capital changes		10,428,586	6,534,579
(Increase) / decrease in current assets			
Stores and spares		867,995	(2,329,945)
Stock in trade		(27,895)	(639,725)
Trade Debts		(429,678)	158,344
Loans and advances		(76,025)	14,307
Trade deposits and short term prepayments		(29,225)	10,138
Other receivables		113,207	(14,635)
Sales tax payable / refundable		-	117,939
		418,379	(2,683,577)
(Decrease) / Increase in current liabilities			
Trade and other payables		(707,977)	991,925
		10,138,988	4,842,927

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	(Rupees in'000')							
Remuneration	12,000	12,000	3,401	3,401	114,046	84,296	129,447	99,697
House rent allowance	4,800	4,800	1,360	1,360	51,320	37,930	57,480	44,090
Utility allowance	1,200	1,200	339	339	11,404	8,429	12,943	9,968
Conveyance allowance	-	-	-	-	11,404	8,429	11,404	8,429
Charge for defined benefit obligation	1,500	1,500	425	425	13,632	23,344	15,557	25,269
	19,500	19,500	5,525	5,525	201,806	162,428	226,831	187,453
Number of persons	1	1	2	2	114	85	117	88

35.2 In addition to the Chief Executive, Director and some Executives are provided with Company maintained cars.

35.3 An amount of Rs. 210,000/- was paid to 7 non executive directors and Rs. 80,000/- was paid to 2 executive directors during the year as fee for attending board meetings (2011: 7 non executive directors were paid Rs. 220,000/- and 2 executive directors were paid Rs. 80,000/-).

36. TRANSACTIONS WITH RELATED PARTIES

36.1 Related parties comprise companies with common directorship, directors and key management personnel. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

		2012	2011
		(Rupees in'000')	
Associated Companies			
Lucky Paragon ReadyMix Limited	Sales	111,932	60,512
	Purchases	-	55
Fazal Textile Mills Limited	Sales	39,594	13,323
Yunus Textile Mills Limited	Sales	5,060	2,173
Lucky Textile Mills	Sales	21,777	7,384
Gadoon Textile Mills Limited	Sales	27,184	23,270
Aziz Tabba Foundation	Sales	-	1,469
Lucky One (Pvt) Limited	Sales	2,907	-

36.2 There are no transactions with key management personnel other than under the terms of employment.

37. PRODUCTION CAPACITY

	2012	2011
	------- Metric Tones -------	
Production Capacity - (Cement)	7,750,000	7,750,000
Actual Production Clinker	5,633,811	5,658,353
Actual Production Cement	5,935,790	5,779,710

37.1 Production capacity utilization is 76.59% (2011: 74.58%) of total installed capacity.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the Company is exposed to market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's principal financial liabilities comprise bank loans, short term borrowings and trade and other payables. The main purpose of these financial liabilities is to raise finance for Company's operations. The Company has various financial assets such as loans, deposits, trade and other receivables and cash and bank balances, which are directly related to its operations. The Company's finance and treasury departments oversee the management of these risks and provide assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2012. The policies for managing each of these risks are summarized below:

38.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk. Financial instruments susceptible to market risk include deposits, loans and borrowings. The sensitivity analysis in the following sections relate to the position as at June 30, 2012 and 2011.

38.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on long term finance and short term borrowings at variable rates as disclosed in notes 18 and 23 to these financial statements respectively and bank balances carrying interest at rates ranging between 5% and 11.50% (2011: 5% and 11.5%) . The Company mitigates its risk against exposure through focusing on short term borrowings that are available at lower rates to the Company and maintaining bank balances.

38.1.1.1 Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Company's profit before tax (through impact on floating rate borrowings). This analysis excludes the impact of movement in market variables on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

	Increase / decrease in basis points	Effect on profit before tax
	------- (Rupees in'000') -------	
2012		
Pak Rupee	+100	-
Pak Rupee	-100	-
2011		
Pak Rupee	+100	(73,114)
Pak Rupee	-100	73,114

38.1.2 Currency risk

Currency risk arises mainly due to fluctuation in foreign exchange rates. The Company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the Company in currencies other than Rupee. Approximately 33% (2011: 37%) of the Company's sales are denominated in currencies other than Pakistani Rupee, while almost 67% (2011: 63%) of sales are denominated in local currency.

The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate. As at June 30, 2012, if Pakistani Rupee (Pak Rupee) had weakened / strengthened by 5% against the USD, with all other variables held constant, the effect on the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) at June 30, 2012 and 2011 would have been as follows:

	Increase / decrease in US Dollars to Pak Rupee	Effect on profit before tax
	------- (Rupees in'000') -------	
2012		
Pak Rupee	+5%	33,239
Pak Rupee	-5%	(33,239)
2011		
Pak Rupee	+5%	(301,218)
Pak Rupee	-5%	301,218

38.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Company is not materially exposed to other price risk.

38.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Company credit risk is primarily attributable to its trade debts and bank balances. 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. The carrying values of financial assets which are neither past due nor impaired are as under:

	Note	2012	2011
		------- (Rupees in'000') -------	
Long term deposits		3,175	3,175
Trade debts	10	1,050,639	620,961
Loans	11	37,757	11,462
Trade deposits	12	14,736	12,438
Other receivables	13	25,256	18,074
Bank balances	15	843,192	349,872
		1,974,755	1,015,982

Credit quality of financial assets

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The credit quality of cash at bank (in current and deposit accounts) as per credit rating agencies are as follows:

	2012	2011
	------- (Rupees in'000') -------	
A1+	842,673	349,526
A1	519	346
	843,192	349,872

38.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising fund to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	(Rupees in'000')					
June 30, 2012						
Long-term finance	-	66,350	199,050	392,898	-	658,298
Long-term deposit	-	-	-	52,752	-	52,752
Trade and other payables	507,442	1,286,424	175,915	-	-	1,969,781
Accrued mark-up	-	13,319	-	-	-	13,319
	507,442	1,366,093	374,965	445,650	-	2,694,150
June 30, 2011						
Long-term finance	-	66,350	199,050	658,298	-	923,698
Long-term deposit	-	-	-	37,306	-	37,306
Trade and other payables	-	2,323,962	270,752	-	-	2,594,714
Accrued mark-up	-	82,346	3,102	-	-	85,448
Short-term borrowings	-	3,302,614	2,999,638	-	-	6,302,252
	-	5,775,272	3,472,542	695,604	-	9,943,418

38.4 Fair values of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

38.5 Capital management

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

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the year ended June 30, 2012.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings including any finance cost thereon, 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 Company's strategy was to minimize leveraged gearing. The gearing ratios as at June 30, 2012 and 2011 were as follows:

	Note	2012	2011
		------- (Rupees in'000') -------	
Long-term finance	18	392,898	658,298
Trade and other payables	21	3,345,605	4,043,689
Accrued interest	22	13,319	85,448
Current portion of long-term finance	18	265,400	265,400
Short-term borrowings	23	-	6,302,252
Total debt		4,017,222	11,355,087
Cash and bank balances	15	(844,422)	(351,202)
Net debt		3,172,800	11,003,885
Share capital	16	3,233,750	3,233,750
Reserves	17	30,027,995	24,539,079
Equity		33,261,745	27,772,829
Capital		36,434,545	38,776,714
Gearing ratio		8.71%	28.38%

The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

39. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 15, 2012 by the Board of Directors of the Company.

40. GENERAL

40.1 The Board of Directors in their meeting held on August 15, 2012 (i) approved the transfer of Rs.5,000 million (2011: Rs.2,500 milion) from un-appropriated profit to general reserve; and (ii) proposed a final dividend of Rs.6/- per share for the year ended June 30, 2012 amounting to Rs.1,940 million (2011: Rs.1,293 million) for approval of the members at the Annual General Meeting to be held on October 31, 2012. These financial statements do not reflect this appropriation and the proposed dividend payable.

40.2 Subsequent to the balance sheet date, the Company in consortium with other group entities of Yunus Brothers Group, has jointly signed a share purchase agreement with ICI Omicron B.V. a wholly owned subsidiary of Akzo Noble N.V., Netherlands for the acquisition of a 75.81 percent shareholding in ICI Pakistan Limited, a company listed on all Stock Exchanges in Pakistan, at a bid value of US $ 152.5 million (payable in equivalent Pak. Rupees) which will be subject to certain adjustments based on lock box mechanism for cash and indebtedness to be ascertained as per the terms of the referred agreement.

The shares purchase transaction is expected to be completed once all Regulatory approvals have been obtained and the public tender offer as per the requirements of Listed Companies (Substantial Acquisitions of Voting Shares and Takeovers) Regulations 2008 has been completed.

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

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

Manzoor Ahmed	**Muhammad Ali Tabba**
Director	Chief Executive

NOTICE OF 19TH ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the members of **Lucky Cement Limited** will be held on Wednesday, October 31, 2012 at 10:30 a.m., at the registered office of the Company situated at factory premises Pezu, District Lakki Marwat, Khyber Pukhtunkhwa to transact the following businesses:

1. To confirm the minutes of Extraordinary General Meeting held on May 31, 2012.

2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2012 together with the Board of Directors' and Auditors' reports thereon.

3. To approve and declare cash dividend @ 60% i.e. Rs. 6/- per share for the year ended June 30, 2012 as recommended by the Board of Directors.

4. To appoint Auditors and fix their remuneration for the year 2012-2013. The present Auditors, Messrs Ernst and Young Ford Rhodes Sidat Hyder, Chartered Accountants, retire and being eligible, offer themselves for reappointment.

5. To elect eight Directors of the Company as fixed by the Board of Directors in accordance with the provisions of the Companies Ordinance, 1984 for a period of three years commencing from October 31, 2012. The names of retiring Directors are as follows:

1.	Mr. Muhammad Yunus Tabba	2.	Mr. Muhammad Sohail Tabba
3.	Mr. Imran Yunus Tabba	4.	Mr. Jawed Yunus Tabba
5.	Mrs. Rahila Aleem	6.	Mrs. Mariam Tabba Khan
7.	Mr. Manzoor Ahmed	8.	Mr. Ali J. Siddiqui

SPECIAL BUSINESS:

1. To consider and, if thought appropriate, pass with or without modification, the following special resolution(s) in terms of Section 208 of the Companies Ordinance, 1984, for authorizing equity investment amounting to approx. Rs.5,625,000,000/- in one of its associated company i.e. Lucky Holdings Limited, comprising of 75% its shareholdings for onward investment in shares of ICI Pakistan Limited:

   a) **RESOLVED** that the Company be and is hereby authorized to make equity investment amounting to approx. Rs. 5,625,000,000/- divided into 112,500,000 ordinary shares at a price of Rs.50/= per share including share premium of Rs.40/= per share in one of its associated company i.e. Lucky Holdings Limited comprising of 75% of its shareholding for onward investment in shares of ICI Pakistan Limited.

   FURTHER RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to do all such things and acts necessary for this investment in the best interest of the Company, including but not limited to the execution of any/all documents required for the said purpose.

2. Subject to the passing of the Special Resolutions under item 1 above, to consider and, if thought appropriate, pass with or without modification, the following resolution(s) for authorizing the grant of corporate guarantee and charge over assets of the Company to secure the financing facilities of Lucky Holdings Limited once it becomes a subsidiary of the Company for meeting the partial funding requirements for investment in shares of ICI Pakistan Limited to the extent of PKR 8 billion:

   a) **RESOLVED** that the Company be and is hereby authorized to issue one or more corporate guarantee(s) in favour of the lenders / bankers of Lucky Holdings Limited, upon it becoming a subsidiary of the Company and provide a charge /security interest over the assets of the Company upto a maximum amount of PKR 8 billion for securing the financing facilities to be availed by Lucky Holdings Limited for partially meeting its funding requirements for purchase of shares of ICI Pakistan Limited.

   FURTHER RESOLVED THAT the Chief Executive of the Company be and is hereby authorized to do all such things and acts necessary for implementing the above resolution including but not limited to the execution of any/all documents required for the said purpose.

By Order of the Board

Muhammad Abid Ganatra
Company Secretary

Karachi: October 06, 2012

Notes:

1. The Share Transfer Books of the Company will remain closed from Wednesday, October 17, 2012 to Wednesday, October 31, 2012 (both days inclusive). Transfers received 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 Tuesday, October 16, 2012 will be treated in time for the purpose of above entitlement to the transferees.

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. Nomination from shareholders for the office of Director must be received at least 14 days before the time of meeting at the Registered Office of the Company.

4. An individual beneficial owner of shares from CDC 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 from CDC, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee.

5. The members are requested to notify change in their address, if any, at our Share Registrar/Transfer Agent M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.

THE STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 PERTAINING TO THE "SPECIAL BUSINESS" IS ANNEXED WITH THE NOTICE BEING SENT TO THE MEMBERS.

Item 1 and 2 – Special Business:

As per the disclosure requirement of Para 4(1) of the S.R.O. 27(I)/2012 dated January 16, 2012, it is informed that the following directors of the company are also the directors in the investee company, however, they have no direct or indirect interest except to the extent of shareholding in the investee company:

1) MR. MUHAMMAD YUNUS TABBA
2) MR. MUHAMMAD ALI TABBA – Chief Executive
3) MR. MUHAMMAD SOHAIL TABBA
4) MR. IMRAN YUNUS TABBA
5) MR. JAWED YUNUS TABBA
6) MRS. RAHILA ALEEM
7) MRS. MARIAM TABBA KHAN

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 AND INFORMATION REQUIRED UNDER S.R.O. 27(I)/2012 ARE PROVIDED BELOW: (ITEM 1 of the Special Business Agenda)

Sr. No.	Description	Information Required
(i)	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established.	Lucky Holdings Limited due to common directorship by the following: 1) MR. MUHAMMAD YUNUS TABBA 2) MR. MUHAMMAD SOHAIL TABBA 3) MR. IMRAN YUNUS TABBA 4) MR. JAWED YUNUS TABBA 5) MRS. RAHILA ALEEM 6) MRS. MARIAM TABBA KHAN

Sr. No.	Description	Information Required
(ii)	Purpose, benefits and period of investment.	To make equity investment. To earn dividend income. For the life of the project or at the will of the Company.
(iii)	Maximum amount of investment.	Long term equity investment of Rs.5,625,000,000/-
(iv)	Maximum price at which securities will be acquired.	At a price of Rs.50/= per share including share premium of Rs.40/= per share.
(v)	Maximum number of securities to be acquired.	Approximately 112,500,000 ordinary shares.
(vi)	Number of securities and percentage thereof held before and after the proposed investment.	None at present and approx. 75% of equity after the proposed investment.
(vii)	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not Applicable
(viii)	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1).	Not Applicable, as Lucky Holdings Limited is incorporated on September 6, 2012.
(ix)	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	Not Applicable, as Lucky Holdings Limited is incorporated on September 6, 2012.
(x)	Earnings per share of the associated company or associated undertaking for the last three years.	NIL, as the company has not commenced its operations as yet, as it has been incorporated on September 6, 2012.
(xi)	Sources of fund from which securities will be acquired.	Surplus funds generation from operation.
(xii)	Where the securities are intended to be acquired using borrowed funds:	
	(I) Justification for investment through borrowing; and	Not Applicable
	(II) Detail of guarantees and assets pledged for obtaining such funds	Not Applicable
(xiii)	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	Not Applicable

Sr. No.	Description	Information Required
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Muhammad Yunus Tabba, Mr. Muhammad Sohail Tabba, Mr. Imran Yunus Tabba, Mr. Jawed Yunus Tabba, Mrs. Rahila Aleem; and Mrs. Mariam Tabba Khan, Who are present directors of the Company, are also directors of Lucky Holdings Limited, however, they have no direct or indirect interest except to the extent of shareholding in the investing company.
(xv)	Any others important details necessary for the members to understand the transaction.	The Company along with other group entities intends to invest in an associated company i.e. Lucky Holdings Limited, who will acquire 75.933% shares of ICI Pakistan Limited.
(xvi)	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely:	
	(I) Description of the project and its history since conceptualizations.	Not Applicable
	(II) Starting and expected dated of completion of work.	Not Applicable
	(III) Time by which such project shall become commercially operational; and	Not Applicable
	(IV) Expected time by which the project shall start paying return on investment.	Not Applicable

STATUS OF INVESTMENT IN ASSOCIATED COMPANIES

As required under Clause 4(2) of the S.R.O. 27(1)/2012 dated January 16, 2012, the status of the previous investments in associated companies against approvals held by the Company are as under:

The company vide Extra Ordinary General Meeting held on May 31, 2012, has approved to invest in equity of its associated company i.e. M/s. Yunus Energy Limited to the extent of Rs.385,000,000/= divided into 38,500,000 ordinary shares of Rs.10/=, which is not yet disbursed.

Item 2 of the Special Business Agenda:

The Board of Directors of the Company has approved the issuance of corporate guarantee(s) in favour of lenders/bankers of Lucky Holdings Limited which is a newly incorporated company and intended to be owned jointly by (a) Lucky Cement Limited; (b) Gadoon Textiles Limited; (c) Yunus Textile Mills Limited; (d) Lucky Textile Mills Limited and (e) YB Pakistan Limited wherein the Company shall have 75% shareholding.

The above named five Companies intend to purchase shares of ICI Pakistan Limited through Lucky Holdings Limited. To facilitate the debt funding to be raised on the books of Lucky Holdings Limited which is a newly incorporated special purpose holding company, Lucky Cement Limited intends to provide corporate guarantee(s) and charge over the assets of the Company to secure the financing obligations of Lucky Holdings Limited.

Although within the powers of the Board of Directors to approve the grant of corporate guarantees and charge as aforesaid, the Board has desired that the matter be placed before the shareholders for approval by way of full transparency and disclosure.

PATTERN OF SHAREHOLDING
As at June 30, 2012

No. of Shareholders	Shareholdings From	Shareholdings To	Total Shares Held
1529	1	100	67,316
1362	101	500	439,465
3220	501	1000	1,936,824
878	1001	5000	2,144,303
175	5001	10000	1,353,589
76	10001	15000	944,304
71	15001	20000	1,287,669
56	20001	25000	1,328,712
22	25001	30000	610,905
23	30001	35000	761,994
12	35001	40000	462,893
10	40001	45000	435,542
17	45001	50000	837,512
6	50001	55000	321,982
6	55001	60000	345,860
6	60001	65000	373,000
5	65001	70000	344,192
2	70001	75000	148,500
3	75001	80000	234,081
5	80001	85000	413,000
3	85001	90000	263,182
3	90001	95000	274,769
5	95001	100000	497,000
2	100001	105000	207,531
2	105001	110000	216,000
5	110001	115000	566,168
1	115001	120000	115,200
3	120001	125000	367,731
3	125001	130000	387,776
4	130001	135000	533,876
1	135001	140000	136,300
1	140001	145000	140,877
2	145001	150000	300,000
2	155001	160000	316,996
3	160001	165000	490,395
1	165001	170000	165,561
2	170001	175000	346,000
2	175001	180000	360,000
1	180001	185000	180,488
1	185001	190000	187,900
3	195001	200000	599,319
1	200001	205000	201,146

No. of Shareholders	Shareholdings From	To	Total Shares Held
1	210001	215000	211,608
1	220001	225000	225,000
3	225001	230000	681,455
1	240001	245000	243,069
1	245001	250000	250,000
1	250001	255000	251,800
1	260001	265000	261,600
2	265001	270000	537,000
2	270001	275000	549,030
2	275001	280000	551,825
1	280001	285000	283,600
3	295001	300000	900,000
2	300001	305000	606,947
1	305001	310000	306,013
2	310001	315000	621,720
2	315001	320000	638,910
1	325001	330000	328,864
2	345001	350000	695,800
1	350001	355000	350,300
2	365001	370000	735,678
1	370001	375000	373,025
1	375001	380000	379,300
1	400001	405000	404,200
1	430001	435000	430,451
1	440001	445000	444,810
3	450001	455000	1,361,500
1	455001	460000	458,500
1	460001	465000	461,625
1	465001	470000	469,418
1	475001	480000	480,000
1	480001	485000	481,000
1	500001	505000	505,000
1	515001	520000	517,925
1	545001	550000	546,000
1	560001	565000	565,000
1	610001	615000	614,033
1	640001	645000	645,000
1	680001	685000	685,000
1	735001	740000	738,060
2	745001	750000	1,497,300
1	750001	755000	750,500
1	775001	780000	780,000

No. of Shareholders	Shareholdings From	To	Total Shares Held
1	785001	790000	788,317
1	800001	805000	802,824
1	835001	840000	839,000
1	875001	880000	878,300
1	880001	885000	883,300
1	895001	900000	900,000
1	930001	935000	932,531
1	1020001	1025000	1,021,113
1	1025001	1030000	1,025,136
1	1065001	1070000	1,069,615
1	1120001	1125000	1,122,743
1	1170001	1175000	1,175,000
1	1190001	1195000	1,193,719
1	1195001	1200000	1,200,000
1	1295001	1300000	1,300,000
1	1455001	1460000	1,459,365
1	1485001	1490000	1,486,712
1	1745001	1750000	1,750,000
2	1925001	1930000	3,858,900
1	2035001	2040000	2,040,000
2	2045001	2050000	4,090,924
1	2050001	2055000	2,051,590
1	2095001	2100000	2,095,212
1	2195001	2200000	2,197,015
1	2340001	2345000	2,345,000
1	2495001	2500000	2,498,534
1	2570001	2575000	2,570,779
1	2685001	2690000	2,687,500
1	3005001	3010000	3,006,800
1	3095001	3100000	3,097,250
2	3215001	3220000	6,438,900
1	3275001	3280000	3,278,750
1	3295001	3300000	3,298,598
1	3495001	3500000	3,499,075
1	3560001	3565000	3,562,601
1	3625001	3630000	3,628,718
1	3975001	3980000	3,977,500
1	4835001	4840000	4,837,500
1	4940001	4945000	4,942,338
1	4995001	5000000	5,000,000
1	5050001	5055000	5,053,800
3	5370001	5375000	16,125,000

No. of Shareholders	Shareholdings From	To	Total Shares Held
2	6065001	6070000	12,140,000
1	6560001	6565000	6,560,550
1	7510001	7515000	7,510,275
1	7560001	7565000	7,560,275
1	8155001	8160000	8,158,700
1	8955001	8960000	8,958,351
1	9725001	9730000	9,726,200
1	11075001	11080000	11,077,000
1	11480001	11485000	11,482,875
1	13590001	13595000	13,591,550
1	20525001	20530000	20,529,483
2	22800001	22805000	45,606,058
7,653			323,375,000

Shareholders' Category	Number of Shareholders	Number Shares Held	Percentage %
Directors, Chief Executive Officer and their spouse and minor children	20	95,928,999	29.66
Associated Companies, Undertakings and related parties	4	39,288,456	12.15
NIT and ICP	4	8,929,264	2.76
Public Sector Companies and Corporations	6	4,803,983	1.49
Banks, Development Financial Institutions, Non Banking Financial Institutions	26	7,777,549	2.41
Insurance Companies	12	2,757,173	0.85
Modarabas and Mutual Funds	65	15,960,738	4.94
General Public			
a. Local	7301	29,639,177	9.17
b. Foreign	68	96,036,944	29.70
Other (to be specified)	147	22,252,717	6.88
	7653	323,375,000	100.00
Share holders holding 5% or more:			
Mr. Jawed Yunus Tabba	2	18,966,550	5.87
Yunus Textile Mills Limited	1	20,529,483	6.35
Kenzo Holdings Limited	1	22,803,029	7.05
Rossneath Investments Limited	1	22,803,029	7.05

ADDITIONAL INFORMATION
As at June 30, 2012

Shareholdrs Category	No. of Shareholders	No. of Sharesheld
Associated Companies, undertakings and related parties (name wise details):		
Yunus Textile Mills Limited	1	20,529,483
Lucky Energy (Private) Limited	1	11,482,875
Younus Textile (Private) Limited	1	3,977,500
Y.B. Pakistan Limited	1	3,298,598
NIT and ICP (name wise details):		
National Investment Trust Limited (NIT)	4	8,929,264
Investment Corporation of Pakistan (ICP)	0	None
Directors, CEO and their spouse and minor children (name wise details):		
Mr. Muhammad Yunus Tabba (Chairman / Director)	2	9,839,300
Mrs. Khairunnisa W/o. Muhammad Yunus Tabba (Spouse)	2	8,062,500
Mr. Muhammad Ali Tabba (Chief Executive)	2	11,657,775
Mrs. Feroza Tabba W/o. Muhammad Ali Tabba (Spouse)	1	645,000
Mr. Muhammad Sohail Tabba (Director)	2	12,397,775
Mrs. Saima Sohail W/o. Muhammad Sohail Tabba (Spouse)	1	6,070,000
Mr. Imran Yunus Tabba (Director)	2	12,885,275
Mrs. Meher Imran W/o. Imran Yunus Tabba (Spouse)	1	6,070,000
Mr. Jawed Yunus Tabba (Director)	2	18,966,550
Mrs. Rahila Aleem (Director)	2	5,314,662
Mrs. Mariam Tabba Khan (Director)	2	3,975,162
Mr. Ali J Siddiqui (Director)	1	45,000
Mr. Manzoor Ahmed (Director)	0	NIT Nominee
Executive	0	0
Public Sector Companies and Corporations	6	4,803,983
Banks, Development Finance Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds	103	26,495,460
Shareholders holding five percent or more voting interest (name wise details):		
Mr. Jawed Yunus Tabba	2	18,966,550
Yunus Textile Mills Limited	1	20,529,483
Kenzo Holdings Limited	1	22,803,029
Rossneath Investments Limited	1	22,803,029

Details of trading in the shares by the Directors, CEO, CFO, Company Secretary and their spouses and minor children:

None of the Directors, CEO, CFO, Company Secretary and their spouses and minor Children has traded in the shares of the Company during the year.

The shares of the Company in the form of Global Depository Receipts (GDRs) are listed on the Professional Securities Market of the London Stock Exchange.

Each GDR represents 4 ordinary shares of the Company with two way fungibility i.e., from GDRs to Shares and vice versa. The GDR holders do not enjoy any voting rights. Out of the total GDRs issued in May, 2008, a substantial number has been converted into ordinary shares.

PROXY FORM

I/We ____________________

of (full address) ____________________

being a Member of Lucky Cement Limited hereby appoint ____________________

____________________ of (full address) ____________________

____

or failing him / her ____________________

of (full address) ____________________

who is also a member of Lucky Cement Limited, as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 19th Annual General Meeting of the Company to be held on October 31, 2012 and / or any adjournment thereof.

Signature this ____________________ ____________________ Year 2012

(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, stamped, signed and witnessed alongwith Power of Attorney, or other instruments (if any), must be deposited at the registered office of the Company at factory premises Pezu, District Lakki Marwat, Khybar Pakhtunkhawa 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 alongwith 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 alongwith the form of Proxy. The Proxy shall produce his / her original Computerised National Identity Card or Passport at the time of the meeting.

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 info@lucky-cement.com

Liason Offices

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Tel: (92-61) 4540556-7 Fax: (92-61) 4540558 multan@lucky-cement.com

Lahore

2nd Floor, Al Hasan Plaza, Jamia Ashrafia, Main Ferozpur Road, Lahore
UAN: (92-42) 111-786-555 Tel: (92-42) 37530480-2 Fax: (92-42) 37530435 lahore@lucky-cement.com

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House No. 26, Street No. 8, Sector F-7/3, Islamabad
UAN: (92-51) 111-786-555 Tel: (92-51) 2610804-07 Fax: (92-51)2610809 dm@lucky-cement.com

Peshawar

7-Park Avenue, University Town
UAN: (92-91) 111-786-555 Tel: (92-91) 5844903-5840271 Fax: (92-91) 5850969 peshawar@lucky-cement.com

Quetta

F1, First Floor, Institute of Engineers Building, Zarghoon Road,
Tel: (92-81) 2837583 Fax: (92-81) 2829267 quetta@lucky-cement.com

Plants

Pezu Plant

Main Indus Highway, Pezu, Distt. Lakki Marwat, Khyber Pakhtunkhwa
Tel: (+92-969) 580123-5 Fax: (+92-969) 580122

Karachi Plant

104km Milestone from Karachi to Hyderabad (58km towards Karachi)
Fax: (092-21) 35206421

Report prepared by: Corporate Communications Department

A part of

YUNUS BROTHERS GROUP

111-786-555

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