



Y.B. PAKISTAN LIMITED

DIRECTORS REPORT TO THE SHAREHOLDERS

The directors of your Company have pleasure in presenting before you the 5th annual report together with the Company's audited financial statements for the period ended June 30, 2016.

Following are the comparative results :

	<u>Rs.</u> <u>2015-16</u>	<u>Rs.</u> <u>2014-15</u>
Sales	Nil	162,834,354
Gross Profit	Nil	4,080,397
Operating (Loss)/ Profit	(76,484,592)	42,618,639
Profit before taxation	281,738,904	231,372,474
Profit after taxation	229,138,798	178,407,467

Our company has earned after tax profit of Rs. 229.138 million for the year under review as compared to Rs.202.800 million in previous year. There were no sales during the year as the environment was not conducive for commodity in which the company deals. The decrease in operating profit from Rs 42.618 million to Rs 76.48 loss due to the reason that loss arised on the sale of Shares of Gadoon Textile of Rs 129.647 million. The net profit after tax increased from Rs 178.40 million to Rs 229.13 million due to increase in share of profit from associates companies from Rs 188.75 million to Rs 358.22 million.

Y. B. Pakistan Limited

Financial Statements
For the year ended June 30, 2016

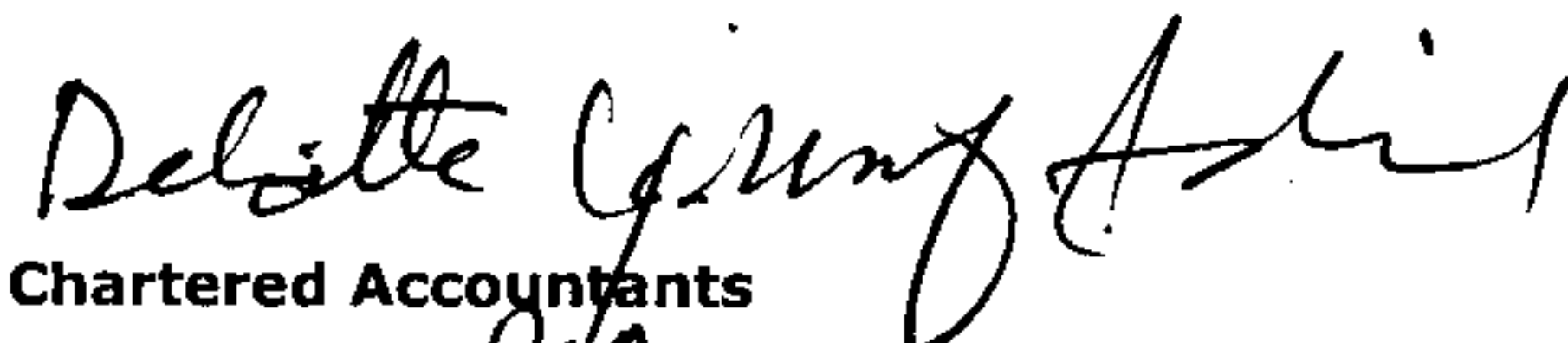
AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Y.B. Pakistan Limited** (the Company) as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - 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 comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required, and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, total comprehensive income, 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.


Chartered Accountants
Engagement Partner:
Mushtaq Ali Hirani

Date: 08 OCT 2016
Place: Karachi

**Y.B. PAKISTAN LIMITED
BALANCE SHEET
AS AT JUNE 30, 2016**

	Note	2016 Rupees	2015 Rupees (RESTATED)	2014 Rupees (RESTATED)
ASSETS				
Non current assets				
Property and equipment	5	56,024,614	58,941,922	63,709,729
Investment properties	6	368,387,564	345,169,775	-
Long term investments	7	1,697,518,688	1,302,976,176	1,114,358,148
Long term loans and deposit	8	157,042,500	126,430,063	85,570,000
		2,278,973,366	1,833,517,936	1,263,637,877
Current assets				
Trade debts		-	-	606,894
Short term investments	9	4,718,622,314	4,568,441,222	2,422,395,652
Short term loans and advances	10	197,395,451	186,888,366	572,362,581
Other receivables	11	32,744,299	22,544,592	20,961,209
Cash and bank balances	12	36,832,396	70,917	75,294
		4,985,594,460	4,777,945,097	3,016,401,630
TOTAL ASSETS		7,264,567,826	6,611,463,033	4,280,039,507
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital	13	388,372,870	388,372,870	303,416,310
Reserves		6,673,139,977	5,676,054,267	2,516,117,422
		7,061,512,847	6,064,427,137	2,819,533,732
Non current liabilities				
Deferred taxation	14	61,028,471	34,121,930	15,488,283
Current liabilities				
Short term bank borrowings	15	-	61,978,652	139,494,708
Loan from a director	16	98,467,221	407,096,548	1,231,810,027
Accrued mark-up on short term borrowings		-	1,892,171	1,299,294
Accrued and other liabilities	17	21,080,144	26,322,512	15,052,308
Provision for taxation		22,479,143	15,624,083	57,361,155
		142,026,508	512,913,966	1,445,017,492
TOTAL EQUITY AND LIABILITIES		7,264,567,826	6,611,463,033	4,280,039,507
CONTINGENCIES AND COMMITMENTS	18			

The annexed notes from 1 to 36 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

Y. B. PAKISTAN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees (RESTATED)
Sales - local		-	162,834,354
Cost of sales	19	-	(158,753,957)
Gross profit		-	4,080,397
Dividend income from available for sale investment		65,484,882	89,890,951
Rental income from investment properties - net	20	19,734,289	560,555
Interest Income	21	12,606,090	9,389,340
(Loss) / gain on sale of investment		(129,647,160)	1,927,810
		(31,821,899)	101,768,656
		(31,821,899)	105,849,053
Administrative expenses	22	(12,434,597)	(16,812,671)
Distribution expenses		-	(4,550,534)
Other operating expenses	23	(30,671,580)	(30,726,244)
Finance cost		(1,556,516)	(11,140,965)
		(44,662,693)	(63,230,414)
		(76,484,592)	42,618,639
Share of profit from associates		358,223,496	188,753,835
Profit before taxation		281,738,904	231,372,474
Taxation	24	(52,600,106)	(52,965,007)
Profit after taxation		229,138,798	178,407,467
Earnings per share - basic and diluted	25	5.90	5.03

The annexed notes from 1 to 36 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

**Y. B. PAKISTAN LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016**

	2016 Rupees	2015 Rupees (RESTATED)
Profit after taxation - restated	229,138,798	178,407,467
Other comprehensive income		
Items that will be reclassified subsequently to profit or loss		
Unrealised gain on remeasurement of available-for-sale investments	937,816,272	527,827,319
Loss during the year transferred to profit and loss account on derecognition of available for sale investment	(48,952,320)	-
Items that will not be reclassified subsequently to profit or loss		
Company's share in remeasurement (loss) / gain on associate's defined benefit plan - restated	(521,450)	4,396,300
Total comprehensive income for the year	<u>1,117,481,300</u>	<u>710,631,086</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

**Y. B. PAKISTAN LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016**

	2016 Rupees	2015 Rupees (RESTATED)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	281,738,904	231,372,474
Adjustments for		
Depreciation on property and equipment	2,998,308	3,335,624
Depreciation on investment properties	20,342,211	18,114,445
Loss on disposal of property and equipment	-	126,907
Finance cost	1,556,516	11,140,965
Loan to an associated company written off	30,632,124	
Share of profit from associates	(358,223,496)	(188,753,835)
Dividend income	(65,484,882)	(89,890,951)
Loss/ (gain) on sale of investment	129,647,160	(1,927,810)
	<u>43,206,845</u>	<u>(16,482,181)</u>
 (Increase) / decrease in current assets		
Trade debts	-	606,894
Other receivables	(10,199,707)	(1,583,383)
	<u>(10,199,707)</u>	<u>(976,489)</u>
 (Decrease) / increase in current liabilities		
Accrued and other liabilities	(5,242,368)	11,367,740
Cash generated from / (used in) operations	<u>27,764,770</u>	<u>(6,090,930)</u>
Finance cost paid	(3,448,687)	(10,548,088)
Income tax paid	(14,182,277)	(39,280,626)
Net cash generated from / (used in) operating activities	<u>10,133,806</u>	<u>(55,919,644)</u>
 B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(81,000)	-
Purchase of investment properties	(43,560,000)	-
Proceeds from disposal of property and equipment	-	1,305,276
Long term investments made	(36,840,466)	-
Dividend income received	65,484,882	58,625,558
Long term loans and deposits disbursed - net	(30,612,437)	(40,847,563)
Proceeds from disposal of short term investment	609,035,700	15,677,810
Short-term loans repaid - net	(354,424,764)	(691,542,979)
Net cash generated from / (used in) investing activities	<u>209,001,915</u>	<u>(656,781,898)</u>

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	2016 Rupees	2015 Rupees (RESTATED)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	790,096,008
Interim dividend paid	<u>(120,395,590)</u>	-
Net cash (used in) / generated from financing activities	<u>(120,395,590)</u>	<u>790,096,008</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	98,740,131	77,394,466
Cash and cash equivalents at beginning of the year	(61,907,735)	(139,419,414)
Cash and cash equivalents transferred from YTPL under scheme of amalgamation	-	117,213
Cash and cash equivalents at end of the year	<u>36,832,396</u>	<u>(61,907,735)</u>
Cash and bank balances	36,832,396	70,917
Short term bank borrowings	-	(61,978,652)
	<u>36,832,396</u>	<u>(61,907,735)</u>

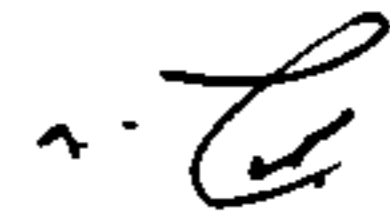
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CHIEF EXECUTIVE OFFICER



DIRECTOR



Y. B. PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

	Note	Capital Reserves			Revenue Reserves			Total reserves	Total	
		Issued, subscribed and paid up capital	Share premium	Amalgamation reserves (note 1.2 & 13.4)	General reserve	Unrealized gain on available for sale investments	Company's share in other comprehensive income of associates			Unappropriated profit
Rupees										
Balance at June 30, 2014 - as previously reported		303,416,310	744,338,223	-	-	1,298,936,666	12,719,150	490,716,629	2,546,710,668	2,850,126,978
Effect of restatement	3	-	-	-	-	-	(436,700)	(30,156,546)	(30,593,246)	(30,593,246)
Balance at June 30, 2014 - restated		303,416,310	744,338,223	-	-	1,298,936,666	12,282,450	460,560,083	2,516,117,422	2,819,533,732
Reserves arising on amalgamation	1.2	-	-	40,000	47,000,000	1,600,592,589	-	96,533,722	1,744,166,311	1,744,166,311
Total comprehensive income for the year ended June 30, 2015										
Profit for the year		-	-	-	-	-	-	178,407,467	178,407,467	178,407,467
Other comprehensive income		-	-	-	-	527,827,319	4,396,300	-	532,223,619	532,223,619
Transaction with owners										
Issue of shares at premium (at Rs. 93 per share)		84,956,560	705,139,448	-	-	-	-	-	705,139,448	790,096,008
Balance at June 30, 2015 - restated		388,372,870	1,449,477,671	40,000	47,000,000	3,427,356,574	16,678,750	735,501,272	5,676,054,267	6,064,427,137
Total comprehensive income for the year ended June 30, 2016										
Profit for the year		-	-	-	-	-	-	229,138,798	229,138,798	229,138,798
Other comprehensive income		-	-	-	-	937,816,272	(521,450)	(48,952,320)	888,342,502	888,342,502
Transaction with owners										
Interim dividend for the year ended June 30, 2016 @ Rs. 3.1 per share		-	-	-	-	-	-	-	(120,395,590)	(120,395,590)
Balance at June 30, 2016		388,372,870	1,449,477,671	40,000	47,000,000	4,365,172,846	16,157,300	915,687,760	6,673,139,977	7,061,512,847

The annexed notes from 1 to 36 form an integral part of these financial statements.

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CHIEF EXECUTIVE OFFICER



DIRECTOR



**Y.B. PAKISTAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Y. B. Pakistan Limited (the Company) was incorporated on December 12, 2011 as a public unlisted company limited by shares under the Companies Ordinance, 1984. The registered office of the Company is located at Sindh Market, M.A. Jinnah Road, Karachi in the province of Sindh. The Company is a subsidiary of Y. B. Holdings (Private) Limited and is primarily engaged in trading of rice, wheat and other commodities; investment in equity securities of the group entities and others; and rental of properties.

The Company is a part of Y.B. Group (The Group) registered under Section 59AA of the Income tax Ordinance, 2001 as Group. Y.B. Holdings (Private) Limited is the parent company of the Group.

1.2 AMALGAMATION OF YUNUS TEXTILE (PRIVATE) LIMITED WITH AND INTO Y.B. PAKISTAN LIMITED

On December 20, 2014, the Board of Directors of the Company approved a scheme of arrangement (the scheme) for merger of Yunus Textile (Private) Limited (YTPL) with and into the Company. The said scheme was approved by the shareholders of both the companies on February 27, 2015 after which it was filed in the High Court of Sindh, which sanctioned the scheme in October 2015. Pursuant to this sanction, the entire business of YTPL including properties, assets, liabilities, and rights and obligations have been amalgamated into and vest in the Company with effect from close of business on June 30, 2014 (the effective date). As the books of account of the Company and YTPL as of and for the year ended June 30, 2014 have already been closed and reported, management considers the effective date of amalgamation as of July 01, 2014 for all practical purposes.

In the said amalgamation, no new shares of the Company have been issued as the merging companies are wholly owned subsidiaries of Y.B. Holdings (Private) Limited (the holding company) and issue of shares would not have any economical / commercial substance as there would be no change in the pattern of shareholding.

This amalgamation is accounted for in the books using predecessor's accounting method as it is a business combination of entities under common control and therefore scoped out of IFRS-3 'Business Combinations'. In the said amalgamation;

- a) The net assets of YTPL have been incorporated at their net carrying amount in the books as on July 01, 2014;
- b) As per the approved scheme of arrangement, the unappropriated profit and surplus of revaluation of securities of YTPL as at the effective date was treated as reserves of a corresponding nature in the Company and is accounted for on that basis in the books of account of the Company;
- c) The difference between (a) and (b) has been carried in the equity under the head "Amalgamation Reserve".

The acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination occurred. Consequently, these financial statements do not reflect the results of the acquired entity for the period before the transaction occurred and the corresponding amounts for the previous year presented are also not restated in this behalf.

2. BASIS OF PREPARATION

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except that certain financial instruments are carried at fair value and investment in associates are carried under equity method.

2.2 Statement of compliance

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

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2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Critical accounting estimates and judgments

The preparation of the financial statements in conformity with approved accounting standards requires the management to make the judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made no major estimates and judgments which are significant to these financial statements, except useful life, residual value and impairment of property and equipment (note 5) and investment properties (note 6), investments (note 7 & 9) and taxation (note 24).

2.5 Standards and amendments which became effective during the year:

The following standards and amendments are effective for the year ended June 30, 2016. These standards and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Standards and amendments relevant to the Company

IFRS 13 - Fair Value Measurement

During the year the Company has adopted IFRS 13 'Fair Value Measurement' which became effective during the year beginning on or after January 01 2015 and IFRS 12 'Disclosure of Interest in Other Entities' which became effective during the year beginning on or after January 01, 2015 . IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the prices that would be received to sell an asset or paid or transfer a liability in an orderly transaction between market participants at the measurement date . It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 -Financial Instruments: Disclosures. The application of IFRS 13 does not have any significant impact on the financial statements of the Company except for certain additional disclosures in note 30 and 30.1.

IFRS 12 - Disclosure of Interests in Other Entities

IFRS 12 requires information to be disclosed in an entity's financial statements that will enable users of those statements to evaluate the nature of, and risks associated with, the entity's interests in other entities as well as the effects of those interests on the entity's financial position, financial performance and cash flows. The application of IFRS 12 does not have any significant impact on the financial statements of the Company except for certain additional disclosures.

Standards and amendments not relevant to the company

The following are some other new standards and amendments including certain annual improvements to existing IFRS effective for the year ended June 30, 2016. These new standards and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements.

Standards / Amendments / Interpretation

Effective Date (accounting periods beginning on or

IFRS 10 – Consolidated Financial Statements	January 01, 2015
IFRS 11 – Joint Arrangements	January 01, 2015
IAS 27 (Revised 2011) – Separate Financial Statements	January 01, 2015
IAS 28 (Revised 2011) - Investments in Associates and Joint Ventures	January 01, 2015

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2.6 Amendments not yet effective

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures. Further, certain improvements have also been made to existing standards that have not been enumerated here for brevity.

Amendments	Effective Date (accounting periods beginning on or after)
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions	January 01, 2018
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture	Effective date is deferred indefinitely. Earlier adoption is permitted.
Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception	January 01, 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	January 01, 2016
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	January 01, 2016
Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 01, 2017
Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealised losses	January 01, 2017
Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization	January 01, 2016
Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants	January 01, 2016
Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements	January 01, 2016
Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
<ul style="list-style-type: none">- IFRS 1 – First Time Adoption of International Financial- IFRS 9 – Financial Instruments- IFRS 14 – Regulatory Deferral Accounts- IFRS 15 – Revenue from Contracts with Customers- IFRS 16 – Leases	

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3. PRIOR PERIOD ADJUSTMENT

During the year, management has rectified an error relating to prior periods. Management had erroneously recorded the share of profit and other comprehensive income from Lucky Holding Limited (an associated company accounted for under equity method of accounting) based on total profit of consolidated financial statements of the Lucky Holding Company and its subsidiaries (including the profit of the non-controlling interest) instead of the amount attributable to the owners of the parent in the associate's consolidated financial statements. The management has restated the financial statements to rectify the said error in accordance with the requirements of IAS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors' for prior years.

	2015 Rupees
Profit and loss account	
Profit after taxation as reported previously	202,800,595
Effect of prior period adjustment:	
Share of profit from associates	(29,061,800)
Deferred tax there on	4,668,672
Profit after taxation - restated	<u>178,407,467</u>

Earnings per share	
Earnings per share as reported previously	5.71
Effect of prior period adjustment:	
Share of profit from associates	(0.82)
Deferred tax there on	0.13
Earnings per share - restated	<u>5.03</u>

Statement of other comprehensive income	
Other comprehensive income as reported previously	736,509,564
Effect of prior period adjustment:	
Share of profit from associates	(29,061,800)
Deferred tax there on	4,668,672
Company's share in remeasurement gain on associate's defined benefit plan	(1,485,350)
Other comprehensive income - restated	<u>710,631,086</u>

	Notes	2015 Rupees	2014 Rupees
Balance sheet			
Long term investment as reported previously	7.3 & 7.4	1,367,515,289	1,148,350,111
Effect of prior period adjustment		(64,539,113)	(33,991,963)
Long term investment - restated		<u>1,302,976,176</u>	<u>1,114,358,148</u>
Deferred taxation as reported previously		42,189,319	18,887,000
Effect of prior period adjustment		(8,067,389)	(3,398,717)
Deferred taxation - restated		<u>34,121,930</u>	<u>15,488,283</u>

Statement of changes in equity			
Total reserves as previously reported		5,732,525,991	2,546,710,668
Effect of prior period adjustment:			
Share of profit from associates		(63,053,763)	(33,555,263)
Company's share in remeasurement gain on associate's defined benefit		(1,485,350)	(436,700)
Deferred tax		8,067,389	3,398,717
Total reserves - restated		<u>5,676,054,267</u>	<u>2,516,117,422</u>

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4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Property and equipment

Property and equipment except capital work-in-progress are stated at cost less accumulated depreciation and impairment loss, if any. Capital work in progress is stated at cost. Depreciation is charged to income applying the reducing balance method at the rates mentioned in note 5 to the financial statements. Depreciation is charged from the month in which the asset is available for use while no depreciation is charged in the month in which an asset is disposed off.

Asset's residual values and their useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Assets are derecognized when disposed off or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of assets, if any, are recognised in profit and loss account as and when incurred.

Repairs and maintenance cost are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

4.2 Investment properties

Property held to earn rental or for capital appreciation or both is classified as investment property and properties are valued using cost model i.e.: cost less accumulated depreciation and impairment loss, if any.

Depreciation on investment property is charged using straight line method over the estimated useful life. Depreciation is charged on additions from the month in which investment property is available for use and no depreciation is charged in the month in which investment property is disposed off.

4.3 Investments

The Company classifies its investments on initial recognition based on the purpose for which the investments were acquired as follows:

Investment in associates

The Company's share of profit or loss of the associate is recognised in the Company's profit or loss. Distributions received from associate reduces the carrying amount of the investment. Adjustment to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income or equity that have not been recognised in the associate's profit or loss. The Company's share of those changes is recognised in other comprehensive income or equity of the Company as appropriate.

Impairment loss is recognized whenever the carrying amount of an investment exceeds its recoverable amount. An impairment loss is taken to profit and loss account. Gain / loss on sale of investments during the year is included in profit and loss account.

Investments at fair value through profit or loss

Designated investments at fair value through profit or loss are initially recognized at fair value. Subsequently, these are measured at fair value whereas effects of changes in fair value are taken to the profit and loss account.

Available for sale

These are non-derivative financial assets which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in market prices.

These investments are initially measured at fair value plus transaction costs and subsequently carried at fair value. Changes in fair value are taken to a separate component of other comprehensive income until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss recorded in other comprehensive income is recognized in profit and loss account.

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4.4 Stock in trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined using moving average method. Net realizable value signifies the estimated selling price of the inventory in the ordinary course of business, less estimated costs necessary to make the sale.

4.5 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when identified.

4.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise balances with banks in current accounts. Short-term borrowings availed by the Company which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.

4.7 Accrued and other liabilities

Accrued and other liabilities are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

4.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of borrowings using the effective interest rate method.

4.9 Provisions

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

4.10 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes the party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gains or losses on derecognition of financial assets and financial liabilities are taken to profit and loss account.

Offsetting of financial instruments

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the recognized amounts and also either intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.11 Impairment

Financial assets

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



5. PROPERTY AND EQUIPMENT

Particulars	2016							
	Cost			Depreciation			Carrying value at June 30, 2016	Rate of depreciation
	At July 01, 2015	Additions	At June 30, 2016	At July 01, 2015	Charge for the year	At June 30, 2016		
----- Rupees -----						----- % -----		
Office premises	7,705,800	-	7,705,800	1,099,040	330,338	1,429,378	6,276,422	5
Warehouse	60,596,800	-	60,596,800	8,642,619	2,597,709	11,240,328	49,356,472	5
Office equipment	118,432	81,000	199,432	59,197	5,924	65,121	134,311	10
Computers	414,980	-	414,980	331,581	25,020	356,601	58,379	30
Furniture and fixtures	162,814	-	162,814	79,291	8,352	87,643	75,171	10
Vehicles	3,138,215	-	3,138,215	2,983,391	30,965	3,014,356	123,859	20
	72,137,041	81,000	72,218,041	13,195,119	2,998,308	16,193,427	56,024,614	

Particulars	2015							
	Cost			Depreciation			Carrying value at June 30, 2015	Rate of depreciation
	At July 01, 2014	Disposals / transfers	At June 30, 2015	At July 01, 2014	Charge for the year / disposals / transfers	At June 30, 2015		
----- Rupees -----						----- % -----		
Office premises	7,705,800	-	7,705,800	751,316	347,724	1,099,040	6,606,760	5
Warehouse	60,596,800	-	60,596,800	5,908,188	2,734,431	8,642,619	51,954,181	5
Office equipment	167,432	(49,000)	118,432	55,474	6,581 (2,858)	59,197	59,235	10
Computers	521,194	(106,214)	414,980	321,287	35,743 (25,449)	331,581	83,399	30
Furniture and fixtures	162,814	-	162,814	70,011	9,280	79,291	83,523	10
Vehicles	5,058,850	(1,920,635)	3,138,215	3,396,885	201,865 (615,539)	2,983,391	154,824	20
	74,212,890	(2,075,849)	72,137,041	10,503,161	3,335,624 (643,846)	13,195,119	58,941,922	

5.1 Title of warehouse is held in the name of M/s. Yunus Brothers, a partnership firm, which was taken over by the Company on April 05, 2012 vide transfer agreement dated April 04, 2012.

Handwritten signature/initials

6. INVESTMENT PROPERTIES
- at cost

	Office premises Rupees	Shops Rupees	Total Rupees
Cost			
At July 1, 2015	363,284,220	-	363,284,220
Additions during the year	-	43,560,000	43,560,000
At June 30, 2016	<u>363,284,220</u>	<u>43,560,000</u>	<u>406,844,220</u>
Accumulated depreciation			
At July 1, 2015	18,114,445	-	18,114,445
Charged during the year	18,164,211	2,178,000	20,342,211
At June 30, 2016	<u>36,278,656</u>	<u>2,178,000</u>	<u>38,456,656</u>
Net book value			
At June 30, 2016	<u>327,005,564</u>	<u>41,382,000</u>	<u>368,387,564</u>
At June 30, 2015	<u>345,169,775</u>	-	<u>345,169,775</u>
Rate of depreciation		2016 5%	2015 5%

6.2 Fair market value of investment properties as at June 30, 2016 determined by the independent professional valuer was Rs. 710 million (2015: Rs.629 million).

7. LONG TERM INVESTMENTS

2016 No. of shares held	2015	Name of Company/firm	Note	2016 Rupees	2015 Rupees (Restated)
- Associated companies - unlisted					
12,589,188	12,589,188	Lucky Commodities (Private) Limited	7.2	259,275,244	176,467,703
7,500,000	7,500,000	Lucky Holdings Limited	7.3 & 7.4	578,669,487	491,107,737
4,998	-	Lucky Exim (Private) Limited	7.5	44,933,014	-
- Associated undertakings					
		Triple Tree Associates	7.6 & 7.7	498,379,392	355,929,671
		Ocean Heights	7.8	316,261,551	279,471,065
				<u>1,697,518,688</u>	<u>1,302,976,176</u>

7.1 The summarized financial information of the associates based on audited / unaudited financial statements for the year ended June 30, 2016 are as follows:

7.2 Lucky Commodities (Private) Limited

		2016 (Audited)	2015 (Audited)
Number of shares	Number	12,589,188	12,589,188
Cost of investment	Rupees	20,000,000	20,000,000
Ownership interest	%	49.99%	49.99%
		2016 Rupees	2015 Rupees
Carrying value of investment at beginning of the year		176,467,703	121,445,784
Company's share of profit		82,807,541	55,021,919
Carrying value of investment at end of the year		<u>259,275,244</u>	<u>176,467,703</u>

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	2016 Rupees (Audited)	2015 Rupees (Audited)
Total assets	734,680,236	1,161,242,013
Total liabilities	(217,055,779)	(809,313,407)
Net assets	<u>517,624,457</u>	<u>351,928,606</u>
Company's share of net assets	258,760,466	175,929,110
Revenue	2,905,286,850	2,778,229,640
Profit for the year	165,648,212	110,043,942
Company's share of profit	82,807,541	55,021,919

		2016 (Audited)	2015 (Audited) (RESTATED)
7.3 Lucky Holdings Limited			
Number of shares	Number	7,500,000	7,500,000
Cost of investment	Rupees	374,600,000	374,600,000
Ownership interest	%	5%	5%
	Note		
	7.4		
Carrying value of investment at beginning of the year		491,107,737	423,504,937
Company's share of profit		88,083,200	63,206,500
Company's share of other comprehensive income		(521,450)	4,396,300
Carrying value of investment at end of the year		<u>578,669,487</u>	<u>491,107,737</u>

	2016 Rupees (Audited)	2015 Rupees (Audited) (RESTATED)
Total assets	37,537,751,000	34,526,300,000
Total liabilities	(25,798,145,000)	(24,550,811,000)
Net assets	<u>11,739,606,000</u>	<u>9,975,489,000</u>
Company's share of net assets	586,980,300	498,774,450
Revenue	36,954,437,000	37,394,831,000
Profit for the year	1,761,664,000	1,264,130,000
Other comprehensive income for the year	(10,429,000)	87,926,000
Company's share of profit	88,083,200	63,206,500
Company's share of other comprehensive income	(521,450)	4,396,300

7.4 The Company's investment in Lucky Holdings Limited is less than 20% but is considered as associate as per the requirements of IAS 28 'Investment in Associates' as the Company has significant influence over the financial and operating policies of this company through representation on its board of directors.

		2016 (Audited)	2015
7.5 Lucky Exim (Private) Limited			
Number of shares	Number	4,998	-
Cost of investment	Rupees	49,980	-
Ownership interest	%	49.98%	-
		2016 Rupees	2015 Rupees
Investment made during the year		49,980	-
Company's share of profit		44,883,034	-
Carrying value of investment at end of the year		<u>44,933,014</u>	<u>-</u>

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	2016 Rupees (Audited)	2015 Rupees
Total assets	92,822,095	-
Total liabilities	(2,920,106)	-
Net assets	<u>89,901,989</u>	<u>-</u>
Company's share of net assets	44,933,014	-
Revenue	107,990,617	-
Profit for the year	89,801,989	-
Company's share of profit	44,883,034	-

		Note	2016 (Audited)	2015 (Unaudited)
7.6 Triple Tree Associates				
Cost of investment	Rupees		129,321,523	129,321,523
Partnership share in Triple Tree Associates	%	7.7	25%	25%
			2016 Rupees	2015 Rupees
Carrying value of investment at beginning of the year			355,929,671	285,404,255
Company's share of profit for the year			142,449,721	70,525,416
Carrying value of investment at end of the year			<u>498,379,392</u>	<u>355,929,671</u>
			2016 Rupees (Audited)	2015 Rupees (Unaudited)
Total assets			3,110,598,303	2,431,605,648
Total liabilities			(1,118,836,749)	(1,297,533,101)
Net assets			<u>1,991,761,554</u>	<u>1,134,072,547</u>
Revenue			1,363,377,314	560,074,905
Profit for the year			569,798,883	154,944,379
Company's share of profit			142,449,721	70,525,416

7.7 Triple Tree Associates (TTA) is a partnership firm between a director of the Company, Mr. Muhammad Ali Tabba on behalf of Y. B. Pakistan Limited (the Company) and Mr. Tariq Rafi and Mr. Khalid Tirmizey. At June 30, 2016, the Company holds 25% (2015: 25%) share in net assets of this partnership.

7.8 Ocean Heights is a partnership firm between a director of the Company Mr. Muhammad Sohail Tabba on behalf of the Company and Mr. Tariq Rafi on behalf of Siddiqsons Limited. At June 30, 2016, the Company holds 30% (2015: 30%) share in net assets of this partnership. The operations of the firm will commence from 2017.

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8. LONG TERM LOANS AND DEPOSIT	Note	2016 Rupees	2015 Rupees
Long term loans			
Unsecured - considered good			
Lucky One (Private) Limited - an associated company	8.1	196,100,000	98,000,000
Current portion shown in current assets	10	(85,000,000)	-
		111,100,000	98,000,000
To employees of group companies - interest free	8.2	70,200,000	40,587,563
Current portion shown in current assets	10	(24,320,000)	(12,220,000)
		45,880,000	28,367,563
		156,980,000	126,367,563
Long term deposit			
Central Depository Company of Pakistan Limited		62,500	62,500
		157,042,500	126,430,063

8.1 It carries mark up at the rate of 3 months KIBOR + 1.2% (2015: 3 months KIBOR + 1.2%) per annum. This loan has been provided to an associated company in tranches and is receivable in three years from the date of disbursement of each trench.

8.2 These loans are carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these financial statements.

9. SHORT TERM INVESTMENTS	Note	2016 Rupees	2015 Rupees
Available for sale			
2016	2015	Related parties	
Number of shares			
7,276,098	7,276,098	Lucky Cement Limited	9.1
-	4,780,500	Gadoon Textile Mills Limited	
			4,718,622,314
			3,780,806,042
			787,635,180
			4,568,441,222

9.1 **Movement of fair value gain on available for sale investments**

Balance at June 30	4,568,441,222	2,408,645,652
Unrealised gain on remeasurement	937,816,272	93,007,021
Shares received on merger	-	2,066,788,549
Disposals	(787,635,180)	-
Balance at June 30	4,718,622,314	4,568,441,222

10. **SHORT TERM LOANS AND ADVANCES**

Unsecured - considered good			
Short term loans - associated undertakings	10.1	74,260,881	156,197,567
Current portion of long term loans			
- Lucky One (Private) Limited - an associated company		85,000,000	-
- Employees of group companies		24,320,000	12,220,000
Advance income tax		13,814,570	18,470,799
		197,395,451	186,888,366

10.1 **Short term loans -associated undertakings**

Triple Tree Associates	10.1.1	74,260,881	120,565,443
Security Electric Power Company Limited (SEPCL)	10.1.2	-	30,632,124
Lucky Energy (Private) Limited		-	5,000,000
		74,260,881	156,197,567

10.1.1 The loan is unsecured, interest free and repayable on demand.

10.1.2 The Company has written off loan provided to SEPCL amounting to Rs. 30.632 million, as the management considers the amount will not be recovered based on the financial position of SEPCL.

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	Note	2016 Rupees	2015 Rupees
11. OTHER RECEIVABLES			
Unsecured - considered good			
Rent receivable from Triple Tree Associates		7,777,000	9,825,000
Profit / markup receivable	11.1	24,967,299	12,229,592
Others		-	490,000
		<u>32,744,299</u>	<u>22,544,592</u>

11.1 It represents markup receivable on loan given to Lucky One (Private) Limited.

12. CASH AND BANK BALANCES

Cash in hand		-	751
Cash at banks - current accounts		36,832,396	70,166
		<u>36,832,396</u>	<u>70,917</u>

13. SHARE CAPITAL

2016	2015			2016	2015
Number of shares					
<u>41,000,000</u>	<u>41,000,000</u>	<i>Authorised</i>		<u>410,000,000</u>	<u>410,000,000</u>
		Ordinary shares of Rs. 10/- each	13.1		
		<i>Issued, subscribed and paid up</i>			
		Ordinary shares of Rs. 10/- each			
8,505,656	8,505,656	Fully paid shares in cash issued at premium		85,056,560	85,056,560
30,331,631	30,331,631	Issued for consideration other than cash		303,316,310	303,316,310
<u>38,837,287</u>	<u>38,837,287</u>		13.2	<u>388,372,870</u>	<u>388,372,870</u>

13.1 Movement in number of shares is as follows:

At July 01		38,837,287	30,341,631
Issued during the year against cash		-	8,495,656
At June 30		<u>38,837,287</u>	<u>38,837,287</u>

13.2 The Company has one class of ordinary shares which carry no right to fixed income. The holders of shares are entitled to receive dividends and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

	Note	2016 Rupees	2015 Rupees (RESTATED)
14. DEFERRED TAXATION			
Taxable temporary differences on Long term investments		<u>61,028,471</u>	<u>34,121,930</u>
<i>Movement of deferred tax is as follows:</i>			
At July 01		34,121,930	15,488,283
Charged to profit and loss account	24	26,906,541	18,633,647
At June 30		<u>61,028,471</u>	<u>34,121,930</u>

	Note	2016 Rupees	2015 Rupees
15. SHORT TERM BANK BORROWING			
Running finance	15.1	-	61,978,652

15.1 The Company had arranged running finance facility of Rs. 300 million from a scheduled commercial bank in prior year. The borrowing was secured against 1st hypothecation charge over moveable assets and receivables. It was subject to markup at three months KIBOR plus 0.2% per annum.

16 **LOAN A FROM DIRECTOR**

This represents unsecured, interest free loan from Mr. Muhammad Ali Tabba, a director of the Company.

	Note	2016 Rupees	2015 Rupees
17. ACCRUED AND OTHER LIABILITIES			
Workers' Welfare Fund	17.1	17,417,931	17,417,931
Advance rental of investment properties		1,890,000	7,200,000
Commission		1,117,742	1,117,742
Accrued expenses		531,330	442,500
Other payables		123,141	144,339
		<u>21,080,144</u>	<u>26,322,512</u>

17.1 On May 10, 2014 Assistant Commissioner Inland Revenue issued show cause and demand notice to the Company for non payment of Workers' Welfare Fund ('WWF') for the tax year 2010, 2011 and 2012 amounting to Rs. 3.891 million. Company has filed a case in High Court of Sindh against the notice and applicability of the said levy and requested a stay which was subsequently granted by the court.

On March 21, 2016, Additional Commissioner Inland Revenue again issued show cause and demand notice to the Company for non payment of Workers' Welfare Fund ('WWF') for the tax year 2014 and 2015 amounting to Rs. 5.064 million. Company has filed another case in High Court of Sindh against the notice and applicability of the said levy and requested a stay which was subsequently granted by the court. These cases are pending and no provision for the current year is made in these financial statements in this regards since the management as well as the legal council of the Company are of the opinion that these cases will be decided favourably.

18. **CONTINGENCIES AND COMMITMENTS**

18.1 The Company's share in associates' contingencies and commitments is Rs. 86.099 million (2015: 206.487 million).

18.2 The Company does not have any other contingency or commitment at June 30, 2015 and June 30, 2016 other than disclosed in note 17.1 to the financial statements.

	Note	2016 Rupees	2015 Rupees
19. COST OF SALES			
Purchase - import		-	152,060,779
Stevedoring		-	3,038,151
Infrastructure cess		-	1,477,351
Packing material - Jute bags		-	1,690,000
Wharfage		-	132,825
Clearing forwarding - import		-	216,557
Inspection and testing		-	138,294
		<u>-</u>	<u>158,753,957</u>

20. **RENTAL INCOME FROM INVESTMENT PROPERTIES - NET**

Rental income		40,076,500	18,675,000
Depreciation	6.1	(20,342,211)	(18,114,445)
		<u>19,734,289</u>	<u>560,555</u>

21. **INTEREST INCOME**

This represents interest income on loan to an associated company (note 8.1).

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	Note	2016 Rupees	2015 Rupees
22. ADMINISTRATIVE EXPENSES			
Director's remuneration		-	2,000,000
Fees and subscription		1,263,910	1,850,469
Rent, rates and taxes		1,423,172	3,018,132
Entertainment		2,853,046	1,154,340
Depreciation on property and equipment	5	2,998,308	3,335,624
Auditors' remuneration		330,000	417,000
Communication		43,200	14,380
Travelling and conveyance		440	605,658
Others		73,715	400,797
Legal and professional		3,448,806	4,016,271
		12,434,597	16,812,671

23. OTHER OPERATING EXPENSES

Workers' Welfare Fund		-	5,018,195
Loss on disposal of property and equipment		-	126,907
Loan to an associated company written off		30,632,124	-
Bank charges and commission		39,456	81,142
Donation		-	20,000,000
Charity		-	5,500,000
		30,671,580	30,726,244

	2016 Rupees	2015 Rupees (RESTATED)
24. TAXATION		
Current year	22,479,143	18,938,833
Prior year	3,214,422	15,392,527
Deferred	26,906,541	18,633,647
	52,600,106	52,965,007

Relationship between tax expense and accounting profit

Taxable income of the Company includes dividend income and rental income which are taxable as separate block of income under Income Tax Ordinance 2001. Only interest income is charged under normal tax regime. Therefore numerical reconciliation between the average tax rate and applicable tax rate has not been presented in these financial statements as such presentation would not be reflective of the tax position of the Company.

25. EARNINGS PER SHARE
Basic and diluted

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

		2016	2015 (RESTATED)
Profit after taxation	Rupees	229,138,798	178,407,467
Weighted average number of ordinary shares outstanding during the year		38,837,287	35,503,080
Earnings per share	Rupees	5.90	5.03

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26. RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, associated undertakings, directors of the Company and their relatives and key management personnel. Amounts due from and to related parties are shown under receivables and payables. Other significant transactions with related parties are as follows :

Relationship	Nature of transactions	2016 Rupees	2015 Rupees
Holding company			
- Y. B. Holdings (Private) Limited	Right shares subscribed	-	789,965,808
	Amount received against expenses	-	18,120,956
	Interim dividend paid	120,375,750	-
Associated companies			
- Lucky Commodities (Private) Limited	Dividend received	-	5,035,675
- Lucky Cement Limited	Dividend received	65,484,882	65,484,883
- Gadoon Textile Mills Limited	Dividend received	-	23,902,500
- Lucky One (Private) Limited	Loan disbursed	98,100,000	13,000,000
- Lucky Energy (Private) Limited	Loan recovered	5,000,000	-
- Security Electric Power Company Limited	Loan disbursed	-	40,000
Associated undertakings			
Aziz Tabba Foundation	Donation made	-	20,000,000
Triple Tree Associate	Loan recovered	46,304,562	360,541,158
	Rental income	40,076,500	18,675,000
	Advance rent	1,890,000	7,200,000
Others			
Directors	Loan repaid	476,625,299	1,002,361,534
Directors	Loan obtained	167,995,971	548,288,776
Relatives of Directors	Loan repaid	-	258,204,909
Directors	Interim dividend paid	19,840	-

27. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied for line items below:

	2016 Rupees	2015 Rupees
Financial assets		
Available for sale investment - at fair value		
Short term investments	4,718,622,314	4,568,441,222
Loans and receivables -at amortised cost		
Loans and deposit	189,862,500	126,430,063
Short term loans	183,580,881	168,417,567
Other receivables	32,744,299	22,544,592
Cash and bank balances	36,832,396	70,917
	<u>5,161,642,390</u>	<u>4,885,904,361</u>
Financial liabilities at amortised cost		
Short term bank borrowings	-	61,978,652
Loan from a director	98,467,221	407,096,548
Accrued mark-up on short term borrowings	-	1,892,171
Accrued and other liabilities	1,772,213	1,702,072
	<u>100,239,434</u>	<u>472,669,443</u>

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28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but are not limited to, market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Board of Directors of the Company has the overall responsibility for establishment and oversight of the Company's financial risk management policies. Risks measured and managed by the Company are explained in notes below:

29. Market risk management

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

29.1.1 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on loan to Lucky One (Private) Limited, an associated company. However the associated company is in the same group as Company, the risk is limited.

Interest rate sensitivity analysis

If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended June 30, 2016 would increase / decrease by Rs. 1,607,921 (2015: decrease / increase by Rs. 4,781,528). This is mainly attributable to the Company's exposure to interest rates on loan to an associated company.

29.1.2 Foreign exchange risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. As at June 30, 2016, the Company is not exposed to foreign exchange risk, as the Company's operating activities (i.e. revenue and expenses) are denominated in local currency.

29.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. If equity share prices had been 1 percent higher / lower and all other variables were held constant, the Company's other comprehensive income for the year ended June 30, 2016 would decrease/increase by Rs. 47,186,223 (2015: Rs. 45,684,412). As at June 30, 2016, the Company is exposed to price risk on quoted shares under available for sale investments.

29.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties to the financial instruments fails to perform as contracted. Credit risk on the Company arises from deposits in banks, loans and receivables to related parties and deposits. The financial assets which are subject to credit risk amounted to Rs.373,367,680 (2015: Rs. 317,462,388). The management believes that the Company is not exposed to major concentration of credit risk. The management monitors and limits the Company's exposure to credit risk through monitoring of clients credit exposure review and has adopted a policy of only dealing with credit worthy counterparties for sales as a means of mitigating the risk of financial loss from defaults.

The credit risk on loans and other receivables is continuously monitored directly by Board of directors of the Company. These balances are due from group companies, therefore, the Company is not exposed to significant credit risk at year end due to default by counter parties.

The Company's geographic exposure is limited to Pakistan only as there are no export sales of the Company during the year.

The credit quality of Company's bank balances is considered good:

29.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to effective cash management and planning policy, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The current ratio as at the year end is 35.10 : 1 (2015: 9.32 : 1). The Company have support of its sponsors and group entities, whenever additional financing is required.

Liquidity and interest risk table

Following tables detail Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

At June 30, 2016	Maturity up to one year	Maturity after one year	Total
	----- Rupees -----		
Financial assets			
Investments	4,718,622,314	-	4,718,622,314
Loans and deposit	32,820,000	157,042,500	189,862,500
Short term loans	183,580,881	-	183,580,881
Other receivables	32,744,299	-	32,744,299
Balances with banks	36,832,396	-	36,832,396
	<u>4,967,767,494</u>	<u>157,042,500</u>	<u>5,161,642,390</u>
Financial liabilities			
Loan from a director	98,467,221	-	98,467,221
Accrued and other liabilities	1,772,213	-	1,772,213
	<u>100,239,434</u>	<u>-</u>	<u>100,239,434</u>
At June 30, 2015	Maturity up to one year	Maturity after one year	Total
	----- Rupees -----		
Financial assets			
Investments	4,568,441,222	-	4,568,441,222
Loans and deposit	-	126,430,063	126,430,063
Loan from a directors	168,417,567	-	168,417,567
Other receivables	22,544,592	-	22,544,592
	<u>4,759,403,381</u>	<u>126,430,063</u>	<u>4,885,833,444</u>
Financial liabilities			
Short term bank borrowings	61,978,652	-	61,978,652
Loan from directors	407,096,548	-	407,096,548
Accrued mark-up on short term borrowings	1,892,171	-	1,892,171
Accrued and other liabilities	1,702,072	-	1,702,072
	<u>472,669,443</u>	<u>-</u>	<u>472,669,443</u>

Effective interest rates are mentioned in respective notes to the financial statements. The Company has sufficient resources to pay off these obligations and therefore there is no liquidity risk.

30. Determination of fair values

Fair value of financial instruments

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

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30.1 Fair value hierarchy

The fair value of the financial instruments have been analysed in various fair value levels as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
<i>Equity securities</i>				
<i>Available for sale investments</i>				
June 30, 2016	4,718,622,314	-	-	4,718,622,314
June 30, 2015	4,568,441,222	-	-	4,568,441,222

31. CAPITAL DISCLOSURE

The objectives of the Company when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for stakeholders, and to maintain a strong capital base to support the sustained development of its business.

The capital structure of the Company consists of share capital and reserves. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

The Company is not subject to any externally imposed capital requirements.

32. REMUNERATION OF DIRECTOR

The aggregate amount charged in the financial statements for the year for remuneration of director is Rs. Nil (2015: Rs. 2 million). No remuneration is paid to the Chief Executive Officer of the Company.

33. NUMBER OF EMPLOYEES

There was no person in the employment of the Company. The affairs of the Company are managed through the staff of Yunus Textile Mills Limited (an associated company).

34. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purposes of comparison and to reflect the substance of the transactions.

35. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 08 OCT 2016 by the Board of Directors of the Company.

36. GENERAL

Figures have been rounded off to the nearest Rupee.

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CHIEF EXECUTIVE OFFICER


DIRECTOR