Lucky Cement Limited
Annual Report 2001

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	Abdul Razzak Tabba (Chairman/Chief Executive) Muhammad Yunus Tabba Muhammad Sohail Tabba Muhammad Ali Tabba Imran Yunus Tabba Muhammad Javed Tabba Anis Wahab Zuberi M Aliuddin Ansari
EXECUTIVE DIRECTOR	Abdur Razzaq Thaplawala
COMPANY SECRETARY & GENERAL MANAGER FINANCE	Muhammad Abid Ganatra ACA, ACMA, ACIS
STATUTORY AUDITORS	M. Yousuf Adil Saleem & Co., Chartered Accountants
COST AUDITORS	Munaf Yousuf & Co., Chartered Accountants
BANKERS	Metropolitan Bank Limited

	Muslim Commercial Bank Limited Soneri Bank Limited
REGISTERED OFFICE / FACTORY	Pezu, District Lakki Marwat N.W.F.P.
HEAD OFFICE	6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350. UAN # (021) 111-786-555

SALES OFFICES

2nd Floor, A1-Hassan Plaza, Jamia Ashrafia, Main Ferozpur Road, **Lahore.** UAN # (042) 111-786-555	Aptma House, Jamrud Road, **Peshawar.** UAN # (091) 111-786-555
Gold Crest Plaza, 20 Azmat Wasti Road, Near Chowk Dera Adda, **Multan.** Tel # (061) 540021 - 510021	Saddar Bazar, Bannu Road, Near Main Flying Coach Adda, **D.I. Khan.** UAN # (0961) 111-786-555
167-A, Adamjee Road, Rawalpindi Cantt, **Rawalpindi.** UAN #(051) 111-786-555	6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, **Karachi.** UAN #(021) 111-786-555
SHARES DEPARTMENT	404, 4thFloor, Trade Tower, Abdullah Haroon Road, Karachi. Tel # 5685930 - 5687839

Note: W.e.f. 1st Jan. 2002 the shares department will be shifted at 6-A, Muhammad Ali Housing Society, Karachi-75350

NOTICE OF 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of the members of **Lucky Cement Limited** will be held on Friday, the 28th December, 2001 at 11:00 a.m., at the Registered Office of the Company situated at factory premises Pezu, District Lakki Marwat, N.W.F.P. to transact tire following business:

1. To confirm the minutes of 7th Annual General Meeting held on 14th December, 2000.

2. To receive, consider and adopt the audited accounts of the Company for the year ended on June 30, 2001, together with the Directors' and the Auditors' Reports thereon.

3. To declare cash dividend of Re. 0.75 per share (@7.5%) for the year ended June 30, 2001 as recommended by the Directors.

4. To appoint Auditors and fix their remuneration for the year 2001-2002. The present Auditors, Messrs M. Yousuf Adil Saleem & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

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

By Order of the Board

Muhammad Abid Ganatra
Company Secretary

Karachi, 29th November, 2001.

NOTES:

1. The shares transfer books of the Company will be closed from Friday 21st December, 2001 to 28th December, 2001 (both days inclusive). Transfer received in order at the shares department at 404, 4th Floor, Trade Tower, Abdullah Haroon Road, Karachi upto the close of business on Thursday December 20, 2001, will be considered in time to be eligible for payment of Dividend 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. An individual beneficial owner of shares from CDC must bring his/her original NIC 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.

4. The members are requested to notify change in their address, if any, to the Company's shares department at 404, 4th Floor, Trade Tower, Abdullah Haroon Road, Karachi.

Note: W.e.f. 1st Jan. 2002 the shares department will be shifted at 6-A, Muhammad Ali Housing Society, Karachi-75350

DIRECTORS' REPORT

We have pleasure to present a review of the company's performance during the year 2000-2001 together with income statement for the year ended on 30th June, 2001 and balance sheet of the company as on that date.

Overview

As you will see from the annexed financial statement there was an overall improvement in company's performance during the year. The earning per share improved from Re. 0.92 in the preceding year to Rs. 1.05 during the year under report. The profit before tax increased from Rs. 244.031 million in 1999-2000 to Rs. 267.187 million in the year under report. This was possible mainly because of substantial reduction in financial charges of the company. Your company was not only able to meet all its repayment obligations in time but was also able to repay some of the borrowings in advance. This enabled the company to reduce its long term obligations from Rs. 291 million on 30-06-2000 to Rs. 184 million on 30-06-2001. The outstanding liabilities against financial lease were paid off in full during the current year and there was no outstanding balance as on 30-06-2001 on this account. The debt equity ratio of the company stood at 0.08:1 at the end of the year. Your company, thus, has a robust balance sheet.

Production

For last two years, the company was constantly working on the upgrading and modernizing its equipments. By the grace of Allah, the Almighty, these efforts have been successful and we were able to increase our production capability to almost 2,400 tons of clinker per day as against the original minimum design capacity of 2000 tons per day. Simultaneous improvement in the production capability of raw mill and cement mill was also made to feed and to grind the increased clinker production capability. However, inspite of increased production capability, the total production of the year could not be increased because the operation of the plant had to conform to the market demand of cement which continued to remain stagnant. During the year the clinker production was slightly better than the preceding year but the cement production and sales on the other hand was slightly less than the previous year as can be seen from the following figures:

	1999-2000 (Tons)	***2000-2001 (Tons)***
Clinker Produced	819,180	824,190
Cement Produced	856,928	825,830
Cement Sold	837,184	821,476

With the increase in the production capability, the company was able to achieve substantial economy in its fuel consumption which came down from about 92 Kg in the year ended on 30-06-2000 per ton of clinker to about 84 Kg in the year under report. The company's management is actively working on further improvement and hope to achieve better heat consumption in future.

Sales

The company sold 821,476 tons of cement during the year' under report as against 837,184 tons in the preceding year. The average ex-factory selling price also carne down from Rs. 3,855 per ton to Rs. 3,752 per ton. The company's net retention however increased by about 9% during the year because of reduction of excise duty from Rs. 1,400 per ton to Rs. 1,000 per' ton with effect from 5th September, 2000. The average retention would have been better but for an unhealthy competition which was initiated by some cement producers in the cement market immediately after the revival of sales tax exemption to your company in September 2000 with a motive to deprive your company of the benefits of a truncated exemption (for less than 10 months) against five year's exemption promised at the time of initiation of the project. The competition was so fierce that at a certain time retail prices of cement came down from an average of about Rs. 4,000 to Rs. 2,800 per ton. This un-healthy and motivated competition continued from September 2000 to March 2001 when prices started stabilizing. As already reported in the last year's report, your company also have an almost permanent dis-advantage of Rs. 150 to Rs. 200 per ton in freight charges on cement as compared to most of the other companies because of distance between location of its plant from main market. This will always have a negative impact on company's net retention per ton as compared to other companies.

Production Costs

The furnace oil is the main element of cost in cement production. Its prices were substantially higher during the year under report as compared to preceding year. The average cost of furnace oil per ton during the year 1999-2000 was Rs. 8,194 per ton. The average increased to Rs. 12,569 per ton during the year ended on 30-06-2001. This works out to an increase of more than 53%. As a consequence of increase in cost of furnace oil, the cost of electricity generated by Lucky Powertech Ltd a wholly owned subsidiary of your company also increased substantially.

Until 30th June, 2000, the Government was operating a freight equalization pool which equalized the freight payable on furnace oil by all buyers irrespective of their locations. Thus the price of furnace oil was uniform for all the consumers in Pakistan. The freight equalization pool was discontinued from 01-07-2000 and as a result, the buyers located in the North are being made to pay higher freight on furnace oil according to the distance of their respective plants from Karachi as compared to their counterparts in south. The increase in cost of furnace oil and other inputs due to normal inflationary condition in the country partly offset by improved retention per ton, reduced our gross profit rate and operating profit rate to 18.85% and 15.70% respectively during the year under review as compared to 21.38% and 18.56% respectively in the year ended on 30-06-2000.

Coal as substitute to Furnace Oil

Pakistan's Coal reserves are estimated at 184,658 million tons but out of these estimated reserves only 4,006 million tons or 2.17% are classified as measured reserves. Most of the estimated reserves (97%) are in Lakhra and That fields of Sindh and entire coal from these fields is generally of lignite type which has high moisture, high sulphur and low heating value. It is therefore not a useful fuel for efficient operation of a cement plant. There are small reserves (0.37% of country's total estimated reserves) in Sot Range Quetta which can be described as bituminous coal. It has reasonably good moisture and better heating value and sulphur content of around 4%. The coal from this source and some other sources in Punjab and NWFP can be used in cement industry if blended with imported coal. The sulphur contents in the imported coal is less than 1%. If it is blended with indigenous coal of about 4% sulphur in proper ratio, the cement plant can save itself from the problems associated with high sulphur. It is estimated that if 60% imported coal is used with 40% indigenous coal and the entire cement industry in the country switches over to the coal, the country can save US$ 113 million per annum out of the amount presently being spent on the import of furnace oil.

For switching over to the coal, cement plants with a capacity about 2000 to 3000 tons a day, shall have to make a capital investment of atleast Rs. 300 millions. The cement industry in Pakistan has taken up this challenge and has started making this investment. It is however, necessary that the Government persuades the coal mining industry to also modernize its mining methods and set up coal washeries and beneficiation plants to supply coal of improved quality.

Your company started experimentation with substitution of furnace oil by coal in last quarter of the year under report by using good quality indigenous coal in pre-calciner with the help of indigenous crushing equipments. Inspite of problems created by high sulphur content of the local coal, your company is now getting its 30% to 40% energy from coal. Although the operations are not as smooth and efficient as it could be with better quality of coal and proper storage, pulverizing and feeding system. Your company is now in process of importing equipments for a complete coal firing system and hope to switch over to 100% coal in the beginning of next financial year.

Appropriation of Profit

According to the annexed profit & loss account, the company earned a net profit before tax of Rs. 267.187 millions during the year under report. After accounting for provision for taxation the net profit after tax comes to Rs. 256.169 million. There is an accumulated profit brought forward from previous year amounting to Rs. 136.020 million. This, together with year's net profit after tax, makes available a total sum of Rs. 392.189 million for appropriation. Your Directors propose to appropriate the amount as follows:

	(Rupees in '000')
Profit before taxation for the year 2000-2001	267,187
Provision for Taxation	11,018

Net Profit after Taxation	256,169
Accumulated Profit brought forward	136,020

Total profit available for appropriation	392,189
	==========
Appropriation	
- Dividend @ Re. 0.75 per share of Rs. 10/= each	183,750
- Unappropriated profit carried forward	208,439

Total	392,189
	==========

Future Prospects

Due to various economic reasons, the demand for cement continues to be stagnant. The industry in general, is utilizing about 60% of its production capacity. With the recent developments in Afghanistan and implementation of some development projects, there is a possibility of increase in demand during the second half of the country. If these hopes materialize, we can look forward to better prospects for cement industry in the coming years.

Auditors

The auditors, M. Yousuf Adil Saleem & Co, Chartered Accountants, retire and being eligible offer themselves for reappointment.

Pattern of Shareholding

The pattern of shareholding as on 30th June, 2001 is annexed to this report.

Subsidiary
The audited accounts of the Lucky Powertech Limited, the company's wholly owned subsidiary, for the year ended 30th June, 2001 are annexed to this report.

Acknowledgement
Your directors acknowledge with appreciation, the efforts of company's managers, technicians and workers and the support extended by the company's bankers, dealers and stockists during the year.

For and on behalf of the Board

ABDUL RAZZAK TABBA
Chairman & Chief Executive

Karachi: 29th November, 2001

YEARWISE STATISTICAL SUMMARY

Rupees in '000'

	1997	*1998*	*1999*	*2000*	*2001*
ASSETS EMPLOYED					
Fixed assets	3,992	3,904	3,785	3,729	**3,585**
Long term investments	200	200	200	200	**200**
Long term deposit and deferred cost	64	54	43	18	**6**
Current assets	366	426	498	620	**784**
Total assets employed	4,622	4,584	4,526	4,567	**4,575**
FINANCED BY					
Shareholders' equity	3,413	3,294	3,350	3,576	**3,648**
Long term liabilities					
Loans	603	518	409	291	**184**
Leasing	101	107	76	--	**--**
Current portion of loans and lease	13	115	134	195	**120**
	717	740	619	486	**304**
Long term deposits and deferred liabilities	94	144	92	102	**106**

Current liabilities	411	521	599	598	**637**
Current portion of loans and lease	(13)	(115)	(134)	(195)	**(120)**
	398	406	465	403	**517**
Total funds invested	4,622	4,584	4,526	4,567	**4,575**
TURNOVER AND PROFIT					
Turnover	393	1,010	1,475	2,050	**2,203**
Gross profit	82	66	263	438	**415**
Operating profit	46	9	211	380	**346**
Profit/(1oss) before taxation	(25)	(114)	55	244	**267**
Profit/(1oss) after taxation	(27)	(119)	55	226	**256**
Proposed cash dividend	--	--	--	--	**184**
Profit/(1oss) carried forward	(26)	(146)	(90)	136	**208**
Earnings per share (Rupees)	(0.110)	(0.486)	0.22	0.92	**1.05**
Break up value per share (Rupees)	13.39	13.45	13.67	14.60	**14.89**

RATIO ANALYSIS
FOR THE YEAR ENDED 30 JUNE 2001

	2001	***2000***
PROFITABILITY		
Gross profit to sales	18.85%	21.38%
Operating profit to sales	15.71%	18.56%
Profit before tax to sales	12.13%	11.91%
Net profit after tax to sales	11.63%	11.04%
Net profit to total assets	5.60%	4.96%
increase in sales over last year	7.50%	38.95%
Raw and packing material to sales	11.04%	11.58%
Raw and packing material to cost of sales	13.61%	14.72%
Fuel and power to sales	59.06%	49.81%
Fuel and power to cost of sales	72.79%	63.36%
Salaries, benefits and wages to sales	3.48%	4.06%
Salaries, benefits and wages to cost of sales	4.28%	5.16%
Other cost of sales expenses to sales	7.57%	13.17%
Other cost of sales expenses to cost of sales	9.32%	16.76%
Administrative expenses to sales	2.29%	2.01%
Selling and distribution expenses to sales	0.86%	0.81%
Income tax to sales	0.50%	0.86%
Financial charges to sales	2.96%	6.05%
Earning per share (before tax)	Rs. 1.09	Rs. 1.00
Earning per share (after tax)	Rs. 1.05	Rs. 0.92

SOLVENCY		
Working capital ratio	Rs. 1.52: 1	Rs. 1.54: 1
Acid test ratio	Rs. 1.14: 1	Rs. 1.28: 1
Working capital turnover (sales)-times	8.26	9.44
Inventory turnover (sales)- times	14.86	24.17
Inventory turnover (COGS)- times	12.05	19.00
OVERALL VALUATION AND ASSESSMENT		
Return on equity after tax	10.46%	9.24%
Book value per share	Rs. 14.89	Rs. 14.60
Long-term debts to equity ratio	Rs. 0.08: 1	Rs. 0.14: 1

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Lucky Cement Limited** as at June 30, 2001 and the related profit and loss account, statement of changes in equity and cash flow statement 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 the 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 the accounting policies consistently applied;

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof confirm with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2001 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

M. YOUSUF ADIL SALEEM & CO.,
Chartered Accountants

KARACHI: November 29, 2001

BALANCE SHEET AS AT JUNE 30, 2001

	Note	*2001*	*2000*
		Rupees in '000'	
SHARE CAPITAL AND RESERVES			
Authorised capital			
300,000,000 Ordinary shares			
of Rs. 10/- each		3,000,000	3,000,000
		==========	==========
Issued, subscribed and paid-up capital			
245,000,000 Ordinary shares of Rs. 10/- each			
fully paid in cash		2,450,000	2,450,000
Capital reserve			
Share premium		990,000	990,000
Unappropriated profit		208,439	136,020
		------------------	------------------
		3,648,439	3,576,020
LONG TERM LOANS	3	184,247	291,246
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	4	--	--
DEFERRED LIABILITIES	5	90,507	85,910
LONG TERM DEPOSITS	6	15,109	15,649
CURRENT LIABILITIES			

Short term finances	7	119,118	130,000
Current portion of long term liabilities	8	120,000	194,920
Creditors, accrued and other liabilities	9	178,529	248,443
Provision for taxation		35,699	24,681
Proposed dividend		183,750	--
		------------------	------------------
		637,096	598,044
CONTINGENCIES AND COMMITMENTS	10	--	--
		------------------	------------------
		4,575,398	4,566,869
		=========	=========

The annexed notes from 1 to 31 form an integral part of these accounts.

FIXED ASSETS - TANGIBLE			
Operating assets	11	3,580,513	3,723,820
Capital work-in-progress - civil work		4,779	4,723
		------------------	------------------
		3,585,292	3,728,543
LONG TERM INVESTMENT	12	200,000	200,000
DEFERRED COSTS	13	6,235	18,073
CURRENT ASSETS			
Stores and spares	14	246,279	214,058
Stock-in-trade	15	192,747	103,875
Trade debtors	16	43,584	16,352
Advances, deposits, prepayments and other receivables	17	252,558	234,355
Cash and bank balances	18	48,703	51,613
		------------------	------------------
		783,871	620,253
		------------------	------------------
		4,575,398	4,566,869
		=========	=========

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2001

	Note	***2001***	***2000***
		Rupees in '000'	

Sales	19	2,203,187	2,049,534
Cost of sales	20	1,787,790	1,611,289
		------------------	------------------
Gross profit		415,397	438,245
Operating expenses			
Administrative	21	50,500	41,262
Selling and distribution	22	18,842	16,501
		------------------	------------------
		69,342	57,763
		------------------	------------------
Operating profit		346,055	380,482
Other income	23	383	412
		------------------	------------------
		346,438	380,894
		------------------	------------------
Financial charges	24	65,131	124,001
Workers' profit participation fund		14,120	12,862
		------------------	------------------
		79,251	136,863
		------------------	------------------
Profit before taxation		267,187	244,031
Provision for taxation			
- current year	25	11,018	10,250
- prior year		--	7,431
		------------------	------------------
		11,018	17,681
		------------------	------------------
Net profit after taxation		256,169	226,350
Accumulated profit/(loss) brought forward		136,020	(90,330)
		------------------	------------------
Total profit available for appropriation		392,189	136,020
Proposed cash dividend 07.5% (2000-Nil)		183,750	--
		------------------	------------------
Unappropriated profit carried forward		208,439	136,020
		==========	==========
Earnings per share	26	Rs. 1.05	Rs. 0.92

The annexed notes from 1 to 31 form an integral part of these accounts.

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2001

	2001	*2000*
	Rupees in '000'	
A. CASH FROM OPERATING ACTIVITIES		
Profit before taxation	267,187	244,031
Adjustments for:		
Depreciation	161,628	165.15
Amortization of deferred cost	11,838	11,838
Gain on disposal of fixed assets	--	(37)
Provision for gratuity	5,195	10,825
Financial charges	65,131	124,001
	------------------	------------------
Profit before working capital changes	510,979	555,803
Working capital changes:		
(Increase) / decrease in current assets		
Stores and spares	(32,221)	(42,837)
Stock-in-trade	(88,872)	(38,140)
Trade debtors	(27,232)	(10,671)
Advances, deposits, prepayments and other receivables	(17,072)	18,339
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(34,988)	35,372
	------------------	------------------
Cash generated from operation	310,594	517,866
Financial charges paid	(100,057)	(148,967)
Gratuity paid	(598)	(909)
Income tax	(13,881)	(8.914)
	------------------	------------------
Net cash from operating activities	196,058	359,076
	------------------	------------------
B. CASH FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(18,377)	(109,007)
Sale proceed of fixed assets	--	232
	------------------	------------------
Net cash used in investing activities	(18,377)	(108,775)
	------------------	------------------
C. CASH FROM FINANCING ACTIVITIES		
Long term loan paid	(106,999)	(82,694)
Lease finances paid	(62,170)	(49,811)
Long term deposits	(540)	(490)
Short term loan	--	(45,000)
	------------------	------------------

Net cash used in investing activities	(169,709)	(177,995)
	------------------	------------------
Net increase in cash and cash equivalents (A+B+C)	7,972	72,306
Cash and cash equivalent at the beginning of the year	(78,387)	(150,693)
	------------------	------------------
Cash and cash equivalent at the end of the year	(70,415)	(78,387)
	==========	==========
Cash and cash equivalent		
Cash and bank balances	48,703	51,613
Short term finances	(119,118)	(130,000)
	------------------	------------------
	(70,415)	(78,387)
	==========	==========

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2001

Rupees in '000'

	Issued subscribed and paid up capital	*Capital reserve*	*Unappropriated profit*	*Total*
Balance at July 01, 1999	2,450,000	990,000	(90,330)	3,349,670
Profit for the year	--	--	226,350	226,350
	------------------	------------------	------------------	------------------
Balance at June 30, 2000	2,450,000	990,000	136,020	3,576,020
Profit for the year	--	--	256,169	256,169
	------------------	------------------	------------------	------------------
	2,450,000	990,000	392,189	3,832,189
Proposed cash dividend	--	--	(183,750)	(183,750)
	------------------	------------------	------------------	------------------
Balance at June 30, 2001	2,450,000	990,000	208,439	3,648,439
	==========	==========	==========	==========

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2001

1. THE COMPANY AND ITS OPERATION
Lucky Cement Limited was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984. The shares of the Company are quoted on the stock exchanges of Pakistan. The principal activity of the Company is manufacture and sale of cement. The project is located at District Lakki Marwar in North West Frontier Province.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention
These accounts have been prepared under the 'historical cost convention'.

2.2 Basis of preparation
These accounts have been prepared in accordance with the International Accounting Standards as applicable in Pakistan.

2.3 Staff retirement benefits
The Company operates an unfunded gratuity scheme for all its employees. Annual provisions are made in the accounts to cover this liability.

2.4 Taxation

Current
Provision for current taxation is based on current rates of tax after taking into account tax rebates and credits available, if any.

Deferred
The Company accounts for deferred tax on all material timing differences using the liability method. However, deferred tax is not provided if it can be established with reasonable certainty that these timing differences will not reverse in the foreseeable future.

2.5 Fixed assets and depreciation

Operating assets
These are stated at cost less accumulated depreciation except free hold land which is stated at cost.

Depreciation is charged to income applying the straight line method on building and quarry equipments and on written down value on all other assets at the rates mentioned in the relevant note. On plant and machinery depreciation is charged on units of production method based on higher of estimated life and production. Full year's depreciation is charged on additions while no depreciation is charged on assets deleted during the year. However, capitalization of projects cost is depreciated proportionately for the period of use.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

Gains cud losses on disposal of assets, if any, are included in income currently.

Assets subject to finance lease

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements or fair value of the assets. The related obligations of the lease are accounted for as liabilities. Assets acquired under the finance lease are depreciated at the rates specified in relevant note.

2.6 Capital work in progress

All cost / expenditure directly related to specific assets incurred during project implementa--tion period are carried under this head. These are transferred to specific assets as and when assets are available for use.

Deferred costs

Deferred cost is amortized over a maximum period of five years beginning from the year of deferment.

2.8
Investments

Long term investments are stated at cost. Provisions is made for permanent diminution in value, if any.

2.9 Stores and spares

These are valued at moving average cost. Items in transit are stated at cost accumulated upto the balance sheet date.

2.10 Stock-in-trade

These are valued at the lower of cost or net realizable value. Cost signifies in relation to raw and packing material at average cost. In case of work in process and finished goods at average cost comprising prime cost and appropriate manufacturing overheads.

2.11 Trade debtors

Known bad debts, if any, are written-off and provision is made against debts consider doubtful.

2.12 Foreign currency translations

Assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the balance sheet date, except where forward exchange contracts have been entered into for payment of liabilities in which case the rate contracted for are used. Foreign currency transactions are translated into Pak Rupees at the rate of exchange ruling of the date of transaction, except where forward exchange contract have been entered in which case the rate contracted for are used. Exchange gains and losses on translation are included in income currently.

2.13 Revenue recognition

Sales are recorded on despatch of goods to customers.

	Note	2001	2000
		Rupees in '000'	

3. LONG TERM LOANS - secured

	Note	2001	2000
Banking Company	3.1	304,247	411,246
Less: payable within one year shown under current liabilities		(120,000)	(120.000)
		------------------	------------------
		184,247	291,246
		==========	==========

3.1 This loan is secured against first charge by way of equitable mortgage on the fixed assets, floating charge on book debts and hypothecation on plant / machinery and equipment other than of Line 'A' and quarry equipments. The repayment of principal and mark-up on these finances are on deferred basis and clubbed with the repayment of subsidiary company. It is repayable in monthly installments. The mark-up rate on this loan is ranging from 11% to 12.5% per annum.

4. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	Note	2001	2000
Opening balance		74,920	124,905
Paid during the year		(74,920)	(49,985)
		------------------	------------------
		--	74,920
Payable within one year shown under current liabilities		--	(74,920)
		------------------	------------------
		--	--
		==========	==========

5. DEFERRED LIABILITIES

	Note	2001	2000
Staff gratuity		22,851	18,254
Retention money			
Plant and machinery - foreign supplier	5.1	11,477	11,477
Encashment of performance guarantee (US$ 1,313,250)	5.1	56,179	56,179
		------------------	------------------
		90,507	85,910
		==========	==========

5.1 These represent net retention money and proceed of encashment of performance guarantee. The encashment amount of performance guarantee is valued at the conversion rate on the date of encashment. These amounts are likely to be settled from the claims made by the company against the supplier (Refer Note # 10.3).

6. LONG TERM DEPOSITS - unsecured

	Note	2001	2000
Cement Stockists	6.1	2,129	2,619

Transporters	6.2	12,650	12,900
Others		330	130
		------------------	------------------
		15,109	15,649
		==========	==========

6.1 These represent interest free security deposits, received from Stockists and are repayable on cancellation or withdrawal of stockist arrangement and adjustable with unpaid amount of sales.

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

7. SHORT TERM FINANCE - secured	7.1	119,118	130,000
		==========	==========

7.1 These represent short term finances obtained from commercial banks. The amount sanctioned is Rs. 170 million. These facilities are subject to mark-up ranging from 10% to 12.5% p.a. and are secured by way of hypothecation on stores, receivable and quarry equipment.

8. CURRENT PORTION OF LONG TERM LIABILITIES

Long term loans		120,000	120,000
Liabilities against assets subject to finance lease		--	74,920
		------------------	------------------
		120,000	194,920
		==========	==========

9. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		114,643	161.38
Accrued expenses		20,680	12,704
Mark up on long term loans and short term finances		11,341	46,267
Advances from customers		14,662	14,017
Retention money		596	563
Workers' profit participation fund	9.1	16,523	13,391
Withholding taxes		18	--
Others		66	126
		------------------	------------------
		178,529	248,443
		==========	==========

9.1 Workers' profit participation fund

Opening balance	13,391	2,917
Interest provided	1,092	337
	------------------	------------------
	14,483	3,254
Transferred to fund	(12,080)	(2,725)

	------------------	------------------
	2,403	529
Allocation for the year	14,120	12,862
	------------------	------------------
	16,523	13,391
	==========	==========

10. CONTINGENCIES AND COMMITMENTS

Contingencies

10.1 Under SRO 484(1)/92 dated May 14, 1992 the plant and machinery not being manufactured locally was exempt from custom duty, if imported before June 30, 1995. The Company obtained certificates from the Ministry of Industries and Central Board of Revenue (CBR) that the machinery being imported was not manufactured locally. In April 1995 the Central Board of Revenue advised the Custom authorities that the local industry was capable of manufacturing some of the equipment being imported by the company and that exemption from custom duty on such equipment be denied. The Company filed a writ petition against CBR's instructions before the Peshawar High Court. The Honorable High Court has decided the case in favor of the Company. The Collector of Customs, Karachi filed an appeal in the Supreme Court of Pakistan against the Order of Peshawar High Court. The case is pending before the Supreme Court.

10.2 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 (I) / 91 and 561 (I) / 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 by the denial of the benefit of sales tax exemption, the Company had filed a writ petition in tile 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 for compensation was filed in appropriate Court.

10.3 The Company has filed stilts against the supplier of main plant and machinery in the Sindh High Court, Karachi on account of uneconomical operation, short supply of equipment and parts and supply of sub-standard / defective parts etc. The suits are pending with the High Court. The total amount of these claims is not determinable in monetary terms at this stage.

10.4 In January 1995, the Chinese Supplier of the plant sent a shipment of certain equipment by air which were found short supplied at tile time of erection. Since, the equipment were part and parcel of the main plant, the supply was made free of charge. The custom authorities however, assessed the equipment to duties and taxes of Rs. 20,830,226/- which was paid in full. The Company disputed this levy and filed an appeal before tile Customs, Excise and Sales Tax Appellate Tribunal. The Tribunal has set aside the impugned assessment, waived the fine and penalty of Rs. 3,650,000/- and Rs. 1,000,000/- respectively and directed the custom authorities to re-determine the value of the goods and assess the same at concessional rate of duty @25% of tariff rate as per SRO No. 978(I)/95 dated October 04, 1995. The refund claim of Rs. 4,650,000/- and re-assessment of goods at concessional rate of duty are pending with the Custom Authorities.

10.5 On September 5, 2000, the Government of Pakistan imposed sales tax on cement which resulted in the restoration of statutory sales tax exemption available to the Company upto June 30, 2001. On September 20, 2000 the Sales Tax Wing, Central Board of Revenue (CBR) issued a letter stating that all dealers / distributors / whole sellers and suppliers cement are required to be registered irrespective of their purchases from a cement manufacturer whose suppliers are taxable or exempted. It also advised not to supply cement to any unregistered dealer/distributor/whole seller and supplier of cement. Being aggrieved from this letter, the Company filed a writ petition in the Peshawar High Court. The High Court has decided the case and declared that the Company's dealers / distributors / whole sellers are not liable to be registered upto the statutory exemption period of tile Company. The CBR has filed an appeal before the Supreme Court of Pakistan and the case is pending before it.

10.6 The Income Tax department has filed an appeal before the Income Tax Appellate Tribunal against an order passed by the Commissioner (Appeals) in favour of the Company with respect to levy of tax amounting to Rs. 85 million on certain pre-operational earning for the assessment years 1994-95, 1995-96 and 1996-97. No liability has been accounted for in those accounts in lieu of the relief granted by the Commissioner (Appeals).

10.7 The Company has filed a writ petition with the Honourable High Court Peshawar against the demand raised by the Pakistan Standard Institution for the Marking Fee. The High Court has granted a stay on submission of a Bank Guarantee for Rs. 3,958,18,0/- by the Company. The case is pending for adjudication before the High Court. However, the provision has been made in the books of accounts.

10.8 The Additional Collector, Custom & Central Excise Peshawar has raised a demand of Rs. 5,530,335/- as differential excise duty on a new brand introduced by the Company. The company has filed an appeal before the Custom, Excise & Sales Tax Appellate Tribunal against the demand raised by the Additional Collector. The Tribunal accepted the appeal of the Company and set aside the order of Additional Collector. An appeal has been filed against the order of the Tribunal by the Collector of Customs and the matter is pending before the Peshawar High Court. No liability has been accounted for in lieu of the relief granted by the Tribunal.

10.9 As reported last year the contractor of the main project had made claims against the Company. The Company had also raised counter claims against them. During the year final settlement with the main project contractor has been reached with mutual understanding without any additional cost to the Company. The claims and counter claims earlier raised by the contractor and Company have been withdrawn accordingly.

10.10 A notice for the payment of Rs. 8,691,600 was issued on the Company by Director of Industries for an alleged mining of laterite on the basis of an order passed by the Secretary Industries, Mineral Development, NWFP. The Company filed an appeal before the Secretary Industries, NWFP against the notice, who accepted the same and constituted a team for reassessment of the amount. Subsequently, the demand was reduced from Rs. 8,691,600 to Rs. 2,996,355. The Company has disputed this demand and has filed a revision application. The matter is pending with the appropriate authority.

10.11 A dispute has arisen with a civil contractor on the final settlement of his bills. The matter is referred to the Arbitrator. The amount is not ascertainable at this stage.

Commitments

	2001	*2000*
	Rupees in '000'	
In respect of letters of credit - for machinery and stores	16,799	17,358

11. OPERATING ASSETS

	Cost at July 1, 2000	*Additions /transfer**	*Cost at June 30, 2001*	*Accumulated depreciation at July 1, 2000*	*Depreciation /transfer* for the year*	*Rate % p.a.*	*Accumulated depreciation at June 30, 2001*	*Written down /Book value at June 30, 2001*
Owned								
Land-freehold	5,367	--	5,367	--	--	--	--	5,367
Buildings on freehold land	884,993	1,133	886,126	134,563	44,306	5	178,869	707,257
Plant and machinery	2,964,448	10,717	3,110,165	298,838	103,672	UPM	417,288	2,692,877
		135,000*			14,778*			
Quarry equipment	184,723	2,821	187,544	32,597	9,377	5	41,974	145,570
Vehicles	22,630	1,668	24,298	15,283	1,803	20	17,086	7,212
Furniture and fixtures	5,287	112	5,399	2,316	308	10	2,624	2,775
Office equipment	21,067	1,720	22,787	8,618	1,417	10	10,035	12,752
Other assets	11,337	150	11,487	4,039	745	10	4,784	6,703
	4,099,852	153,321	4,253,173	496,254	176,406		672,660	3,580,513
Leased								
Plant and machinery	135,000	--	--	14,778	--		--	--
		(135,000)*			(14,778)*			
	135,000	(135,000)	--	14,778	(14,778)		--	--
2001 (Rupees in "000")	4,234,852	18,321	4,253,173	511,032	161,628		672,660	3,580,513
2000 (Rupees in "000")	4,125.55	111,629	4,234.85	346,266	165,145		511,032	3,723,820
		(574)						

UPM = Unit of production method

11.1 A portion of the land has been leased for twenty year to Lucky Powertech Limited, a wholly owned subsidiary company for power plant.

	2001	*2000*

	Rupees in '000'	
11.2 Depreciation charge for the year has been allocated as follows:		
Cost of sales	158,940	162,476
Administrative expenses	2,289	2,297
Selling and distribution expenses	399	372
	161,628	165,145

12. LONG TERM INVESTMENT

Wholly owned subsidiary Lucky Powertech Limited - Unquoted 20 000,000 fully paid Ordinary shares of Rs. 10/- each	200,000	200,000

Not assets value Rs. 230.211 million (2000 - Rs.204.60 million).

Latest financial statements of subsidiary and statement under section 237 of the Companies Ordinance, 1984, are enclosed.

13. DEFERRED COSTS

Preliminary expenses	2,507	2,507
Expenses on issue of shares	41,046	41,046
Quarry development costs	13,145	13,145
Other deferred cost	2,493	2,493
	59,191	59,191
Amortization		
- Opening balance	(41,118)	(29,280)
- During the year	(11,838)	(11,838)
	(52,956)	(41,118)
	6,235	18,073

14. STORES AND SPARES

Stores	52,351	20,887
Spares	178,152	178,378
Spares in transit	15,776	14,793
	246,279	214,058

15. STOCK-IN-TRADE

Raw and packing materials		9,237	12,059
Work in process		127,475	50,546
Finished goods		56,035	41,270
		192,747	103,875

16. TRADE DEBTORS

Unsecured - considered good		43,584	16,352

17. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Loans and advances - Considered good			
Employees		658	1,319
Advance to wholly owned subsidiary for power supply	17.1	131,156	112,418
Advance income tax		71,530	57.65
Excise duty		6,148	7,036
Advance to suppliers and others		15,590	16,023
		225,082	194,445
Deposits and prepayments			
Current portion of lease deposits		--	12,750
Other deposits		4,637	3,830
Prepayments		273	725
		4,910	17,305
Other receivables - Considered good			
Custom duty		20,830	20,830
Others		1,736	1,775
		22,566	22,605
		252,558	234,355

17.1 Maximum outstanding balance at the end of any month during the year was Rs. 153.127 million (2000 - Rs. 174 million).

18. CASH AND BANK BALANCES

Bank balances			
Current accounts		8,521	15.13
Sales collection in transit		39,769	35,967

PLS accounts		205	122
		------------------	------------------
		48,495	51,222
Cash in hand		208	391
		------------------	------------------
		48,703	51,613
		==========	==========

19. SALES

Sales		3,082,348	3,227,725
		------------------	------------------
Less: Excise duty		873,038	1,172.06
Loading and other charges		6,123	6,133
		------------------	------------------
		879,161	1,178,191
		------------------	------------------
		2,203,187	2,049.53
		==========	==========

211. COST OF SALES

Raw material		43,972	37,690
Packing material		199,289	199,544
Fuel and power		1,301,272	1,020,877
Stores and spares		52,975	83,450
Salaries, benefits and wages	20.1	76,566	83,188
Repairs and maintenance		4,608	6,486
Depreciation		158,940	162,476
Insurance		19,045	25,116
Amortization of quarry development		2,629	2,629
Other manufacturing expenses		20,188	24,272
		------------------	------------------
		1,879,484	1,645,728
Work-in-process			
Opening		50,546	49,867
Closing		(127,475)	(50,546)
		------------------	------------------
		(76,929)	(679)
		------------------	------------------
		1,802,555	1,645,049
Cost of goods manufactured			
Finished goods			
Opening		41,270	7,510
Closing		(56,035)	(411270)
		------------------	------------------
		(14,765)	(33,760)
		------------------	------------------

		1,787,790	1,611,289
		==========	==========

20.1 Salaries and benefits include provision for gratuity amounting to Rs. 3.889 million.
(2000- Rs. 7.810 million). Previous year provision figures include adjustment of prior years.

21. ADMINISTRATIVE EXPENSES

Salaries, benefits and wages	21.1	18,088	14,243
Communication		3,837	3,700
Amortization of deferred cost		9,209	9,209
Travelling and conveyance		2,523	1,513
Depreciation		2,289	2,297
Insurance		335	1,026
Vehicle running and maintenance		1,451	1,053
Advertisements		1,523	702
Printing and stationery		1,468	1,240
Security services		132	121
Legal and professional		5,941	2,339
Transportation and freight		79	71
Rent, rates and taxes		270	667
Utilities		857	973
Repairs and maintenance		651	489
Auditors' remuneration	21.2	203	163
Charity and donation	21.3	6	39
Fees and subscription		788	1,024
Others		850	393
		------------------	------------------
		50,500	41,262
		==========	==========

21.1 Salaries and benefits include provision for gratuity amounting Rs. 0.713 million.
(2000- Rs. 1.604 million). Previous year provision figures include adjustment of prior years.

21.2 Auditors' Remuneration

Statutory audit fee		135	110
Cost audit fee		30	30
Out of pocket		38	23
		------------------	------------------
		203	163
		==========	==========

21.3 None of the director or their spouse had any interest in the donation made by the Company.

22. SELLING AND DISTRIBUTION EXPENSES

Salaries, benefits and wages	22.1	8,598	8,145
Communication		2,522	2,033
Travelling and conveyance		694	599
Printing and stationery		317	247

Utilities	542	495
Vehicle running and maintenance	772	648
Repairs and maintenance	239	175
Depreciation	399	372
Fees, subscription and periodicals	130	19
Rents, rates and taxes	1,195	914
Advertisement	235	1,245
Entertainment	339	150
Insurance	155	276
Others	2,705	1,183
	------------------	------------------
	18,842	16,501
	==========	==========

22.1 Salaries and benefits include provision for gratuity amounting Rs. 0.593 million. (2000- Rs. 1.411 million). Previous year provision figures include adjustment of prior years.

23. OTHER INCOME

Gain on disposal of assets	--	37
Others	383	375
	------------------	------------------
	383	412
	==========	==========

24. FINANCIAL CHARGES

Mark-up on:		
Long term loans	40,743	77,604
Short term finance	14,529	26,325
Lease finance charges	4,100	16,493
Interest on workers' profit participation fund	1,092	337
Bank charges and commission	4,667	3,242
	------------------	------------------
	65,131	124,001
	==========	==========

25. Taxation

Current

Taxable income of the Company under Income Tax Law after taking effect of' unabsorbed carried forward tax losses is worked out to be a loss.

The provision for minimum tax based on turnover has been made in the accounts.

Deferred

In view of tax losses available to be carried forward there is no deferred tax liability.

26. EARNINGS PER SHARE

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

	2001	*2000*
Profit after tax (Rupees in thousand)	256,169	226,350
No. of Ordinary shares (in thousand)	245,000	245,000
Earnings per share (Rupee)	1.05	0.92

27. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2001			*2000*		
	Chief Executive	*Director*	*Executives*	*Chief Executive*	*Director*	*Executives*
			Rupees in '000'			
Remuneration	2,026	1,394	17,960	--	--	15,932
House rent allowance	680	410	6,299	--	--	5,951
Utilities allowance	147	105	1,658	--	--	1,504
Conveyance allowance	147	91	1,195	--	--	1,267
	3,000	2,000	27,112	--	--	24,654
Number of persons	1	1	91	--	--	84

The Chief Executive and some Executives are provided with the use of company maintained car.

	2001	*2000*
	Rupees in '000	
28. AGGREGATE TRANSACTIONS WITH SUBSIDIARY COMPANY		
Purchase of power	406,309	387,480
Receipt of rent	278	278
29. PRODUCTION CAPACITY - Clinker		
Installed capacity (330 days)	1,320,000	1,320,000
Actual production	824,190	819,180

Reason of short fall: Lack of demand

30. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company applies credit limits to its customers and does not have significant exposure to any individual customer.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments. The Company is not exposed to interest rate risk.

Fair values of financial instruments
The carrying value of all the financial instruments reported in the financial statements approximate their fair value.

31. GENERAL
Figures have been rounded off to the nearest thousand of Rupees.

Corresponding figures have been rearranged and / or regrouped wherever necessary for the purpose of comparison.

Total number of permanent employees as on June 30, 2001 are 510 (2000 - 571).

Muhammad Sohail Tabba	**Abdul Razzak Tabba**
Director	**Chief Executive**

STATEMENT AND REPORT UNDER SECTION 237 OF THE COMPANIES ORDINANCE, 1984 FOR LUCKY POWERTECH LIMITED, WHOLLY OWNED SUBSIDIARY

Statement under section (1) (e)

(a) Extent of the interest of Lucky Cement Limited (the holding company) in the equity of its subsidiary as at the end of the last date of the financial year of the subsidiary.	100%

b) The net aggregate amount of profits less losses of the subsidiary company so for as these have been dealt with or provision made for losses in the account of the holding company for the year ended June 30, 2001, are:

i) For the last of the financial year of the subsidiary.	Rs. 25.611 million
ii) For the previous years upto June 30, 2000.	Rs. 4.600 million

c) The net aggregate amount of profits, less losses of the subsidiary company so far as these have been dealt with or provision made for losses in the account of the holding company for the year ended June 30, 2001.

i) For the last of the financial year of the subsidiary.	Nil
ii) For the previous years upto June 30, 2000.	Nil

Statement under section (1) (f)	N/A
Statement under section (1) (g)	N/A

ANNUAL REPORT 2001
LUCKY POWERTECH LIMITED
WHOLLY OWNED SUBSIDIARY
OF
LUCKY CEMENT LIMITED

DIRECTORS' REPORT

We are pleased to present the 7th Annual Report of the Company together with the Audited Accounts for the year ended on June 30th, 2001 and Auditors' Report thereon.

During the year under review, the power: generation by the Company decreased by 12% over last year from 106,940 MWHs to 94,068 MWHs due to under capacity utilization of cement plant owing to over supply position of cement in the country. Since, the Company is a captive power generation plant, therefore its capacity utilization is totally dependent on the capacity utilization of Lucky Cement Limited which is the holding company.

During the year under review, the sales of the Company increased by 5% over the last year from Rs. 384 million to Rs. 403 million but the gross profit for the year reduced to Rs. 48 million from Rs. 88 million last year. This reduction in gross profit is attributed due to the substantial increase in the price of furnace oil which registered an increase of 53% during the year from an average of Rs. 8,194/- per ton (In 1st July, 2000 to Rs. 12,567/- per ton on 30th June, 2001. The financial charges for the year reduced to Rs. 21 million as compared to Rs. 37 million last year. The Company earned a net profit of Rs. 26 million for the year which is 47% lower than the last year.

The earnings per share registered a decrease of 47% from Rs. 2.41 per shares last year to Rs. 1.28 per share for the year under review.

Auditors
The auditors, M. Yousuf Adil Saleem & Co., Chartered Accountants, retire and being eligible offer themselves for reappointment.

Acknowledgement
Your directors acknowledge with appreciation, the efforts of the Company's managers, technicians and workers and the support extended by the Company's bankers and leasing companies.

For and on behalf of the Board

Abdul Razzak Tabba
Chairman & Chief Executive

Karachi: November 29,2001

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Lucky Powertech Limited** as at June 30, 2001 and the related profit and loss account, statement of changes ill equity and cash flow statement 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 the 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 the accounting policies consistently applied;

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

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

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof confirm with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2001 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

M. YOUSUF ADIL SALEEM & CO.,
Chartered Accountants

KARACHI: November 29, 2001

BALANCE SHEET AS AT JUNE 30, 2001

	Note	2001	2000
		Rupees in '000'	
SHARE CAPITAL AND RESERVE			
Authorised capital			
20,000,000 Ordinary shares			
of Rs. I0/- each		200,000	200,000
		==========	==========
Issued, subscribed and paid-up capital			
20,000,000 Ordinary shares			
of Rs. 10/- each fully paid in cash		200,000	200,000
Unappropriated profit		30,211	4,600
		------------------	------------------
		230,211	204,600
LONG TERM LOANS	3	156,900	141,900
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	4	--	--
DEFERRED LIABILITIES			
Staff gratuity		2,493	1,907
CURRENT LIABILITIES			
Current portion of long term liabilities	5	--	58,039
Creditors, accrued and other liabilities	6	150,510	185,593
		------------------	------------------
		150,510	243,632
		------------------	------------------
		540,114	592,039
		==========	==========

The annexed notes from 1 to 20 form an integral part of these accounts.

	Note	2001	2000
OPERATING FIXED ASSETS - TANGIBLE	7	517,278	550,776

DEFERRED COST	8	30	93
CURI/ENT ASSETS			
Stores and spares	9	15,230	17,591
Advances, deposits. and other receivables	10	7,092	23,203
Bank balances in current accounts		484	376
		------------------	------------------
		22,806	41,170
		------------------	------------------
		540,114	592,039
		==========	==========

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2001

	Note	*2001*	*2000*
		Rupees in '000'	
Sales	11	403,393	384,121
Cost of generation	12	355,106	296,021
		------------------	------------------
Gross profit		48,287	88,100
Administrative expenses	13	239	210
		------------------	------------------
Operating profit		48,048	87,890
Other income		13	77
		------------------	------------------
		48,061	87,967
Financial charges	14	21,074	37,178
Workers' profit participation fund		1,376	2,549
		------------------	------------------
		22,450	39,727
		------------------	------------------
Profit for the year		25,611	48,240
Unappropriated profit/(1oss) brought forward		4,600	(43,640)
		------------------	------------------
Unappropriated profit carried forward		30,211	4,600
		==========	==========
Earnings per share	15	Rs. 1.28	Rs. 2.41

The annexed notes from 1 to 20 form an integral part of these accounts.

Muhammad Sohail Tabba	**Abdul Razzak Tabba**
Director	**Chief Executive**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2001

	2001	***2000***
	Rupees in '000'	
A. CASH FROM OPERATING ACTIVITIES		
Profit for the year	25,611	48,240
Adjustments for:		
Depreciation	33,497	33,499
Provision for gratuity	603	1,038
Financial charges	21,074	37,178
Loss on disposal of fixed assets	--	5
Amortization of deferred cost	63	63
	------------------	------------------
Operating profit before working capital changes	80,848	120,023
Changes in working capital		
(Increase) / decrease in current assets		
Stores and spares	2,361	(5,149)
Advances, deposits, prepayments and other receivables	1,559	(299)
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	22,517	(49,763)
	------------------	------------------
Cash generated from operation	107,285	64,812
Financial charges paid	(78,674)	(38,938)
Gratuity paid	(16)	--
Advance income tax	(192)	(2,669)
	------------------	------------------
Net cash from operating activities	28,403	23,205
	==========	==========
B. CASH FROM INVESTING ACTIVITIES		
Fixed capital expenditure	--	(10,746)
Sale proceeds of fixed assets	--	81,000
	------------------	------------------
Net cash from investing activities	--	70,254
	==========	==========

C. CASH FROM FINANCING ACTIVITIES

Long term loan paid	(15,000)	(33,500)
Lease finances paid	(13,295)	(60,834)
	------------------	------------------
Net cash used in financing activities	(28,295)	(94,334)
	==========	==========
Net increase/decrease in cash and cash equivalents (A+B+C)	108	(875)
Cash and cash equivalent at the beginning of the year	376	1,251
	------------------	------------------
Cash and cash equivalent at the end of the year	484	376
	==========	==========

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2001

Rupees in '000'

	Issued subscribed and paid up capital	***Unappropriated profit***	***Total***
Balance at July 01, 1999	200,000	(43,640)	156,360
Profit for the year	--	48,240	48,240
	------------------	------------------	------------------
Balance at June 30, 2000	200,000	4,600	204,600
Profit for the year	--	25,611	25,611
	------------------	------------------	------------------
Balance at June 30, 2001	200,000	30,211	230,211
	==========	==========	==========

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2001

1. THE COMPANY AND ITS OPERATION

Lucky Powertech Limited was incorporated in Pakistan on June 26, 1994 under the Companies Ordinance, 1984. The principal activity of the Company is to generate and provide electricity Lucky Cement Limited. The project is located at District Lakki Marwat in North West Frontier

Province. The Company is a wholly owned subsidiary of Lucky Cement Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention
These accounts have been prepared under the 'historical cost convention'.

2.2 Basis of preparation
These accounts have been prepared in accordance with the International Accounting Standards as applicable in Pakistan.

2.3 Staff retirement benefits
The Company operates an unfunded gratuity scheme for all its employees. Annual provisions are made to cover the liability.

2.4 Fixed assets and depreciation

Operating assets
These are stated at cost less accumulated depreciation.

Depreciation is charged to income applying the straight line method at the rates mentioned in the relevant note except plant and machinery on which depreciation is charged on units of production method based on higher of estimated life and production. Full year's depreciation is charged on additions while no depreciation is charged on assets deleted during the year. However, capitalization of major projects cost is depreciated proportionately for the period of use.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of assets, if any, are included in income currently.

2.5 Deferred costs
Deferred cost is amortized over a maximum period of five years beginning from the year of deferment.

2.6 Stores and spares
These are valued at moving average cost. Items in transit are stated at cost accumulated upto the balance sheet date.

2.7 Taxation
Profit and gain of the company are exempt from levy of income tax under clause 176 of Part-I and clause 20 of Part-IV of the Second Schedule to the Income Tax Ordinance, 1979.

2.8 Foreign currencies
Assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the balance sheet date, except where forward exchange contracts have been entered into for payment of liabilities in which case the rate contracted for are

used. Foreign currency transaction are translated into Pak Rupees at the rate of exchange ruling at the date of transaction, except where forward exchange contract have been entered in which case the rate contracted for are used. Exchange gains and losses on translation are included in income currently.

2.9 Revenue recognition

Revenue is recognized on the basis of electricity supplied.

	Note	*2001*	*2000*
		Rupees in '000'	
3. LONG-TERM LOANS			
Secured			
Banking company			
Demand Finance - I	3.1	98,900	113,900
Demand Finance - II	3.1	58,000	58,000
		------------------	------------------
		156,900	171,900
Less: Payable within one year shown under current liabilities		--	(30,000)
		------------------	------------------
		156,900	141,900
		==========	==========

3.1 The demand finances I and II are secured against mortgage on the fixed assets and hypothecation on plant and machinery and floating charge on book debts. The repayment of principal and mark-up on these finances are on deferred payment basis and clubbed with the repayment of holding company. The substantial repayment of next financial year is likely to be made from holding company. The mark-up rate on these loans ranging from 11% to 12.5% p.a.

4. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Opening balance		28,039	96,193
Paid during the year		(28,039)	(68,154)
		------------------	------------------
		--	28,039
Less: Payable within one year shown under current liabilities		--	(28,039)
		------------------	------------------
		--	--
		==========	==========

4.1 The discounting rate ranges from 15% to 21% per annum.

5. CURRENT PORTION OF LONG TERM LIABILITIES

Long term loans		--	30,000
Lease liabilities		--	28,039
		------------------	------------------
		--	58,039
		==========	==========

6. CREDITORS, ACCRUED AND OTHER LIABILITIES

Advance against power supply from holding company		131,156	112,418
Accrued mark-up		5,700	63,300
Creditors		3,597	3,081
Workers' profit participation fund	6.1	5,771	4,356
Accrued expenses		3,382	2,109
Retention money		27	27
Others		877	302
		------------------	------------------
		150,510	185,593
		==========	==========

6.1 Workers' Profit Participation Fund

Opening balance	4,356	1,606
Interest provided	539	201
	------------------	------------------
	4,895	1,807
Transferred to fund	(500)	--
	------------------	------------------
	4,395	1,807
Allocation for the year	1,376	2,549
	------------------	------------------
	5,771	4,356
	==========	==========

7. OPERATING ASSETS

Particulars	***Cost at July 1, 2000***	***Additions/ transfer****	***Cost at June 30, 2001***	***Accumulated depreciation at July 1, 2000***	***Depreciation/ transfer* for the year***	***Rate % p.a.***	***Accumulated depreciation at June 30, 2001***	***Book value at June 30, 2001***
Owned								
Building	30,532	--	30,532	5,337	1,527	5	6,864	23,668
Plant and machinery	486,191	--	633,625	83,742	31,680	UPM	141,223	492,402
		147,434*			25,801*			
Furniture and fixtures	479	--	479	239	48	10	287	192
Office equipment	1,388	--	1,388	693	139	10	832	556
Other assets	1,026	--	1,026	463	103	10	566	460
	------------------	------------------	------------------	------------------	------------------	------------------	------------------	------------------
	519,616	147,434	667,050	90,474	59,298		149,772	517,278

Leased

Plant and machinery	147,434	--	--	25,801	--		--	--
		(147,434)*			(25,801)*			
	147,434	(147,434)	--	25,801	(25,801)		--	--
2001 (Rupees in "000")	667,050	--	6,671,150	116,275	33,497		149,772	517,278
2000 (Rupees in "000")	762,129	10,746	667,050	96,005	33,499		116,275	550,776
		(105,825)			(13,229)			

UPM = Unit of production method

7.1 The land on which the project is setup, has boon obtained on lease for twenty years from Lucky Cement Limited, the holding company.

	Note	***2001***	***2000***
		Rupees in '000'	
8. DEFERRED COST			
Preliminary expenses		312	312
Amortization			
Opening balance		219	156
During the year		63	63
		282	219
		30	93
9. STORES AND SPARES			
Stores and spares		15,026	16,770
Spares in transit		204	821
		15,230	17,591
10. ADVANCES, DEPOSITS AND OTHER RECEIVABLES:-			
Considered good			
Advance to suppliers		682	3,366
Advance to employees		303	16
Advance tax		3,517	3,325
Current portion of lease deposits		--	14,744
Other deposits		1,858	1,036
Octroi refundable		714	714
Others		18	2

		7,092	23,203
		=========	=========

11. SALES

Sales		406,309	387,361
Less: Electricity duty		(2,916)	(3,240)
		------------------	------------------
		403,393	384,121
		=========	=========

12. COST OF GENERATION

Fuel and lubricants		291,650	225,467
Stores and spares		8,931	13,628
Chemical		1,263	1,150
Repairs and maintenance		5,862	8,665
Salaries, benefits and wages	12.1	9,874	9,171
Depreciation		33,497	33,499
Insurance		2,803	2,888
Ground rent		278	278
Vehicle running and maintenance		120	103
Communication		325	362
Others		503	810
		------------------	------------------
		355,106	296,021
		=========	=========

12.1 Salaries and benefits include provision for gratuity amounting to Rs. 0.603 million. (2000-Rs. 1.038 million). Previous year provision figure include adjustment of prior years.

13. ADMINISTRATIVE EXPENSES

Fees and subscription		13	21
Legal and professional		63	36
Auditors' remuneration	13.1	65	60
Amortization of deferred cost		63	63
Others		35	30
		------------------	------------------
		239	210
		=========	=========

13.1 Auditors' Remuneration

Statutory audit fee		60	55
Out of pocket		5	5
		------------------	------------------
		65	60
		=========	=========

14. FINANCIAL CHARGES

Mark-up on long term loans		19,851	29,842

Lease finances charges	661	7,123
Interest on workers' profit participation fund	539	201
Bank charges and commission	23	12
	------------------	------------------
	21,074	37,178
	==========	==========

15. EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the company which is based on:-

Profit for the year (Rupees in thousand)	25,611	48,240
Number of ordinary shares (in thousand)	20,000	20,000
Earnings per share (Rupee)	1.28	2.41

16. REMUNERATION OF EXECUTIVES

Remuneration	3,045	2,433
House rent allowance	1,224	1,072
Utilities allowance	288	238
Conveyance allowance	249	238
	------------------	------------------
	4,806	3,981
	==========	==========
Number of persons	15	14
	==========	==========

17. AGGREGATE TRANSACTIONS WITH HOLDING COMPANY

Sale of power	406,309	387,361
Payment of rent	278	278

18. PRODUCTION CAPACITY ***MWHs***

Installed capacity (330 days)		
Main generators	206,000	206,000
Standby generator	41,200	41,200
Actual generation	94,068	106,940

Reason of short fall: Lack of demand

19. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company deals only with holding company from whom prompt payment were received.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will effect the value of financial instruments. The Company is not exposed to interest rate risk.

Fair values of financial instruments

The carrying value of all the financial instruments reported in the financial statements approximate their fair value.

20. GENERAL

Figures have been rounded off to the nearest thousand of Rupee.

Corresponding figures have been rearranged and / or regrouped wherever necessary for the purpose of comparison.

Total number of permanent employees as on June 30, 2001 are 37 (2000: 36).

Muhammad Sohail Tabba **Director**	**Abdul Razzak Tabba** **Chief Executive**

ANNUAL REPORT 2001
CONSOLIDATED ACCOUNTS
OF
LUCKY CEMENT LIMITED
AND
ITS WHOLLY OWNED SUBSIDIARY COMPANY
LUCKY POWERTECH LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have examined the annexed consolidated financial statements comprising consolidated Balance Sheet of **LUCKY CEMENT LIMITED** and its subsidiary company **LUCKY POWERTECH LIMITED** as at June 30, 2001 and the related consolidated Profit and Loss Account, Statement of Changes in Equity and Consolidated Cash Flow Statement together with the notes forming part thereof, for the year ended June 30, 2001. We have also expressed separate opinions on the financial statements of Lucky Cement Limited and its subsidiary Company. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our examination.

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

In our opinion the consolidated financial statements examined by us present fairly the financial position of Lucky Cement Limited and its subsidiary company as at June 30, 2001 and the results of their operations for the year then ended.

KARACHI: November 29, 2001

M. YOUSUF ADIL SALEEM & CO.,
Chartered Accountants

CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2001

	Note	*2001*	*2000*
		Rupees in '000'	
SHARE CAPITAL AND RESERVES			
Authorised capital			
300,000,000 Ordinary shares of Rs. 10/- each		3,000,000	3,000,000
		==========	==========
Issued, subscribed and paid-up capital			
245.000,000 Ordinary shares of Rs. 10/- each fully paid in cash		2,450,000	2,450,000
Capital reserve			
Share premium		990,000	990.00
Unappropriated profit		238,650	140,620
		------------------	------------------
		3,678,650	3,580,620
LONG TERM LOANS	3	341,147	433,146
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	4	--	--
DEFERRED LIABILITIES	5	93,000	87,817
LONG TERM DEPOSITS	6	15,109	15,649
CURRENT LIABILITIES			
Short term finances	7	119,118	130,000
Current portion of long term liabilities	8	120,000	252,959
Creditors, accrued and other liabilities	9	197,883	321,618
Provision for taxation		35,699	24,681
Proposed dividend		183,750	--
		------------------	------------------
		656,450	729,258

CONTINGENCIES AND COMMITMENTS	10	--	--
		------------------	------------------
		4,784,356	4,846,490
		==========	==========

The annexed notes from 1 to 29 form an integral part of these account.

FIXED ASSETS - TANGIBLE			
Operating assets	11	4,097,791	4,274,596
Capital work-in-progress - Civil Work		4,779	4,723
		------------------	------------------
		4,102,570	4,279,319
DEFERRED COSTS	12	6,265	18,166
CURRENT ASSETS			
Stores and spares	13	261,509	231,649
Stock-in-trade	14	192,747	103,875
Trade debtors	15	43,584	16,352
Advances, deposits, prepayments and other receivables	16	128,494	145,140
Cash and bank balances	17	49,187	51,989
		------------------	------------------
		675,521	549,005
		------------------	------------------
		4,784,356	4,846,490
		==========	==========

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2001

	Note	*2001*	*2000*	
		Rupees in '000'		
Sales	18	2,200,271	2,046,294	
Cost of sales / generation	19	1,736,309	1,519,671	
		------------------	------------------	
Gross profit		463,962	526,623	
Operating expenses				
Administrative	20	50,739	41,472	
Selling and distribution	21	18,842	16,501	16,501
		------------------	------------------	

		69,581	57,973	
		------------------	------------------	
Operating profit		394,381	468,650	
Other income	22	118	211	
		------------------	------------------	
		394,499	468,861	
		------------------	------------------	
Financial charges	23	86,205	161,179	
Workers' profit participation fund		15,496	15,411	
		------------------	------------------	
		101,701	176,590	
		------------------	------------------	
Profit before taxation		292,798	292,271	
Provision for taxation				
- current	24	11,018	10,250	
- prior year		--	7,431	7,431
		------------------	------------------	
		11,018	17,681	
		------------------	------------------	
Net profit after taxation		281,780	274,590	
Unappropriated profit/(1oss) brought forward		140,620	(133,970)	
		------------------	------------------	
Total profit available for appropriation		422,400	140,620	
Proposed cash dividend @ 7.5% (2000-Nil)		183,750	--	
		------------------	------------------	
Unappropriated profit carried forward		238,650	140,620	
		==========	==========	
Earnings per share	25	Rs. 1.15	Rs. 1.12	
		==========	==========	

The annexed notes from 1 to 29 form an integral part of these account.

Muhammad Sohail Tabba	**Abdul Razzak Tabba**
Director	**Chief Executive**

CONSOLATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2001

	2001	***2000***
	Rupees in '000'	
A. CASH FROM OPERATING ACTIVITIES		
Profit before taxation	292,798	292,271
Adjustments for:		

Depreciation	195,125	198,644
Amortization of deferred cost	11,901	11,901
Gain on disposal of fixed assets	--	(32)
Provision for gratuity	5,798	11,863
Financial charges	86,205	161,179
	------------------	------------------
Operating profit before working capital changes	591,827	675,826
(Increase) / decrease in current assets		
Stores and spares	(29,860)	(47,986)
Stock-in-trade	(88,872)	(38,140)
Trade debtors	(27,232)	(10,671)
Advances, deposits, prepayments and other receivables	3,225	7,437
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	(31,209)	(3,788)
	------------------	------------------
Cash generated from operation	417,879	582,678
Financial charges paid	(178,731)	(187,905)
Gratuity paid	(614)	(909)
Income tax	(14,073)	(11,583)
	------------------	------------------
Net cash from operating activities	224,461	382,281
	------------------	------------------
B. CASH FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(18,377)	(119,753)
Sale proceed of fixed assets	--	81,232
	------------------	------------------
Net cash used in investing activities	(18,377)	(38,521)
	------------------	------------------
C. CASH FROM FINANCING ACTIVITIES		
Long term loan paid	(121,999)	(116,194)
Lease finances paid	(75,465)	(110,645)
Long term deposits	(540)	(490)
Short term loans	--	(45,000)
	------------------	------------------
Net cash used in financing activities	(198,004)	(272,329)
	------------------	------------------
Net increase in cash and cash equivalents (A+B+C)	8,080	71,431
Cash and cash equivalent at the beginning of the year	(78,011)	(149,442)
	------------------	------------------
Cash and cash equivalent at the end of the year	(69,931)	(78,011)
	==========	==========

Cash and cash equivalent

Cash and bank balance	49,187	51,989
Short term finance	(119,118)	(130,000)
	------------------	------------------
	(69,931)	(78,011)
	==========	==========

Muhammad Sohail Tabba **Director**	**Abdul Razzak Tabba** **Chief Executive**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2001

Rupees in '000'

	Issued subscribed and paid up capital	*Capital reserve*	*Unappropriated profit*	*Total*
Balance at July 01, 1999	2,450,000	990,000	(133,970)	3,306,030
Profit for the year	--	--	274,590	274,590
	------------------	------------------	------------------	------------------
Balance at June 30, 2000	2,450,000	990,000	140,620	3,580,620
Profit for the year	--	--	281,780	281,780
	------------------	------------------	------------------	------------------
	2,450,000	990,000	422,400	3,862,400
Proposed cash dividend	--	--	(183,750)	(183,750)
	------------------	------------------	------------------	------------------
Balance at June 30, 2001	2,450,000	990,000	238,650	3,678,650
	==========	==========	==========	==========

Muhammad Sohail Tabba **Director**	**Abdul Razzak Tabba** **Chief Executive**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001

1. THE GROUP AND ITS OPERATIONS

Lucky Cement Limited, the parent company and its wholly owned subsidiary, Lucky Powertech Limited are incorporated in Pakistan as public limited companies under the Companies Ordinance 1984. The shares of the parent company are quoted on the stock exchanges of Pakistan and its principal business is manufacture and sale of cement. The subsidiary company is unquoted and its principal business is generation and sale of electricity to holding company. Both parent and subsidiary company are located at District Lakki Marwat in North West Frontier Province.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of consolidation

The consolidated financial statements include the accounts of Lucky Cement Limited, the parent company and its subsidiary company, Lucky Powertech Limited. The subsidiary company is wholly owned by parent company in lieu of its 100% equity ownership. Material inter-company transactions are eliminated in the consolidated financial statements.

2.2 Accounting convention

These consolidated financial statements have been prepared under the 'historical cost convention'.

2.3 Basis of preparation

These accounts have been prepared in accordance with the Accounting Standards as applicable in Pakistan.

2.4 Staff retirement benefits

The parent and subsidiary company operate an unfunded gratuity scheme for all its employees. Annual provisions are made in the accounts to cover this liability.

2.5 Taxation

Current

Provision for current taxation of the parent company is based on taxable income at the current rates of tax after taking into account tax rebates and credits available, if any.

Profit and gains of the subsidiary company are exempt form levy of income tax under clause 176 of Part-I and clause 20 of Part-IV of the Second Schedule to the Income Tax Ordinance, 1979.

Deferred

The parent company accounts for deferred tax on all material timing differences using the liability method. However, deferred tax is not provided if it can be established with reasonable certainty that these timing differences will not reverse in the foreseeable future.

2.6 Fixed assets and depreciation

Operating assets

These are stated at cost less accumulated depreciation except free hold land which is stated at cost.

Depreciation is charged to income applying the straight line method on buildings and quarry equipments and on written down value on all other assets at the rates mentioned in the relevant note. On plant and machinery depreciation is charged on units of production method based on higher of estimated life and production. Full year's depreciation is charged on additions while no depreciation is charged on assets deleted during the year. However, capitalization of projects cost is depreciated proportionately for the period of use. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised.

Gains and losses on disposal of assets, if any, are included in income currently.

Assets subject to finance lease
Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the least agreements or fair value of the assets. The related obligations of the least are accounted for as liabilities. Assets acquired under the finance lease are depreciated at the rates specified in relevant note.

2.7 Capital work in progress
All cost/expenditure directly related to specific assets incurred during project implementation period are carried under this head. These are transferred to specific assets as and when assets are available for use.

2.8 Deferred costs
Deferred cost is amortized over a maximum period of five years beginning from the year of deferment.

2.9 Stores and spares
These are valued at moving average cost. Items in transit are stated at cost accumulated upto the balance sheet date.

2.10 Stock-in-trade
These are valued at the lower of cost and net realizable value. Cost signifies in relation to raw and packing material at average cost. In case of work in process and finished goods at average cost comprising prime cost and appropriate manufacturing overheads.

2.11 Trade debtors
Known bad debts, if any, are written-off and provision is made against debts consider doubtful.

2.12 Foreign currency transactions
Assets and liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange prevailing at the balance sheet date, except where forward exchange contracts have been entered into for payment of liabilities in which case the rate contracted for are used. Foreign currency transaction, except where forward exchange contract have been entered in which case the rate contracted for are used. Exchange gains and losses on translation are included in income currently.

2.13 Revenue recognition
Sales of the parent company are recorded on despatch of goods to customers. Energy sales of the subsidiary company are recognized on the basis of electricity supplied.

	Note	2001	2000
		Rupees in '000'	

3. LONG TERM LOANS - Secured

Secured

Banking Company

Demand Finance - I	3.1	403,147	525,146
Demand Finance - II	3.1	58,000	58,000
		------------------	------------------
		461,147	583,146
Payable within one year shown trader current liabilities		(120,000)	(150,000)
		------------------	------------------
		341,147	433,146
		==========	==========

3.1 The loan is secured against first charge by way of equitable mortgage on the fixed assets, floating charge on book debts and hypothecation on plant and machinery and equipment other than of Line 'A' and quarry equipments. It is repayable in monthly installments. The mark-up rate on this loan is ranging from 11% to 12.5% per annum.

4. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Opening balance	102,959	221,098
Paid during the year	(102,959)	(118,139)
	------------------	------------------
	--	102,959
Payable within one year shown under current liabilities	--	(102,959)
	------------------	------------------
	--	--
	==========	==========

4.1 The discounting rate ranges from 15% to 21% per annum.

5. DEFERRED LIABILITIES

Staff gratuity		25,344	20,161
Retention money			
Plant and machinery - foreign supplier	5.1	11,477	11,477
Encashment of performance guarantee (US$ 1,313,250)	5.1	56,179	56,179
		------------------	------------------
		93,000	87,817
		==========	==========

5.1 These represent net retention money and proceed of encashment of performance guarantee. The encashment amount of performance guarantee is valued at the conversion rate on the date of encashment. These amounts are likely to be settled from the claims made by the company against the supplier (refer 44 10.3).

6. LONG TERM DEPOSITS - Unsecured

Cement Stockists	6.1	2,129	2,619
Transporters	6.2	12,650	12,900
Others		330	130
		------------------	------------------
		15,109	15,649
		==========	==========

6.1 These represent interest free security deposits received from Stockists and arc repayable on cancellation or withdrawal of stockist arrangement and adjustable with unpaid amount of sales.

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

7. SHORT TERM FINANCE - Secured	7.1	119,118	130,000
		==========	==========

7.1 These represent short term finances obtained from commercial banks. The amount sanctioned is Rs. 170 million. These facilities arc subject to mark-up ranging from 10% to 12.5% p.a. and are secured by way of hypothecation on stores and spares, receivable and quarry equipment.

8. CURRENT PORTION OF LONG TERM LIABILITIES

Long-term loans	120,000	150,000
Liabilities against assets subject to finance lease	--	102,959
	------------------	------------------
	120,000	252,959
	==========	==========

9. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		118,240	164,456
Accrued expenses		24,062	14,813
Mark up on long term loans and short term finances		17,041	109,567
Advances from customers		14,662	14,017
Retention money		623	590
Workers' profit participation fund	9.1	22,294	17,747
Withholding taxes		18	--
Others		943	428
		------------------	------------------
		197,883	321,618
		==========	==========

9.1 Workers' profit participation fund

Opening balance	17,747	4,523
Interest provided	1,631	538
	------------------	------------------

	19,378	5,061
Transfer to fund	(12,580)	(2,725)
	------------------	------------------
	6,798	2,336
Allocation for tile year	15,496	15,411
	------------------	------------------
	22,294	17,747
	==========	==========

10. CONTINGENCIES AND COMMITMENTS

Contingencies

10.1 Under SRO 484(1)/92 dated May 14, 1992 the plant and machinery not being manufactured locally was exempt from custom duty, if imported before June 30, 1995. The Company obtained certificates from the Ministry of Industries and Central Board of Revenue (CBR) that the machinery being imported was not manufactured locally. In April 1995 the Central Board of Revenue advised the Custom authorities that the local industry was capable of manufacturing some of the equipment being imported by the company and that exemption from custom duty on such equipment be denied. The Company filed a writ petition against CBR's instructions before the Peshawar High Court. The Honorable High Court has decided the case in favor of the Company. The Collector of Customs, Karachi filed an appeal in the Supreme Court (if Pakistan against the Order of Peshawar High Court. The case is pending before the Supreme Court.

10.2 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 by the denial of the benefit of sales tax exemption. 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 for compensation was filed in appropriate Court.

10.3 The Company has filed suits against the supplier of main plant and machinery in the Sindh High Court, Karachi on account of uneconomical operation, short supply of equipment and parts and supply of sub-standard / defective parts etc. The suits are pending with the High Court. The total amount of these claims is not determinable in monetary terms at this stage.

10.4 In January 1995, the Chinese Supplier of the plant sent a shipment of certain equipment by air which were found short supplied at the time of erection. Since, the equipment were part and parcel of the main plant, the supply was made free of charge. The custom authorities however, assessed the equipment to duties and taxes of Rs. 20,830,226/- which was paid in full. The Company disputed this levy and filed an appeal before the Customs, Excise and Sales Tax Appellate Tribunal. The Tribunal has set aside the impugned assessment, waived the fine and penalty of Rs. 3,650,000/- and Rs. 1,000,000/- respectively and directed the custom authorities to re-determine the value of the goods and assess the same at concessional rate of duty @ 25% of tariff rate as per SRO No. 978(I)/95 dated October 04, 1995. The refund claim of Rs. 4,650,000/- and re-assessment of goods at concessional rate of duty are pending with the Custom Authorities.

10.5 On September 5, 2000, the Government of Pakistan imposed sales tax on cement which resulted in the restoration of statutory sales tax exemption available to the Company upto June 30, 2001. On September 20, 2000 the Sales Tax Wing, Central Board of Revenue (CBR) issued a letter stating that all dealers / distributors / whole sellers and suppliers of cement are required to be registered irrespective of their purchases from a cement manufacturer whose suppliers are taxable or exempted. It also advised not to supply cement to ally unregistered dealer/distributor/whole seller and supplier of cement. Being aggrieved from this letter, the Company filed a writ petition in the Peshawar High Court. The High Court has decided the case and declared that the Company's dealers / distributors / whole sellers are not liable to be registered upto the statutory exemption period of the Company. The CBR has filed an appeal before the Supreme Court of Pakistan and the case is pending before it.

10.6 The Income Tax department has filed an appeal before the Income Tax Appellate Tribunal against an order passed by the Commissioner (Appeals) in favour of the Company with respect to levy of tax amounting to Rs. 85 million on certain pre-operational earning for the assessment years 1994-95, 1995-96 and 1996-97. No liability has been accounted for in these accounts in lieu of the relief granted by the Commissioner (Appeals).

10.7 The Company has filed a writ petition with the Honourable High Court Peshawar against the demand raised by the Pakistan Standard Institution for the Marking Fee. The High Court has granted a stay on submission of a Bank Guarantee for Rs. 3,958,180/- by the Company. The case is pending for adjudication before the High Court. However, the provision has been made in the books of accounts.

10.8 The Additional Collector, Custom & Central Excise Peshawar has raised a demand of Rs. 5,530,335/- as differential excise duty on a new brand introduced by the Company. The Company has filed an appeal before the Custom, Excise & Sales Tax Appellate Tribunal against the demand raised by the Additional Collector. The Tribunal accepted the appeal of the Company and set aside tile order of Additional Collector. An appeal has been filed against the order of the Tribunal by the Collector of Customs and the matter is pending before the Peshawar High Court. No liability has been accounted for in lieu of the relief granted by the Tribunal.

10.9 As reported last year the contractor of the main project had made claims against the Company. The Company had also raised counter claims against them. During the year final settlement with the main project contractor has been reached with mutual understanding without any additional cost to the Company. The claims and counter claims earlier raised by the contractor and Company have been withdrawn accordingly.

10.10 A notice for the payment of Rs. 8,691,600 was issued on the Company by Director of Industries for an alleged mining of laterite on the basis of an order passed by the Secretary Industries, Mineral Development, NWFP. The Company filed an appeal before the Secretary Industries, NWFP against the notice, who accepted the same and constituted a team for reassessment of the amount. Subsequently, demand was reduced from Rs. 8,691,600 to Rs. 2,996,355. The Company has disputed this demand and has filed a revision application. The matter is pending with the appropriate authority.

10.11 A dispute has arisen with a civil contractor on the final settlement of his bills. The matter is referred to the Arbitrator. The amount is not ascertainable at this stage.

Commitments	***2001***	***2000***
	Rupees in '000'	
In respect of letters of credit - for machinery and stores	16,799	17,358
	==========	==========

11. OPERATING ASSETS

	Cost at July 1, 2000	***Additions /transfer****	***Cost at June 30, 2001***	***Accumulated depreciation at July 1, 2000***	***Depreciation /transfer* for the year***	***Rate % p.a.***	***Accumulated depreciation at June 30, 2001***	***Written down /Book value at June 30, 2001***
Owned								
Land - freehold	5,367	--	5,367	--	--	--	--	5,367
Buildings on freehold land	915,525	1,133	916,658	139,900	45,833	5	185,733	730,925
Plant and machinery	3,450,639	10,717	3,743,790	382,580	135,352	UPM	558,511	3,185,279
		282,434*			40,579*			
Quarry equipment	184,723	2,821	187,544	32,597	9,377	5	41,974	145,570
Vehicles	22,630	1,668	24,298	15,283	1,803	20	17,086	7,212
Furniture and fixtures	5,766	112	5,878	2,555	356	10	2,911	2,967
Office equipment	22,455	1,720	24,175	9,311	1,556	10	10,867	13,308
Other assets	12,363	150	12,513	4,502	848	10	5,350	7,163
	4,619,468	300,755	4,920,223	586,728	235,704		822,432	4,097,791
Leased								
Plant and machinery	282,434	--	--	40,579	--		--	--
		(282,434)*			(40,579)*			
	282,434	(282,434)	--	40,579	(40,579)		--	--
2001 (Rupees in "000")	4,901,902	18,321	4,920,223	627,307	195,125		822,432	4,097,791
2000 (Rupees in "000")	4,887,680	120,621	4,901,902	442,271	198,644		627,307	4,274,596
		(106,399)			(10,063)			

UPM = Unit of production method

	2001	***2000***
	Rupees in '000'	

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

Cost of sales	192,437	195,975
Administrative expenses	2,289	2,297
Selling and distribution expenses	399	372
	------------------	------------------
	195,125	198,644
	==========	==========

12. DEFERRED COSTS

Preliminary expenses	2,819	2,819
Expenses on issue of shares	41,046	41,046
Quarry development costs	13,145	13,145
Others deferred costs	2,493	2,493
	------------------	------------------
	59,503	59,503
Less: Amortization		
- Opening balance	(41,337)	(29,436)
- During the year	(11,901)	(11,901)
	------------------	------------------
	(53,238)	(41,337)
	------------------	------------------
	6,265	18,166
	==========	==========

13. STORES AND SPARES

Stores	67,377	37,657
Spares	178,152	178,378
Spares-in-transit	15,980	15,614
	------------------	------------------
	261,509	231,649
	==========	==========

14. STOCK-IN-TRADE

Raw and packing material	9,237	12,059
Work-in-process	127,475	50,546
Finished goods	56,035	41,270
	------------------	------------------
	192,747	103,875
	==========	==========

15. TRADE DEBETORS

Unsecured - considered good	43,584	16,352
	==========	==========

16. ADVANCES, DEPOSITS, PREPAYMENTS

AND OTHER RECEIVABLES

Loans and advances - Considered good		
Employees	961	1,335
Advance income tax	75,047	60,974
Excise duty	6,148	7,036
Advance to suppliers and others	16,272	19,389
	------------------	------------------
	98,428	88,734
Deposits and prepayments		
Current portion of lease deposits	--	27,494
Other deposits	6,495	4,866
Prepayments	273	725
	------------------	------------------
	6,768	33,085
Other receivables - Considered good		
Octroi refundable	714	714
Custom duty	20,830	20,830
Others	1,754	1,777
	------------------	------------------
	23,298	23,321
	------------------	------------------
	128,494	145,140
	=========	=========

17. CASH AND BANK BALANCES

Bank balance		
Current accounts	9,005	15,133
Sales collection in transit	39,769	35,967
PLS accounts	205	498
	------------------	------------------
	48,979	51,598
Cash in hand	208	391
	------------------	------------------
	49,187	51,989
	=========	=========

18. SALES

Sales	3,082,348	3,227,725
Less: Excise and electricity duty	875,954	1,175,298
Loading and other charges	6,123	6,133
	------------------	------------------
	882,077	1,181,431
	------------------	------------------
	2,200,271	2,046,294
	=========	=========

19. COST OF SALES / GENERATION

Raw material	43,972	37,690

Packing material		199,289	199,544
Fuel and power		1,186,613	858,983
Stores and spares		61,906	97,078
Chemical		1,263	1,150
Salaries, benefits and wages	19.1	86,440	92,359
Repairs and maintenance		10,470	15,151
Depreciation		192,437	195,975
Insurance		21,848	28,004
Vehile running and maintenance		120	103
Communication		325	362
Amortization of quarry development		2,629	2,629
Other manufacturing expenses		20,691	25,082
		------------------	------------------
		1,828,003	1,554,110
Work-in-process			
Opening		50,546	49,867
Closing		(127,475)	(50,546)
		------------------	------------------
		(76,929)	(679)
		------------------	------------------
Cost of goods manufactured		1,751,074	1,553,431
Finished goods			
Opening		41,270	7,510
Closing		(56,035)	(41,270)
		------------------	------------------
		(14,765)	(33760)
		------------------	------------------
		1,736,309	1,519,671
		=========	=========

19.1 Salaries and benefits include provision for gratuity amounting to Rs. 4.492 million. (2000-Rs. 8.848 million). Previous year provision figure include adjustment of prior years.

20. ADMINISTRATIVE EXPENSES

Salaries and benefits	20.1	18,088	14,243
Communications		3,837	3,700
Amortization of deferred cost		9,272	9,272
Travelling and conveyance		2,523	1,513
Depreciation		2,289	2,297
Insurance		335	1,026
Vehicle running and maintenance		1,451	1,053
Advertisements		1,523	702
Printing and stationery		1,468	1,240
Security services		132	121
Legal and professional		6,004	2,375

Transportation and freight		79	71
Rent, rates and taxes		270	667
Utilities		857	973
Repairs and maintenance		651	489
Auditors' remuneration	20.2	268	223
Charity and donation	20.3	6	39
Fees, subscription and periodicals		801	1,045
Others		885	423
		------------------	------------------
		50,739	41,472
		==========	==========

20.1 Salaries and benefits include provision for gratuity amounting Rs. 0.713 million.
(2000-Rs. 1.604 million). Previous year provision figure include adjustment of prior years.

20.2 Auditors' Remuneration

Statutory audit fee	195	165
Cost audit fee	30	30
Out of pocket	43	28
	------------------	------------------
	268	223
	==========	==========

20.3 None of the director or their spouse had any interest in the donation made by the Company.

21. SELLING AND DISTRIBUTION EXPENSES

Salaries, benefits and wages	21.1	8,598	8,145
Communication		2,522	2,033
Travelling and conveyance		694	599
Printing and stationery		317	247
Utilities		542	495
Vehicle running and maintenance		772	648
Repairs and maintenance		239	175
Depreciation		399	372
Fees, subscription and periodicals		130	19
Rents, rates and taxes		1,195	914
Advertisement		235	1,245
Entertainment		339	150
Insurance		155	276
others		2,705	1,183
		------------------	------------------
		18,842	16,501
		==========	==========

21.1 Salaries and benefits include provision for gratuity amounting Rs. 0.593 million
(2000 @ Rs. 1.411 million). Previous year provision figure include adjustment of prior years.

22. OTHER INCOME

Interest income	13	83
Gain / (loss) on disposal of assets	--	31
Miscellaneous	105	97
	------------------	------------------
	118	211
	==========	==========

23. FINANCIAL CHARGES

Mark-up on - long term loans	60,594	107,446
- short term finance	14,529	26,325
Lease finance charges	4,761	23,616
Bank charges and commission	4,690	3,254
Interest on workers' profit participation fund	1,631	538
	------------------	------------------
	86,205	161,179
	==========	==========

24. Taxation

Current

Taxable income of the Company under Income Tax Law after taking effect of unabsorbed carried forward tax losses is worked out to be a loss.

The provision for minimum tax based on turnover has been made in the accounts.

Deferred

In view of tax losses available to be carried forward there is no deferred tax liability.

25. EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per shares of the Company which is based on:-

Profit after tax (Rupees in thousand)	281,780	274,590
No. of Ordinary shares (in thousand)	245,000	245,000
Earnings per share (Rupee)	1.15	1.12

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2001			***2000***		
	Chief Executive	***Director***	***Executives***	***Chief Executive***	***Director***	***Executives***
			Rupees in '000'			
Remuneration	2,026	1,394	21,005	--	--	18,365
House rent allowance	680	410	7,523	--	--	7,023
Utilities allowance	147	105	1,946	--	--	1,742
Conveyance allowance	147	91	1,444	--	--	1,505
	------------------	------------------	------------------	------------------	------------------	------------------

	3,000	2,000	31,918	--	--	28,635
	==========	==========	==========	==========	==========	==========
Number of persons	1	1	106	--	--	98
	==========	==========	==========	==========	==========	==========

The Chief Executive and some Exec provided with the use of Company maintained car.

27. PRODUCTION CAPACITY

Holding Company	***Metric tons***	
Installed capacity (330 days)	1,320,000	1,320,000
Actual production	824,190	819,180

Subsidiary Company	***MWHrs.***	
Installed capacity (330 days)		
Main generators	206,000	206,000
Standby generator	41,200	41,200
Actual production	94,068	106,940

Reason of short fall: Lack of demand

28. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Concentration of credit risk
Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company applies credit limits to its customers and does not have significant exposure to any individual customer.

Interest rate risk
Interest rate risk arise from the possibility that changes in interest rates will effect the value financial instruments. The Company is not exposed to interest rate risk.

Fair values of financial instruments
The carrying value of all the financial instruments reported in the financial statements approximate their fair value.

29. GENERAL
Figures have been rounded off to the nearest thousand of Rupees.

Corresponding figures have been rearranged and/or regrouped wherever necessary for the purpose of comparison.

Total number of permanent employees at June 30, 2001: 547 (2000: 607).

Muhammad Sohail Tabba
Director

Abdul Razzak Tabba
Chief Executive

PATTERN OF SHAREHOLDINGS AS AT JUNE 30, 2001

NUMBER OF SHARE HOLDERS	***FROM***	***SHAREHOLDING***	***TO***	***TOTAL SHARES HELD***
445	1	--	100	44,450
13913	101	--	500	6,807,300
653	501	--	1000	609,900
863	1001	--	5000	2,553,900
295	5001	--	10000	2,544,700
87	10001	--	15000	1,138,000
73	15001	--	20000	1,363,900
46	20001	--	25000	1,095,500
26	25001	--	30000	735,600
13	30001	--	35000	432,100
10	35001	--	40000	381,700
6	40001	--	45000	263,800
15	45001	--	50000	743,800
9	50001	--	55000	471,600
4	55001	--	60000	229,400
2	60001	--	65000	124,000
5	65001	--	70000	346,300
7	70001	--	75000	521,500
4	75001	--	80000	316,500
4	80001	--	85000	329,300
3	85001	--	90000	264,600
13	95001	--	100000	1,296,300
4	100001	--	105000	410,600
2	110001	--	115000	228,500
2	115001	--	120000	682,200
4	120001	--	125000	500,000
4	125001	--	130000	514,000
1	130001	--	135000	131,000
1	135001	--	140000	139,100
2	140001	--	145000	287,500
2	145001	--	150000	300,000
1	160001	--	165000	161,500
1	170001	--	175000	175,000
2	180001	--	185000	366,600
1	185001	--	190000	187,000
8	195001	--	200000	15,971,100

1	200001	--	205000	200,500
1	215001	--	220000	218,500
2	220001	--	225000	446,400
2	230001	--	235000	467,000
1	235001	--	240000	240,000
2	245001	--	250000	500,000
2	265001	--	270000	537,000
1	280001	--	285000	282,700
1	295001	--	300000	297,000
1	310001	--	315000	315,000
2	345001	--	350000	700,000
1	350001	--	355000	355,000
1	355001	--	360000	356,500
1	380001	--	385000	383,000
3	395001	--	400000	1,200,000
1	420001	--	425000	420,500
1	425001	--	430000	425,800
1	455001	--	460000	460,000
1	465001	--	470000	465,500
1	480001	--	485000	481,000
1	540001	--	545000	542,500
1	630001	--	635000	631,000
1	680001	--	685000	683,000
1	695001	--	700000	700,000
2	705001	--	710000	1,420,000
1	740001	--	745000	743,100
1	850001	--	855000	853,500
1	915001	--	920000	918,000
1	1150001	--	1155000	1,152,200
1	1340001	--	1345000	1,342,800
2	1345001	--	1350000	2,700,000
1	1450001	--	1455000	1,451,400
1	1475001	--	1480000	1,476,500
1	1565001	--	1570000	1,569,000
2	1995001	--	2000000	399,900
1	2205001	--	2210000	2,208,000
1	2270001	--	2275000	2,272,720
1	2420001	--	2425000	2,424,240
2	2495001	--	2500000	5,000,000
2	2545001	--	2550000	5,100,000
1	3020001	--	3025000	3,021,300
2	3045001	--	3050000	6,100,000
1	3995001	--	4000000	4,000,000
1	4105001	--	4110000	1,509,300
1	4495001	--	4500000	4,500,000
8	4995001	--	5000000	40,000,000
1	5015001	--	5020000	5,016,500
1	6300001	--	6305000	6,301,000

1	6385001	--	6390000	6,387,900
1	6695001	--	6700000	6,700,000
1	6745001	--	6750000	6,747,000
1	7160001	--	7165000	7,161,800
1	8330001	--	8335000	8,333,350
1	9995001	--	10000000	10,000,000
1	12890001	--	12895000	12,892,600
2	21210001	--	21215000	42,424,240
------------------				------------------
16610				245,000,000
==========				==========

Categories of Shareholders	***Number of Share Holders***	***Total Shares Held***	***Percentage***
Individuals	16438	126,366,960	51.58
Investment Companies	19	45,501,740	18.57
Insurance Companies	4	1,473,200	0.60
Joint Stock Companies	91	39,292,400	16.04
Financial Institutions	28	29,113,800	11.88
Modaraba Companies	14	501,100	0.20
Leasing Companies	2	25,000	0.01
Others	14	2,725,800	1.11
	------------------	------------------	------------------
Total	16610	245,000,000	100.00