Y.B. Holdings (Private)

Financial Statements
For the year ended June 30, 2017

Deloitte.

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AUDITORS' REPORT TO THE MEMBERS ON CONSOLIDATED FINANCIAL STATEMENTS

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of **Y.B. Holdings (Private) Limited** (the Holding Company), and its subsidiary companies as at June 30, 2017 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of Y.B. Holdings (Private) Limited and subsidiary companies namely Lucky Textile Mills Limited, Gadoon Textile Mills Limited, Lucky Energy (Private) Limited, Y.B. Pakistan Limited, Lucky One (Private) Limited, Lucky Knits (Private) Limited, Lucky Landmark (Private) Limited, Lucky entertainment (private) Limited, Yunus Energy Limited and Lucky Foods (Private) Limited. The financial statements of other subsidiary companies were audited by other firms of chartered accountants whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such companies, is based solely on the report of such other auditors. The financial statements of the subsidiary company namely Yunus Textile Limited (incorporated in Canada) are unaudited. These consolidated 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 audit.

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

As referred to in the first paragraph of the report, the financial statements of the subsidiary namely Yunus Textile Limited are unaudited. Hence, total assets of Rs. 3,873,000 and net loss of Rs. 172,492 pertaining to the subsidiary have been incorporated in the consolidated financial statements based on the unaudited financial statements of the said subsidiary.

In our opinion, except for the possible effects of the matter described in the preceding paragraph, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary companies as at June 30, 2017 and the results of their operations for the year then ended.

Deloitte Yousuf Adil
Chartered Accountants

Engagement Partner
Hena Sadiq
Dated: 27 NOV 2017
Karachi

Y.B. HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2017

	Note	2017	2016
		-------- Rupees in '000' --------	
ASSETS			
Non- Current assets			
Property, plant and equipment	5	42,903,889	39,056,175
Biological assets	6	163,053	211,631
Intangible assets	7	27,538	33,576
Investment properties	8	9,546,312	468,537
Project under development	9	115,499	7,338,767
Long-term investments	10	27,278,516	23,717,046
Long-term loans and advances	11	210,968	174,992
Long-term deposits and prepayments	12	51,588	71,177
		80,297,363	71,071,901
Current assets			
Stores, spares and consumables	13	2,030,400	1,747,591
Stock-in-trade	14	16,901,699	14,213,808
Trade debts	15	6,354,320	4,811,393
Loans and advances	16	1,336,602	1,406,960
Trade deposits and short-term prepayments	17	203,266	280,300
Other receivables	18	3,574,452	2,469,166
Taxation - net		1,133,970	985,952
Short-term investments	19	15,769,785	12,298,225
Cash and bank balances	20	2,713,918	3,088,452
		50,018,412	41,301,847
Investment properties - 'held for sale'	8	36,681	-
Total assets		130,352,456	112,373,748
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	21	1,000	1,000
Consolidated reserves		84,370,093	72,809,531
Attributable to the owners of the Holding Company		84,371,093	72,810,531
Non-controlling interests		2,864,077	2,474,327
TOTAL EQUITY		87,235,170	75,284,858
Non- current liabilities			
Long-term loans and advances	22	14,088,405	11,956,141
Long-term deposits		432,986	100,954
Deferred liabilities	23	2,396,681	2,226,303
		16,918,072	14,283,398
Current liabilities			
Trade and other payables	24	10,361,234	9,003,325
Short term loans	25	208,927	247,245
Accrued markup		179,489	274,089
Current portion of long-term loans	22	1,132,573	5,088
Short-term borrowings	26	14,316,990	13,275,745
		26,199,213	22,805,492
Total equity & liabilities		130,352,456	112,373,748
CONTINGENCIES AND COMMITMENTS	27		

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Y.B. HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017

	Notes	2017	2016
		-------- Rupees in '000' --------	
Revenue	28	**65,504,354**	60,221,936
Sales tax, commission and discounts	29	**(802,333)**	(1,426,584)
Net revenue		**64,702,021**	58,795,352
Cost of revenue	30	**(53,462,463)**	(49,181,678)
Gross profit		**11,239,558**	9,613,674
Administrative expenses	31	**(2,458,206)**	(2,390,881)
Selling and distribution expenses	32	**(2,123,250)**	(2,092,662)
Other operating expenses	33	**(827,143)**	(796,888)
Other income	34	**1,391,885**	541,980
Operating profit		**7,222,844**	4,875,223
Finance costs	35	**(1,365,758)**	(848,201)
Share of profit from associates- net of tax		**1,507,404**	1,103,363
Profit before taxation		**7,364,491**	5,130,385
Taxation	36	**(470,036)**	(601,482)
Profit after taxation		**6,894,454**	4,528,903
Total profit attributable to:			
- Owners of the Holding Company		**6,508,935**	4,596,391
- Non-controlling interests		**385,519**	(67,488)
		6,894,454	4,528,903
Earnings per share - basic and diluted	37	**65.09**	45.96

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

Y.B. HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	-------- Rupees in '000' --------	
Profit for the year	**6,894,454**	4,528,903
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit obligation	**172,727**	(21,923)
Tax thereon	**(6,893)**	2,019
	165,834	(19,904)
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income from associates - net	**(19,063)**	(10,584)
Net fair value gain on available-for-sale investments	**5,755,566**	7,369,418
Exchange difference on translating foreign operations	**58,021**	(118,041)
	5,794,524	7,240,793
Total comprehensive income for the year	**12,854,812**	11,749,792
Total comprehensive income attributable to:		
- Owners of the Holding Company	**12,465,062**	11,825,835
- Non-controlling interests	**389,750**	(76,043)
	12,854,812	11,749,792

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

Y.B. HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserve						
		Amalgamation reserve	Foreign currency translation reserve	Unrealized gain on revaluation of available for sale investment	Actuarial gain / (loss) on defined benefit obligation	Unappropriated profit	Total reserves	Non-controlling interests	Total
	Rupees in '000'								
Balance at July 01, 2015	1,000	1,815,627	221,415	13,257,903	30,145	45,713,709	61,038,799	2,545,267	63,585,066
Effect due to acquisition of non-controlling interest (note 1.4.1)	-	-	-	-	-	(46,290)	(46,290)	(3,710)	(50,000)
Effect due to dilution of controlling interest (note 1.4.2)	-	-	-	-	-	(8,813)	(8,813)	8,813	-
Profit for the year	-	-	-	-	-	4,596,391	4,596,391	(67,488)	4,528,903
Other comprehensive income for the year - net	-	-	(118,041)	7,369,418	(30,488)	8,555	7,229,444	(8,555)	7,220,889
Total comprehensive income for the year	-	-	(118,041)	7,369,418	(30,488)	4,604,946	11,825,835	(76,043)	11,749,792
Balance at June 30, 2016	**1,000**	**1,815,627**	**103,374**	**20,627,321**	**(343)**	**50,263,552**	**72,809,531**	**2,474,327**	**75,284,858**
Profit for the year	-	-	-	-	-	6,508,935	6,508,935	385,519	6,894,454
Other comprehensive income for the year - net	-	-	58,021	5,755,566	146,771	(4,231)	5,956,127	4,231	5,960,358
Total comprehensive income for the year	-	-	58,021	5,755,566	146,771	6,504,704	12,465,062	389,750	12,854,812
Dividend paid	-	-	-	-	-	(904,500)	(904,500)	-	(904,500)
Balance at June 30, 2017	**1,000**	**1,815,627**	**161,395**	**26,382,887**	**146,428**	**56,768,256**	**84,370,093**	**2,864,077**	**87,235,170**

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

Y.B. HOLDINGS (PRIVATE) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	-------- Rupees in '000' --------	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**7,364,491**	5,130,385
Adjustments for :		
Depreciation on property, plant and equipment	**2,508,898**	2,103,029
Depreciation on investment properties	**95,772**	25,612
Amortization	**10,211**	4,937
Provision against slow moving stores and spares	**13,601**	21,002
Provision against doubtful debts	**35,053**	-
Reversal against other receivables	**(55,343)**	-
Provision against loan to employees	**-**	1,037
Provision against staff gratuity	**523,709**	503,959
Share of profit from associates- net of tax	**(1,507,404)**	(1,103,363)
Impairment of goodwill	**-**	317,747
Loss on diposal of biological assets	**27,838**	5,067
Unrealised gain on revaluation of biological assets	**(39,698)**	(14,006)
Unrealised gain on revaluation of investment	**(35,515)**	(23,123)
Gain on disposal of property, plant and equipment	**(332,904)**	(21,439)
Gain on sale of available-for-sale investments	**(105,895)**	(6,964)
Dividend income	**(432,532)**	(388,015)
Finance costs	**1,365,758**	848,201
Profit before working capital changes	**2,071,548**	2,273,681
(Increase) / decrease in current assets		
Stores, spares and consumables	**(296,410)**	98,179
Stock-in-trade	**(2,687,891)**	(1,413,876)
Trade debts	**(1,577,980)**	304,405
Loans and advances	**34,382**	2,246,232
Trade deposits and prepayments	**96,623**	(39,786)
Other receivables	**(1,049,943)**	(1,316,579)
	(5,481,219)	(121,425)
Increase / (decrease) in current liabilities		
Trade and other payables	**1,549,833**	1,872,978
Short term loans	**(38,318)**	(504,930)
	1,511,515	1,368,048
Cash generated from operations	**5,466,335**	8,650,689
Finance cost paid	**(1,460,358)**	(801,363)
Deposits received	**332,032**	100,954
Income tax refunds received / (Income tax paid)	**(560,571)**	370,220
Gratuity paid	**(233,901)**	(210,264)
	(1,922,797)	(540,453)
Net cash generated from operating activities	**3,543,537**	8,110,236

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	Notes	2017	2016
		-------- Rupees in '000' --------	
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment - net of disposals		**(7,003,175)**	(14,088,972)
Purchase of intangible assets		**(4,173)**	(31,202)
Purchase of investment properties		**(9,173,548)**	(43,560)
Purchase of biological assets		**(3,274)**	(206,744)
Investment in project under development		**7,223,268**	(2,787,633)
Investments made		**(28,507)**	(86,841)
Dividend received		**630,700**	531,770
Sale proceeds from disposal of biological assets		**63,712**	4,052
Sale proceeds from disposal of property, plant and equipment		**979,467**	82,785
Net cash used in investing activities		**(7,315,530)**	(16,626,345)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans received - net		**3,023,618**	6,407,718
Long term advance received		**236,131**	929,262
Dividend paid		**(904,500)**	-
Net cash generated from financing activities		**2,355,249**	7,336,980
Net (decrease) / increase in cash and cash equivalents		**(1,416,744)**	(1,179,129)
Cash and cash equivalents at beginning of the year		**(10,187,293)**	(9,072,110)
Foreign exchange difference on translation of foreign subsidiaries		**965**	63,946
Cash and cash equivalents at end of the year		**(11,603,072)**	(10,187,293)
Cash and cash equivalents at June 30 comprise of:			
Cash and bank balances	20	**2,713,918**	3,088,452
Short-term borrowings	26	**(14,316,990)**	(13,275,745)
		(11,603,072)	(10,187,293)

The annexed notes from 1 to 47 form an integral part of these consolidated financial statements.

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CHIEF EXECUTIVE OFFICER

DIRECTOR

1. THE GROUP AND ITS OPERATIONS

1.1 Holding Company

Y.B. Holdings (Private) Limited - (the Holding Company), was incorporated in Pakistan on August 16, 2013 as a private company limited by shares under the repealed Companies Ordinance, 1984. The registered office of the Holding Company is situated at 6 - A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi, in the province of Sindh. The Holding Company holds investment in its group companies.

1.2 In 2014, members of Yunus Brothers Group transferred their shares to the Holding Company for the purpose of formation of Group under Section 59B (7) of Income Tax Ordinance, 2001. The Securities and Exchange Commission of Pakistan (SECP) registered the Group under Regulation 4 of the Group Companies Registration Regulation, 2008 (the Regulations) on May 26, 2014.

As at June 30, 2017 'the Group' comprises of the Holding Company and the following subsidiaries that have been consolidated in these financial statements.

		Holding percentage	
		2017	2016
(1)	Yunus Textile Mills Limited	100%	100%
(2)	Lucky Textile Mills Limited	100%	100%
(3)	Lucky Energy (Private) Limited	100%	100%
(4)	Y.B. Pakistan Limited	100%	100%
(5)	Lucky One (Private) Limited	100%	100%
(6)	Lucky Landmark (Private) Limited	100%	100%
(7)	Fashion Textile Mills (Private) Limited	100%	100%
(8)	Gadoon Textile Mills Limited	69.70%	69.70%
(9)	Lucky Knits (Private) Limited	50%	50%
(10)	Lucky Entertainment (Private) Limited	100%	0%

The following companies also fall in the definition of subsidiary as per the criteria given in IFRS 10 - 'Consolidated Financial Statements' and Section 3 of the repealed Companies Ordinance, 1984 therefore. have also been consolidated in these financial statements.

		Holding percentage	
		2017	2016
(11)	Yunus Energy Limited	80%	80%
(12)	Lucy Investment B.V.	100%	100%
(13)	Royale Linens, Inc	100%	100%
(14)	Yunus Textile Limited - Canada	100%	100%
(15)	Future Home	100%	100%
(16)	Lucky Foods (Private) Limited	90%	90%

(1) Yunus Textile Mills Limited (wholly owned subsidiary company) - Yunus Textile Mills Limited (YTML) was incorporated as a public (unlisted) company limited by shares in Pakistan on April 17, 2007 under the repealed Companies Ordinance, 1984. Its registered office is situated at H-23/1, Landhi Industrial Area, Karachi, in the province of Sindh. It is engaged in the manufacturing and export of knitted, weaved and stitched fabrics and other textile articles.

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(2) **Lucky Textile Mills Limited (wholly owned subsidiary company)** - Lucky Textile Mills Limited (LTML) was incorporated in Pakistan under repealed Companies Ordinance, 1984 as a public (unlisted) company limited by shares on December 16, 2011. The Company had taken over the assets and liabilities of Lucky Textile Mills already

in operation as a partnership firm registered under the Partnership Act, 1932. The principal business of the Company is to manufacture textiles from cotton, denim, linen, wool, silk, flex, and the business of spinners, weavers, manufacturers, doublers, combers, printers, mercers, ginners, pressers, pickers, balers and cultivators of fibrous, cloths, yarns, hosiery goods and allied products etc. The registered office of the company is situated at L-8, Block 21, Federal 'B' Industrial Area, Karachi, in the province of Sindh.

(3) **Lucky Energy (Private) Limited (wholly owned subsidiary company) -** Lucky Energy (Private) Limited (LEPL) was incorporated in Pakistan on July 24, 1993 as a public company limited by shares under the repealed Companies Ordinance 1984 and was later converted to private company limited by shares on December 04, 2000. The principal activity of the company is to generate and supply electric power to the group companies. The registered office of the company is situated at LA-2/B, Block 21, Federal 'B' Area, Rashid Minhas Road, Karachi, in the province of Sindh.

(4) **Y.B. Pakistan Limited (wholly owned subsidiary company)** - Y.B. Pakistan Limited (YBPL) was incorporated on December 12, 2011 as a public (unlisted) company limited by shares under the repealed 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 primarily engaged in investment in equity securities of the group entities and others; and rental of properties.

(5) **Lucky One (Private) Limited (wholly owned subsidiary company) -** Lucky One (Private) Limited (LOPL) was incorporated in Pakistan on February 24, 2010 as a private company limited by shares under the repealed Companies Ordinance, 1984. The principal activity of the company is to carry on business of building, constructing, managing and promoting real estate including managing all types of commercial, industrial and residential estates. The registered office of the company is situated at LA 2/B, Block 21, Federal 'B' Industrial Area, Karachi, in the province of Sindh.

(6) **Lucky Landmark (Private) Limited (subsidiary through amalgamation of real estate undertaking of Fazal Textile Mills Limited)** - (LLPL) was incorporated in Pakistan on September 15, 2014 as a private company limited by shares under the repealed Companies Ordinance, 1984. The principal activity of the company is to carry on the business of construction, development and project management of real estate. The registered office of the company is situated at LA-2/B, Block 21, Federal 'B' Industrial Area, Karachi, in the province of Sindh.

(7) **Fashion Textile Mills (Private) Limited (wholly owned subsidiary company) -** Fashion Textile Mills (Private) Limited (FTMPL) was incorporated as a private company limited by shares in Pakistan on November 20, 1986 under the repealed Companies Ordinance, 1984. The registered office of the company is situated at A-8/C, S.I.T.E., Karachi, in the province of Sindh. The principal activity of the company is manufacturing and dealing in textiles and allied products.

(8) **Gadoon Textile Mills Limited (partially owned subsidiary company) -** Gadoon Textile Mills Limited (GTML) was incorporated in Pakistan on February 23, 1988 as a public company limited by shares under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange. The manufacturing facilities of the company are located at Gadoon Amazai Industrial Estate Khyber Pakhtunkhwa and 57 km on Super Highway (near Karachi). The principal activity of the Company is manufacturing and sale of yarn and knitted fabrics.

In pursuance of the special resolution passed at the 28th Annual General Meeting of the company held on October 29, 2015 the registered office of the company has been changed from 7-A, Muhammad Ali Society, Abdul Aziz Haji Hashim Tabba Street, Karachi, Province of Sindh, Pakistan to 200-201, Gadoon Amazai Industrial Estate, District Swabi, Province of Khyber Pakhtunkhwa, Pakistan.

(9) Lucky Knits (Private) Limited (partially owned subsidiary company) - Lucky Knits (Private) Limited (LKPL) was incorporated in Pakistan on November 25, 2004 as a private limited liability company under the repealed Companies Ordinance, 1984. The principal activity of the company is knitting, embroidering, stitching and other textile activities in all kinds of garments. The company has three manufacturing facilities located in the province of Sindh. The registered office of the company is situated at LA 2/B, Block 21, Federal 'B' Industrial Area, Karachi, in the province of Sindh.

(10) Lucky Entertainment (Private) Limited (wholy owned subsidiary) - 'Lucky Entertainment (Private) Limited (the Company) was incorporated in Pakistan on March 15, 2016 as a private company limited by shares under the repealed Companies Ordinance 1984. The principal activity of the Company is to own or hire places to carry on business providing amusement, entertainment, and game of all sorts to the public or in private by organizing clubs or otherwise. The registered office of the Company is situated at L-A 2/B, Block 21, Rashid Minhas Road, Federal B Area, Karachi, Sindh.

(11) Yunus Energy Limited (partially owned subsidiary of the subsidiary company) - Yunus Energy Limited (YEL) was incorporated as a public (unlisted) company limited by shares in Pakistan on May 11, 2011 under the repealed Companies Ordinance, 1984.The registered office of the company is situated at 7-A, Muhammad Ali Housing Society Abdul 'Aziz Haji Hashim Tabba Street, Karachi, in the province of Sindh. The principal purpose of the company is the construction and operation of a wind power plant and the supply of electric power to national grid, under authority conferred by the Government of Pakistan.

(12) Lucy Investment B.V. (wholly owned foreign subsidiary of the subsidiary company) - Lucy Investment B.V. is incorporated as Dutch private limited company in Netherlands on January 03, 2007. It acquired 100% equity shares of Royale Linens, Inc., Future Home and Yunus Textile Limited on January 03, 2007 , March 15, 2008 and March 18, 2010 respectively. It is engaged in making investment in other companies and is a wholly owned subsidiary of Yunus Textile Mills Limited.

(13) Royale Linens, Inc (wholly owned foreign subsidiary of the subsidiary company) - Royale Linens, Inc is incorporated in United States of America on December 01, 1981. It is engaged in trading of bed linens and is a wholly owned subsidiary of Yunus Textile Mills Limited.

(14) Yunus Textile Limited (wholly owned foreign subsidiary of the subsidiary company) - Yunus Textile Limited is incorporated in Canada on March 18, 2010. It is engaged in trading of bed linens and is a wholly owned subsidiary of Yunus Textile Mills Limited.

(15) Future Home (wholly owned foreign subsidiary of the subsidiary company) - Future Home is incorporated in France on January 02, 2008. It is engaged in trading of bed linens and is a wholly owned subsidiary of Yunus Textile Mills Limited.

(16) Lucky Foods (Private) Limited (partially owned subsidiary of the subsidiary company) - Lucky Foods (Private) Limited (the Company) was incorporated in Pakistan on August 21, 2015 as a private company limited by shares under the Companies Ordinance, 1984. The principal activity of the Company is to breed, grow and harvest livestock and produce milk and sell it in the local market. The registered office of the Company is situated at office no. 7-A Muhammad Ali Housing Society, A.Aziz Hashim Tabba Street, Karachi in the province of Sindh. The farm is located at 60 kms on Super Highway (near Karachi) at Nooriabad in the province of Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

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

- available-for-sale' investments which have been measured at fair value; (as disclosed in note 4.5)
- investments carried at fair value through profit and loss; (as disclosed in note 4.5)
- investment in associates accounted under equity method; (as disclosed in note 4.5)
- recognition of staff retirement and other service benefits carried at present value; (as disclosed in note 4.11)
- fair value of biological assets; (as disclosed in note 4.2)

2.3 Significant accounting judgments, estimates and assumptions

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

In the process of applying the accounting policies, management has made the following judgments, estimates and assumptions which are significant to the financial statements.

	Notes
- Determining the residual values, useful lives and impairment of property, plant and equip	4.1 & 5.1
- Fair value of biological assets	4.2
- Determining the residual values, useful lives and impairment of intangible assets	4.3
- Determining the residual values, useful lives and impairment of investment properties	4.4
- Classification and valuation of investments	4.5
- Valuation of stores, spares and consumables	4.6
- Valuation of stock-in-trade	4.7
- Provision for doubtful debts and other rece	4.8
- Provision for taxation	4.9
- Provision for staff retirement benefits	4.11

2.4 Initial application of standards, amendments or interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the consolidated financial statements covering annual periods, beginning on or after the following dates:

2.4.1 Amendments to accounting standards and IFRS interpretation that are effective for the year ended June 30, 2017

The following amendments are effective for the year ended June 30, 2017. These amendments are either not relevant to the Group's operations or are not expected to have significant impact on the consolidated financial statements other than certain additional disclosures.

Amendments / Interpretation	Effective from (accounting period beginning on or after)
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	January 01, 2016
Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations	January 01, 2016

Amendments / Interpretation	Effective from (accounting period beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative	January 01, 2016
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

Certain annual improvements have also been made to a number of IFRSs.

2.4.2 Amendments to accounting standards and IFRS interpretation that are not yet effective

Amendments / Interpretation	Effective from (accounting period beginning on or after)
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of	January 01, 2018.
Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and	Effective date is deferred indefinitely. Earlier adoption is permitted.
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 unrealized losses	January 01, 2017
Amendments to IAS 40 'Investment Property': Clarification on transfers of property to or from investment property	January 01, 2018. Early application is permitted.
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where	January 01, 2018. Early application is permitted.
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to	January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 14 – Regulatory Deferral Accounts
- IFRS 15 – Revenue from Contracts with Customers
- IFRS 16 – Leases
- IFRS 17 – Insurance Contracts

3. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiaries - "The Group" as stated in note 1.2.

A subsidiary is an entity where the Holding Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of its voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Holding Company controls another entity. Subsidiary is consolidated fully from the date on which the control is transferred to the Holding Company and is derecognised from the date control ceases.

The assets and liabilities of the subsidiary company are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary company's shareholders' equity in the consolidated financial statements.

All material intra-group transactions and balances are eliminated in full.

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

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any non-controlling interest, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss account, and reclassifies the Holding Company share of components previously recognised in the consolidated statement of comprehensive income to profit and loss account or retained earnings, as appropriate.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the Holding Company and is measured at proportionate share of net assets of the acquiree as of the acquisition date and subsequently is allocated its share of consolidated statement of comprehensive income for the period, even if that results in a deficit balance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Property, plant and equipment except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment in value, if any. Freehold land and capital work in progress are stated at cost. Depreciation is charged to consolidated profit and loss applying the reducing balance method except for the Holding Company where depreciation is charged on straight line basis at the rates mentioned in note 5.1 to the consolidated financial statements. The impact of different methods for determining depreciation is immaterial in overall context of these consolidated financial statements. Depreciation is charged from the month of the year in which addition / capitalization occurs while no depreciation is charged in the month in which an asset is disposed off.

Maintenance and repairs are charged to consolidated profit and loss as and when incurred. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

Gains or losses on disposal of property, plant and equipment, if any, are recognized in the consolidated profit and loss account.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indications exist and where the carrying values exceed the estimated recoverable amounts, the assets are written down to the recoverable amounts and the difference is charged to consolidated profit and loss account. In case of reversal of impairment recorded in prior periods the corresponding increase in value of asset is credited to consolidated profit and loss account to the extent of impairment recorded in prior periods.

Capital work-in-progress

Capital work-in-progress is stated at cost accumulated up to the reporting date and represents expenditure incurred on property, plant and equipment in the course of construction. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets starts operation.

4.2 Biological assets

Livestock are measured at cost on initial recognition and at fair value less estimated point-of-sale at the end of each reporting period. Fair value of livestock is determined by an independent valuer on the basis of best available estimates for livestock of similar attributes.

Gain or losses arising from changes in fair value less estimated point-of-sale costs of livestock is recognized in the consolidated profit and loss account. Gain and loss on disposal of biological asset, if any, is recognized in the consolidated profit and loss account, as and when incurred.

4.3 Intangible assets

Intangible assets other than goodwill are capitalised when it is probable that the future economic benefits attributable to them will flow to the Group and the cost of the assets can be measured reliably. These are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to income on straight line method at the rate mentioned in the note 7.2 to the consolidated financial statements. Amortization on additions is charged from the month of the year in which additions / capitalization occurs while no amortization is charged in the month in which an asset is disposed off.

4.4 Investment property

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

Depreciation on investment property is charged using straight line method at the rates mentioned in note 8 to the consolidated financial statements. 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.

4.5 Financial assets

Regular way purchase or sale of investments

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

All investments are initially recognised at fair value, being the cost of consideration given including transaction cost associated with the investment, except in case of investment classified as at fair value through profit or loss, where the transaction costs are charged off to the consolidated profit and loss account.

Management determines the appropriate classification of investment made by the Group in accordance with the requirements of International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and Measurement' at the time of purchase.

The Group classifies its financial assets into the following categories:

- at fair value through profit and loss;
- loans and receivables;
- held-to-maturity;
- available-for-sale.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of the financial asset at the time of initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. These are initially recognised at fair value and transaction costs associated with these investments are taken directly to the consolidated profit and loss account. Investments at fair value through profit and loss are marked to market using the closing market rates and are carried on the consolidated balance sheet at fair values. Net gains and losses arising on changes in the fair value of these investments are taken to the consolidated profit and loss account.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date which are classified as non-current assets. Loans and receivables comprise of loans, advances, deposits, other receivables and cash and cash equivalents.

Held to maturity

Held to maturity investments are non-derivative financial instruments with fixed or determinable payments and fixed maturity that the Group has the positive intent and ability to hold to maturity. They are recognised initially at cost plus attributable transaction costs. Subsequently, these are measured at amortised cost.

For investments carried at amortised cost, gains and losses are recognised in consolidated profit and loss account when the investments are derecognized or impaired. Premiums and discounts on held-to-maturity investments are amortised using the effective interest rate method and taken to consolidated profit and loss account from investments.

Available-for-sale

Other financial assets not covered in any of the above categories are classified as being available-for-sale.

All financial assets classified as available-for-sale are initially recognised at cost, being the fair value of the consideration given including acquisition charges.

After initial recognition, financial assets which are classified as available-for-sale are remeasured at fair value. Gains or losses on available-for-sale investments are recognised directly in equity through other comprehensive income until the investment is sold, derecognized or is determined to be impaired, at which time the cumulative gain or loss previously reported in other comprehensive income is included in the consolidated profit and loss account.

For financial assets that are actively traded in organized financial markets, fair value is determined by reference to stock exchange quoted market bids at the close of business on the reporting date.

Unquoted financial assets, where the fair value cannot be reliably determined, are recognised at break up value less impairment, if any. Provision for impairment in value, if any, is taken to consolidated profit and loss account currently.

De-recognition

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment

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.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined had no impairment loss been recognised. Reversal of impairment loss is recognised as income in consolidated profit and loss account.

Investment in associates

Associates are entities over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of net assets of the associate after the date of acquisition.

The Group's share of profit or loss of the associate is recognised in the consolidated 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 Group's proportionate interest in the associate arising from changes in the associates' other consolidated comprehensive income or consolidated equity that have not been recognised in the associate's profit or loss. The Group's share of those changes is recognised in consolidated other comprehensive income or equity of the Group as appropriate.

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

4.6 Stores, spares and consumables

These are stated at lower of cost or net realisable value. Cost is determined using weighted moving average cost method except for subsidiary company (LKPL) in which cost is determined using first in first out - FIFO method. The impact of different methods for determining cost is immaterial in overall context of these consolidated financial statements. Stores, spares and loose tools in transit are stated at invoice value plus other charges incurred thereon until the reporting date.

For items that are slow moving, adequate provision is made, if necessary, for any excess carrying value over estimated realizable value and charged to consolidated profit and loss account.

4.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost of raw materials is determined using weighted average cost method. Cost in relation to work-in-progress and finished goods represents annual average manufacturing cost which consist of prime cost and appropriate manufacturing overheads. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.8 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

4.9 Taxation

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. In addition, the Group also records deferred tax asset on available tax losses. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits and taxable temporary differences will be available against which the asset can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

4.10 Cash and cash equivalents

For the purpose of consolidated cash flow statement, cash and cash equivalents comprise of cash in hand, balances with bank in current and savings account, other deposits which are readily convertible into cash and short-term borrowings. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

4.11 Staff retirement benefits

The individual subsidiaries operate unfunded gratuity schemes for their confirmed employees who have completed the minimum qualifying period of service as defined under the scheme. The subsidiaries individual obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method except for Holding Company, LFPL, YEL and LOPL. Holding Company, LFPL, YEL and LOPL use full liability method for determination of obligation. The impact of different methods for determining obligation are immaterial in overall context of these consolidated financial statements. For consolidation purposes individual subsidiaries obligations are added together to determine Group's obligation.

Remeasurement which comprise actuarial gains and losses are recognized immediately in consolidated other comprehensive income.

4.12 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Group or not.

4.13 Provisions

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

4.14 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Group becomes a party to the contractual provision of the instrument. Financial assets are de-recognised when the contractual right to future cash flows from the asset expires or is transferred along with the risks and rewards of ownership of the asset. Financial liabilities are de-recognised when obligation is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial asset and liability is recognized in the consolidated profit and loss account of the current period.

Offsetting

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements only when the Group has a legally enforceable right to set off and the Group intends to either settle on a net basis, or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the consolidated financial statements.

4.15 Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that assets except inventories and deferred tax asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in consolidated profit and loss account. The recoverable amount is the higher of an asset's 'fair value less costs to sell' and 'value in use'.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised. Reversal of impairment loss is recognised as income in consolidated profit and loss account.

4.16 Project under development

Project under development is stated at cost accumulated upto reporting date and represents the amount paid for the development of Lucky One Project (the Project) and cost of land.

4.17 Revenue recognition

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

- Local sales are recognized as revenue upon transfer of significant risks and rewards of ownership, which coincides with dispatch.

- Export sales are recognized as revenue upon transfer of significant risk and rewards of ownership, which coincides with the date of shipping bill.

- Commission income is recognised on date of shipment from suppliers.

- Revenue on supply of electricity is recognized on the basis of output delivered to the Power

- Toll manufacturing income is recognised when services are rendered.

- Profit on short-term deposits is accounted for on a time-apportioned basis using the effective interest method.

- Return on debt securities is accounted for on accrual basis.

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

- Rental income is recognized as and when earned

- Rebate income is recognized on accrual basis.

4.18 Foreign currency transactions and translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rate that existed when the values were determined. Exchange differences on foreign currency translations are taken to consolidated profit and loss account immediately.

The assets and liabilities of foreign subsidiary companies are translated to Pak rupees at exchange rates prevailing at the reporting date. The income and expenses of foreign subsidiary companies are translated at average rate of exchange for the year. Translation gain and losses arising on the translation of net investment in foreign subsidiary companies are taken to equity under "foreign currency translation reserve" and on disposal are recognised in the consolidated profit and loss account.

4.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of assets and incurred during the period in connection with the activities necessary to prepare the asset for its intended use are capitalized as a part of the cost of related asset. All other borrowing costs are recognized as an expense in the period in which they are incurred.

4.20 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

4.21 Functional and presentation currency

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

4.22 Dividend and appropriation to / from reserves

Dividend distribution to the Holding Company's shareholders and appropriation to / from reserves is recognized in the period in which these are approved.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2017	2016
		--- Rupees in '000' ---	
Operating fixed assets	5.1	37,465,886	23,801,369
Capital work-in-progress	5.2	5,438,003	15,254,806
		42,903,889	39,056,175

5.1 Operating fixed assets

2017

Particulars	Cost				Accumulated Depreciation				Carrying value at June 30, 2017	Rate of depreciation
	At July 1, 2016	Additions / *adjustments	Disposals	At June 30, 2017	At July 1, 2016	Charge for the year / *adjustments	Disposals	At June 30, 2017		
	-------------Rupees in '000'-------------									%
Freehold land	523,852	-	279,570	244,282	-	-	-	-	244,282	-
Leasehold land	1,984,656	-	-	1,984,656	10,255	2,484	-	12,739	1,971,917	1
Building on freehold land	5,562,731	978,114 * -	-	6,540,845	1,455,666	137,117 * -	-	1,592,783	4,948,062	5-10
Building on leasehold land (note 5.1.1)	2,940,903	2,559,232 * 117	81,467	5,418,785	1,069,779	350,526 * 66	6,187	1,414,184	4,004,601	5-10
Plant and machinery (note 5.1.2)	24,769,929	12,512,926 * 789	466,183	36,817,461	11,745,129	1,691,483 * 207	249,229	13,187,590	23,629,871	5-10
Electrical, water and mechanical equipment	2,548,574	252,622 * 613	11,866	2,789,943	1,080,961	158,973 * 257	2,294	1,237,897	1,552,046	5-10
Furniture, fixtures and office equipment	456,813	259,854 * 162	3,472	713,357	216,417	36,485 * 162	1,989	251,075	462,282	10
Vehicles	991,936	143,916 *127	129,931	1,006,048	460,689	101,520 * 44	66,841	495,412	510,636	20
Computer equipment	210,135	111,380 * 126	10,975	310,666	162,876	26,009 * 127	10,361	178,651	132,015	30-33
Tools and factory equipment	50,526	-	-	50,526	36,914	3,438	-	40,352	10,174	10-20
Total	40,040,055	16,818,044 * 1,934	983,464	55,876,569	16,238,686	2,508,035 * 863	336,901	18,410,683	37,465,886	

5.1.1 Included in building on freehold land, warehouse having net book value of Rs. 46.889 million (2016: 49.356), the title of which is held in the name of M/s. Yunus Brothers, a partnership firm, which was taken over by YBPL - a subsidiary on April 05, 2012 vide transfer agreement dated April 04, 2012.

5.1.2 Certain items of plant and machinery having net book value of Rs. 3,689.97 million (2016 : Rs. 2,734.451 million) have been provided as collateral in respect of long term financing facility (LTFF) amounting Rs. 853.673 million (2016 : Rs. 2,666 million) obtained by the company.

5.1.3 Land measuring 696 acres is provided by Alternative Energy Development Board for project site located at Jhampir on lease term of 29 years and 8 months ending in 2038.

Particulars	At July 1, 2015	Additions / *adjustments	Disposals	At June 30, 2016	At July 1, 2015	Charge for the year / *adjustments	Disposals	At June 30, 2016	at June 30, 2016	Rate of depreciation
	2016									
	---Rupees in '000'---									%
Freehold land	518,033	5,819	-	523,852	-	-	-	-	523,852	-
Leasehold land	1,957,871	26,785	-	1,984,656	7,735	2,520	-	10,255	1,974,401	1
Building on freehold land	4,045,329	1,516,158	*-	5,562,731	1,257,228	198,173	-	1,455,666	4,107,065	5-10
		* 1,244				* 265				
Building on leasehold land (note 5.1.1)	2,893,707	47,196	-	2,940,903	881,767	* 188,012	-	1,069,779	1,871,124	5-10
Plant and machinery (note 5.1.2)	24,234,851	629,316	94,701	24,769,929	10,388,035	*1,413,067	56,430	11,745,129	13,024,800	5-10
		* 463				* 457				
Electrical, water and mechanical equipment	2,283,559	272,186	7,635	2,548,574	934,250	* 152,137	5,705	1,080,961	1,467,613	5-10
		* 464				* 279				
Furniture, fixtures and office equipment	387,692	67,528	134	456,813	190,628	* 24,115	17	216,417	240,396	10
		*1,727				*1,691				
Vehicles	898,544	147,866	54,507	991,936	392,064	* 102,180	33,588	460,689	531,247	20
		* 33				* 33				
Computer equipment	190,238	18,946	391	210,135	143,048	* 18,802	282	162,876	47,259	30-33
		* 1,342				* 1,308				
Tools and factory equipment	50,526	-	-	50,526	32,891	4,023	-	36,914	13,612	10-20
Total	37,460,350	2,731,800	157,368	40,040,055	14,227,646	2,103,029	96,022	16,238,686	23,801,369	
		* 5,273	*-			* 4,033				

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

	Note	2017	2016
		--- Rupees in '000' ---	
Cost of revenue	30.1	2,367,989	1,961,329
Administrative expenses	31	128,241	130,421
Selling and distribution expenses	32	11,805	11,279
		2,508,035	2,103,029

5.1.2 Disposal of operating fixed assets

Description	Cost	Accumulated depreciation	Carrying value	Sale proceeds	Mode of disposal	Purchaser
	(Rupees in '000)					
Plant and Machinery	69,948	56,959	12,989	13,077	Negotiation	Nazeer Gul Scrape Dealer
	34,154	32,854	1,300	1,550	Negotiation	Arsalan Brothers
	12,445	10,339	2,106	1,100	Negotiation	Mehran International
	4,116	3,750	366	382	Negotiation	Oceanic Textile Enterprises
	9,461	8,513	948	677	Negotiation	Electronico Engineers And Contractors
	4,642	1,044	3,599	3,225	Claim	Efu General Insurance Limited
	987	494	493	493	Negotiation	Muhammad Akram
	232	94	138	138	Negotiation	Muhammad Akram
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	18,072	4,526	13,546	9,500	Negotiation	Petrosin Ravi Industries Limited
	15,639	6,776	8,863	9,500	Negotiation	Petrosin Ravi Industries Limited
	15,639	6,776	8,863	9,500	Negotiation	Petrosin Ravi Industries Limited
	15,639	6,776	8,863	9,500	Negotiation	Petrosin Ravi Industries Limited
	295	58	237	-	Write Off	
	150	71	79	-	Write Off	
	364,063	**179,764**	**184,299**	**144,143**		
Vehicle	94	43	51	80	Negotiation	Danish Iqbal
	68	11	57	60	Insurance Claim	Bank Al-Falah
	1,005	665	340	703	Negotiation	Nazeer Ahmed
	1,005	672	333	703	Negotiation	Saleem Khan
	738	535	203	516	Negotiation	Saifullah
	749	492	257	525	Negotiation	M.Sarwar
	990	675	315	693	Negotiation	Muhammad Ayub
	877	685	192	614	Negotiation	Usman Gul
	4,211	2,693	1,518	1,800	Negotiation	Lucky One (Pvt) Ltd
	1,423	1,010	413	996	Negotiation	Suleman Joya
	2,584	1,880	704	1,349	Negotiation/ Claim	Various
	2,298	691	1,607	2,281	Negotiation	Mr. Hammad Baig - Employee
	904	619	285	600	Negotiation	Mr. Sheikh Muhammad Saeed
	619	567	52	100	Negotiation	Mr. Umair - Employee
	1,081	948	132	245	Negotiation	Mr. Safdar Ali Khan - Employee
	926	620	307	926	Negotiation	Mr. Shamim Hyder - Employee
	601	167	434	498	Negotiation	M/S Gadoon Textile Mills Limited
	1,080	581	499	1,080	Negotiation	Mr. Adnan Ameen - Employee
	1,053	399	654	1,053	Negotiation	Mr. Iqbal
	1,700	994	706	1,468	Negotiation	Mr. Imam Arif- Employee
	990	339	651	693	Negotiation	Mr. Major ® Mehtab - Employee
	7,832	4,564	3,268	7,500	Negotiation	Lucky Cement Limited
	7,832	4,564	3,268	7,500	Negotiation	Lucky Cement Limited
	7,832	4,564	3,268	7,500	Negotiation	Lucky Cement Limited
	2,172	1,080	1,092	1,617	Negotiation	Altaf Gul Muhammad
	1,061	330	732	922	Negotiation	Saqib
	1,695	988	707	1,500	Negotiation	Lucky Cement Limited
	1,695	988	707	1,500	Negotiation	Lucky Cement Limited
	1,695	988	707	1,500	Negotiation	Lucky Cement Limited
	1,550	903	647	1,500	Negotiation	Lucky Cement Limited
	1,550	903	647	1,500	Negotiation	Lucky Cement Limited
	1,516	929	587	1,034	Negotiation	Muhammad Dawood Khan
	1,048	521	527	822	Negotiation	Muhammad Altaf
	1,135	749	386	690	Negotiation	Muhammad Kamran
cf	63,609	37,355	26,253	52,069		

Description	Cost	Accumulated	Carrying value	Sale proceeds	Mode of disposal	Purchaser
	---------- (Rupees in '000) ----------					
bf	63,609	37,355	26,253	52,069		
	984	610	374	573	Negotiation	Muhamma Kashif
	1,356	1,014	343	698	Negotiation	Samiullah Khan
	1,092	783	309	640	Negotiation	Azhar Mahmood
	896	661	235	609	Negotiation	Adil Saleem Alvi
	1,311	1,078	233	790	Negotiation	Syed Kafeel Ahmed
	710	502	208	465	Negotiation	Naeem Gul
	691	485	206	410	Negotiation	Muhammad Kamran
	980	815	165	723	Negotiation	Javaid Zakariya
	681	524	157	405	Negotiation	Muhammad Kamran
	679	534	145	400	Negotiation	Muhammad Kamran
	830	693	137	475	Negotiation	Muhammad Kamran
	867	743	123	697	Negotiation	Muhammad Qasim Akbany
	637	525	112	425	Negotiation	Muhammad Kamran
	388	330	58	255	Negotiation	Imran
	555	500	55	305	Negotiation	Muhammad Kamran
	532	479	52	290	Negotiation	Muhammad Kamran
	76,797	**47,632**	**29,164**	**60,228**		
Power plant	5,000	3,206	1,794	900	Negotiation	Javed Iqbal
	3,676	1,836	1,840	1,840	Negotiation	Muhammad Jamshed
	8,676	**5,042**	**3,634**	**2,740**		
Office equipment and installations	**277**	**97**	**180**	**155**	**Negotiation**	**Various**
Computer equipment	220	153	67	59	Negotiation/Claim	Various
	8,541	8,149	393	61	Negotiation	Syed Rafiq Shah
	8,761	**8,302**	**460**	**120**		
June 30, 2017	**458,574**	**240,837**	**217,736**	**207,385**		
June 30, 2016	**150,391**	**93,463**	**56,928**	**75,219**		

5.2 The following is the breakup of capital work-in-progress

Particulars	**2017**	**2016**
	--- Rupees in '000' ---	
Civil works	**1,055,239**	11,944,618
Advance for purchase of:		
- plant and machinery	**2,092,408**	1,877,398
- equipment	**2,290,356**	1,432,790
	4,382,764	3,310,188
	5,438,003	15,254,806

6. BIOLOGICAL ASSETS

	2017	2016
	-- Rupees in '000' --	
Dairy livestock		
- Mature	**162,675**	211,427
- Immature	**378**	204
	163,053	211,631

6.1 Reconciliation of biological assets

	2017	2016
Balance as at July 1	**211,631**	-
Purchased during the year	**3,274**	206,744
Livestock expired / slaughtered	**(91,550)**	(9,119)
Gain on fair valuation of livestock due to:		
- new births	**39,698**	204
- price and age change	**-**	13,802
	39,698	14,006
Carrying amount at June 30	**163,053**	211,631

6.2 At June 30, 2017 the Group held 933 (2016 :1,245) mature livestock (including pregnant livestock) used to produce milk and 84(2016 : 65) immature livestock which are being raised to produce milk in the future. During the year, the Group produced approximately 1,750,000 (2016 : 200,000) gross litres of milk from mature livestock.

6.3 As at June 30, 2017 the Group held 27 (2016 : 60) breeding bulls.

6.4 The valuation of dairy livestock as at June 30, 2017 has been carried out by an independent valuer. In this regard the valuer examined the physical condition of the livestock, assessed the key assumptions and estimates and relied on the representations made by the Group. Livestock has been valued on the basis of market values of livestock of similar attribute. The fair value of biological assets are classified under level 2 of fair value hierarchy.

6.5 Cost to sell is considered immaterial and has not been taken into account while valuing the biological assets.

7. INTANGIBLE ASSETS

	Note	2017	2016
		-- Rupees in '000' --	
Computer softwares	7.1	**27,538**	33,576
		27,538	33,576

7.1 Computer softwares

Particulars	Cost			Accumulated amortization			Carrying value at June 30, 2017	Rate of amortization
	At July 01, 2016	Additions/ (disposals) / adjustments	At June 30, 2017	As at July 01, 2016	Amortization for the year / (disposals) / adjustments	At June 30, 2017		
	Rupees in '000'							%
2017	38,815	3,715	42,988	5,239	10,289	15,450	27,538	33
		(423)			(399)			
		881			321			

Particulars	Cost			Accumulated amortization			Carrying value at June 30, 2016	Rate of amortization
	At July 01, 2015	Additions/ (disposals) / adjustments	At June 30, 2016	As at July 01, 2015	Amortization for the year / (disposals) / adjustments	At June 30, 2016		
	Rupees in '000'							%
	8,248	31,202	38,815	1,016	4,937	5,239	33,576	
		(798)			(695)			
2016		163			(19)			33

	Note	2017	2016
		-- Rupees in '000' --	
7.1.1 The amortization charge for the year has been allocated as follows:			
Cost of sales	30.1	**1,901**	977
Administrative expenses	31	**8,388**	3,960
		10,289	4,937

8. INVESTMENT PROPERTIES
- at cost

	Land	Building	Office premises	Shops	Total
			-------- Rupees in '000' -------		
Cost					
At July 1, 2016	-	-	471,406	43,560	**514,966**
Additions during the year	723,072	8,487,157	-	-	**9,210,229**
Transfer to 'investment properties held for sale'	(3,130)	(33,551)	-	-	**(36,681)**
At June 30, 2017	**719,942**	**8,453,606**	**471,406**	**43,560**	**9,688,514**
Accumulated depreciation					
At July 1, 2016	-	-	44,252	2,178	46,430
Charged during the year	-	70,421	23,173	2,178	95,772
At June 30, 2017	**-**	**70,421**	**67,425**	**4,356**	**142,201**
Net book value					
At June 30, 2017	**719,942**	**8,383,185**	**403,981**	**39,204**	**9,546,312**
At June 30, 2016	-	-	427,155	41,382	468,537
Rate of depreciation	**N/A**	**5%**	**5%**	**5%**	

8.1 Fair market value of investment property as at June 30, 2017 determined by professional valuer was Rs. 20,273 million (2016 Rs. 885 million).

	2017	2016
	-- Rupees in '000' --	
9. PROJECT UNDER DEVELOPMENT		
Civil works	**7,392,016**	5,788,483
Land	**553,851**	553,851
Finance charges	**1,094,307**	996,433
Project insurance	**22,722**	-
Transfer to investment properties	**(8,893,977)**	-
Transfer to Assets held for sale	**(36,681)**	-
Sale of Banking enclave area	**(16,738)**	-
	115,499	7,338,767

9.1 Lucky One Project (the Project) is being constructed on adjacent plots of land owned by Lucky Landmark (Private) Limited (LLPL) and Lucky Textiles Mills Limited (LTML) respectively. The Project is a residential project under construction comprising eight buildings, each having 28 floors and a mall at podium level. The mall has been completed and opened on May 6, 2017 and the cost related to the same has been transferred to investment properties.

9.2 The construction is supervised by LOPL (a subsidiary) incorporated for undertaking supervision of construction of Project's mega mall and luxurious residential towers in accordance with the terms of a tripartite agreement with LTML and LLPL.

10. LONG-TERM INVESTMENTS

	Note	2017	2016
		-- Rupees in '000' --	
Related parties			
Investment in associates - under equity method	10.1	**8,384,601**	7,066,541
Available-for-sale - listed equity securities	10.2	**17,934,669**	13,908,129
Others			
Available-for-sale listed equity securities	10.2	**959,246**	2,742,376
		27,278,516	23,717,046

10.1 INVESTMENTS IN ASSOCIATES - under equity method

2017	2016	Name of associates	Note	2017	2016
Number of shares held				-- Rupees in '000' --	
- Listed					
11,058,097	11,058,097	ICI Pakistan Limited Percentage of holding - 11.98% (2016: 11.98%)	10.1.2.1	**2,877,166**	2,678,751
- Unlisted					
4,998	4,998	Lucky Exim (Private) Limited Percentage of holding - 49.98% (2016: 49.99%)	10.1.2.2	**72,471**	44,933
12,589,188	12,589,188	Lucky Commodities (Private) Limited Percentage of holding - 49.98% (2016: 49.99%)	10.1.2.3	**348,032**	259,275
37,500,000	37,500,000	Lucky Holdings Limited Percentage of holding - 25% (2016: 25%)	10.1.2.4	**3,952,985**	3,268,941
2,999	-	Kia Lucky Motors Pakistan Limited Percentage of holding - 0.03% (2016: 0%)		**30**	-
- Others					
		Triple Tree Associates	10.1.2.5	**789,228**	498,379
		Ocean Heights	10.1.2.6	**344,689**	316,262
				8,384,601	7,066,541

10.1.1 The company's investment in ICIPL, LHL and KLMPL is less than 20% but they are considered to be associates as per the requirements of IAS 28 'Investment in Associates'. The company has significant influence over the financial and operating policies of these companies through representation on the board of directors of these companies.

10.1.2 The summarised financial information of the associates based on audited / unaudited financial statements for the year ended June 30, 2017 are as follows:

10.1.2.1 ICI Pakistan Limited

	2017	2016
	-- Rupees in '000' --	
	(Audited)	(Audited)
Group's share of profit from associate	**392,957**	327,032
Group's share of other comprehensive income	**(6,700)**	(4,893)
Dividend received during the year	**188,098**	143,755
Total assets	**36,801,927**	30,475,716
Total liabilities	**19,076,155**	14,905,635
Revenue	**48,274,029**	42,755,505
Profit for the year	**3,280,107**	2,729,821
Other comprehensive income for the year	**(55,924)**	(13,960)

The Group's investment in ICI Pakistan Limited is less than 20% but considered as associate as per the requirement of IAS-28 'Investment in Associates'. The Group has significant influence over the financial and operating policies of these companies through representation on its Board Of Directors.

	2017	2016
	-- Rupees in '000' --	
	(Audited)	(Audited)
10.1.2.2 Lucky Exim (Private) Limited		
Group's share of profit from associate	**27,538**	44,881
Total assets	**145,694**	92,822
Total liabilities	**694**	2,920
Revenue	**75,023**	107,991
Profit for the year	**55,098**	89,802
10.1.2.3 Lucky Commodities (Private) Limited		
Group's share of profit from associate	**95,154**	82,808
Dividend received during the year	**10,069**	-
Total assets	**897,140**	734,680
Total liabilities	**201,962**	217,056
Revenue	**2,677,009**	2,905,287
Profit for the year	**190,347**	165,648
10.1.2.4 Lucky Holdings Limited		
Group's share of profit from associate	**692,077**	506,192
Group's share of other comprehensive income	**(10,368)**	(5,691)
Total assets	**43,157,193**	37,537,751
Total liabilities	**22,933,435**	20,814,059
Revenue	**41,771,218**	36,954,437
Profit for the year	**2,768,306**	1,761,664
Other comprehensive income for the year	**(41,473)**	(10,429)
10.1.2.5 Triple Tree Associates		
Group's share of profit from associate	**290,712**	142,450
Total assets	**3,745,598**	3,110,598
Total liabilities	**590,990**	1,118,837
Revenue	**1,446,035**	1,363,377
Profit for the year	**1,162,846**	569,799

Triple Tree Associates (TTA) is a partnership firm between the Chief Executive Officer of the Group, Mr. Muhammad Ali Tabba on behalf of YBPL (a subsidiary) and Mr. Tariq Rafi and Mr. Khalid Tirmizey. At June 30, 2017, the subsidiary holds 25% (2016 · 25%) share in net assets of this partnership

10.1.2.6 Ocean Heights

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

10.2 AVAILABLE FOR SALE - LISTED EQUITY SECURITIES

2017	2016		Note	2017	2016
No. of shares / units				-- Rupees in '000' --	
21,446,283	21,446,283	Lucky Cement Limited		**17,934,669**	13,908,129
8,673,114	8,707,614	Feroze 1888 Mills Limited		**959,246**	2,742,376
				18,893,915	16,650,505

11. LONG-TERM LOANS AND ADVANCES
- Considered good

	Note	2017	2016
Loan to employees	11.1 & 11.2	**210,968**	174,992
Long term advance	11.3	-	-
		210,968	174,992

11.1 Loans to employees

	Note	2017	2016
		-- Rupees in '000' --	
Considered good		303,161	256,209
Receivable within one year shown under current assets	16	(92,193)	(81,217)
		210,968	174,992
Considered doubtful		5,813	5,813
Provision for doubtful loans	11.4	(5,813)	(5,813)
		-	-
		210,968	174,992

11.2 Loans to employees includes interest free loans provided to employees which are recoverable in monthly installments over a period of three years. These loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material in the overall context of these consolidated financial statements.

11.3 Long term advance - considered doubtful

	2017	2016
	-- Rupees in '000' --	
Advance against share in joint venture	66,667	66,667
Provision against doubtful advance	(66,667)	(66,667)
	-	-

This represents first and second tranche of advance paid by a GTML (a subsidiary) for a Joint Venture project amounting to Rs. 4,250 million (2016: Rs. 4,250). The principal activity of the Joint Venture Project is acquisition and development of a real estate project in Karachi through a Joint Venture Company. The subsidiary's share in this Joint Venture Project is ten percent. Currently, the future of this project is not certain and the recovery of this amount is considered doubtful. Accordingly taking prudence approach management has made full provision against such advance.

11.4 Movement of provision for doubtful loans is as follows:

	Note	2017	2016
		-- Rupees in '000' --	
At July 01		5,813	5,014
Charge for the year		-	1,037
Write-off		-	(238)
At June 30		5,813	5,813

12. LONG-TERM DEPOSITS AND PREPAYMENTS

	2017	2016
Deposits	51,588	71,177
Prepayments	-	-
	51,588	71,177

13. STORES, SPARES AND CONSUMABLES

	Note	2017	2016
Stores		1,315,519	1,078,541
Spares and chemical		870,531	827,788
Loose tools and packing material		133,392	116,703
	13.1	2,319,442	2,023,032
Provision for slow moving and obsolete items	13.2	(289,042)	(275,441)
		2,030,400	1,747,591

13.1 This include stores and spares in transit of Rs. 174.88 million (2016: Rs 40.42 million).

	Note	2017	2016
		-- Rupees in '000' --	

13.2 Movement of provision for slow moving and obsolete items is as follows:

	Note	2017	2016
At July 01		**275,441**	254,439
Charge for the year	30.1	**13,601**	21,002
At June 30		**289,042**	275,441

14. STOCK-IN-TRADE

	Note	2017	2016
Raw material			
- in hand	14.1	**9,977,432**	8,129,536
- in transit		**721,359**	875,157
Work-in-process		**2,950,506**	2,530,142
Finished goods		**3,446,473**	2,873,044
		17,095,770	14,407,879
Provision for slow moving and obsolete stocks	14.2	**(194,071)**	(194,071)
		16,901,699	14,213,808

14.1 The stock in trade has been written down to net realisable value by Rs. 377.92 million (2016 : 196.79 million.)

	Note	2017	2016
		-- Rupees in '000' --	

14.2 Movement of provision for slow moving and obsolete stocks is as follows:

	Note	2017	2016
At July 01,		**194,071**	813,747
Write-off		**-**	(619,676)
At June 30,		**194,071**	194,071

15. TRADE DEBTS

	Note	2017	2016
Considered good	15.1	**6,354,320**	4,811,393
Considered doubtful		**451,262**	416,209
		6,805,582	5,227,602
Provision for doubtful debts	15.2	**(451,262)**	(416,209)
		6,354,320	4,811,393

15.1 These are non-interest bearing and are generally on 60-120 days term.

15.2 Movement of provision in trade debts is as follows:

	Note	2017	2016
At July 01		**416,209**	416,209
Charge during the year	31	**35,053**	-
At June 30		**451,262**	416,209

	Note	2017	2016
		-- Rupees in '000' --	

16. LOANS AND ADVANCES

Considered good

	Note	2017	2016
Current portion of loan to employees	11.1	**100,000**	81,217
Advance to suppliers / contractors		**1,055,591**	1,104,147
Advance against issue of shares		**-**	4,599
Others		**181,011**	216,997
		1,336,602	1,406,960

17. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

		2017	2016
Security and trade deposits		**82,297**	59,318
Short-term prepayments		**120,969**	220,982
		203,266	280,300

18. OTHER RECEIVABLES

Considered good

	Note	2017	2016
Duties, sales tax and other refunds due		**3,263,960**	2,236,363
Due from an associated company	18.1	**20,121**	6,171
Receivable from National Electric Power Regulatory Authority	18.2	**127,828**	85,552
Others		**162,543**	141,080
		3,574,452	2,469,166
Considered doubtful		**169,283**	224,626
		3,743,735	2,693,792
Provision for doubtful receivables	18.3	**(169,283)**	(224,626)
		3,574,452	2,469,166

18.1 Advance was paid by LEPL (a subsidiary) against the issuance of shares of Yunus Wind Power Limited (an associated company).

18.2 It represents Sindh Infrastructure Development Cess, receivable from National Electric Power Regulatory Authority (NEPRA). As per the decision of NEPRA, if any tax or duties of a non-refundable nature are imposed on the YEL (a subsidiary), for import of plant and equipment, up to the commencement of commercial operations, the exact amount shall be refundable from the power purchaser.

18.3 Movement of provision for doubtful receivables is as follows:

	Note	2017	2016
		-- Rupees in '000' --	
At July 01		**224,626**	224,626
Reversal during the year	34.1	**55,343**	-
At June 30		**279,969**	224,626

19. SHORT TERM INVESTMENTS - at fair value

2017	2016		Market Values 2017	Market Values 2016
Number of Shares / units			-- Rupees in '000' --	
		Available-for-sale		
18,758,973	18,758,973	Lucky Cement Limited	**15,687,379**	12,175,601
		At fair value through profit or loss - held for trading		
		Ordinary shares / units of listed securities		
355,610	2,481,760	-International Steel Limited	**45,479**	88,319
112,375	102,516	-First Habib Income Fund	**11,558**	11,285
661,097	609,312	-Meezan Balanced Fund	**12,845**	10,226
100,000	100,000	-Hub Power Company Limited	**11,743**	12,043
50,000	50,000	-Pakistan Telecommunication Company Limited	**781**	751
			15,769,785	12,298,225

20. CASH AND BANK BALANCES

	Note	2017	2016
		-- Rupees in '000' --	
Cash in hand	20.1	**73,230**	86,656
Cash at banks			
- current accounts	20.2	**1,665,584**	2,935,500
- deposit accounts	20.3	**975,104**	66,296
		2,640,688	3,001,796
		2,713,918	3,088,452

20.1 It includes balances in foreign currency amounting to Rs. 1.56 million (2016 : Rs.1.53 million)

20.2 It includes balances in foreign currency bank account amounting to Rs. 231.34 million (2016 : Rs. 232.07 million)

20.3 Deposit accounts carries mark-up at rates ranging from 3.75% to 7% (2016: 3.75% to 7%) per annum.

21. SHARE CAPITAL

2017	2016		2017	2016
(Number of shares)			-- Rupees in '000' --	
		Authorized		
100,000	100,000	Ordinary shares of Rs. 10/- each	**1,000**	1,000
		Issued, subscribed and paid up		
100,000	100,000	Ordinary shares of Rs.10/- each fully paid in cash	**1,000**	1,000

21.1 The Holding Company has only one class of ordinary shares which carry no right to fixed income. The holders are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Holding Company. All shares rank equally with regard to the Holding Company's residual assets.

22. LONG-TERM LOANS AND ADVANCES

	Note	2017	2016
		-- Rupees in '000' --	
From banking companies / financial institutions - secured	22.1	13,933,750	10,913,493
From directors - unsecured	22.2	53,335	49,974
Long term advance from customers	22.3	1,233,893	997,762
		15,220,978	11,961,229
Less : Current portion		(1,132,573)	(5,088)
		14,088,405	11,956,141

22.1 These loans carry markup at the rate of SBP refinance rate for 10 years plus 0.5%, SBP refinance rate for 7 years plus 0.5%, SBP rate plus 0.3%, average 6 months KIBOR plus 0.25% and at 3 months KIBOR plus 3%. Loans are secured against first pari passu hypothecation charge over receivables, all present and future fixed and current, tangible and intangible assets, specific charge on certain plant and machinery and constructive mortgage charge over commercial land. The group has also created a lien on their project accounts and has the right of set-off, transfer and appropriation in the event of a default.Loans are repayable on quarterly and semi annually basis.

22.2 These represents interest free loans repayable after June 30, 2018.

22.3 Long term advance from customers

	Note	2017	2016
		-- Rupees in '000' --	
Sale of retail area		893,200	657,069
Allotment of apartments		340,693	340,693
		1,233,893	997,762

23. DEFERRED LIABILITIES

	Note	2017	2016
Deferred tax liability	23.1	705,850	644,008
Staff retirement gratuity	23.2	1,645,328	1,528,248
Liability under leasehold land	23.3	34,800	48,720
Others		10,703	5,327
		2,396,681	2,226,303

23.1 Deferred tax liability comprises of taxable / (deductible) temporary differences in respect of following:

	2017	2016
	-- Rupees in '000' --	
Taxable temporary differences arising on:		
- Accelerated tax depreciation on property, plant and equipment	699,968	722,094
- Investment in associates	101,358	39,308
- Long term investments	107,888	61,028
- Others	7,343	4,736
	916,557	827,166
Deductible temporary differences arising on:		
- Provision against staff retirement gratuity	(86,312)	(82,133)
- Provision against long term advances	(12,605)	(12,188)
- Provision against stores and spares	(11,160)	(10,831)
- Provision against doubtful receivables	(14,755)	(14,268)
- Others	(85,875)	(63,738)
	(210,707)	(183,158)
	705,850	644,008

		2017	2016
		-- Rupees in '000' --	
23.2	**Staff retirement gratuity**		
	Present value of defined benefit obligation	**1,645,328**	1,528,248

23.2.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:

	2017	2016
Current service cost	**399,763**	388,983
Interest cost	**123,946**	114,976
	523,709	503,959

23.2.2 Movement in the net liability recognised in the balance sheet are as follows

	2017	2016
At July 01,	**1,528,248**	1,212,630
Net charge for the year	**523,709**	503,959
Actuarial (loss)/ gain recognized in other comprehensive income	**(172,728)**	21,923
Payments made during the year	**(233,901)**	(210,264)
At June 30,	**1,645,328**	1,528,248

23.2.3 Total remeasurements recognized in other comprehensive income

	2017	2016
Actuarial gains/loss arising on:		
- financial assumptions	**25,122**	18,127
- experience adjustments	**7,489**	3,796
	32,611	21,923

23.2.4 Principal actuarial assumptions used are as follows;

	2017	2016
Expected rate of increase in salary level	**8% to 9.25%**	7.25% to 10.5%
Valuation discount rate	**8% to 9.25%**	7.25% to 10.5%
Mortality rate	**Adjusted SLIC 2001-05**	Adjusted SLIC 2001-05

23.2.5 Description of the risks to the Group

The retirement benefit scheme exposes the Group to the following risks;

Longevity risk: The risk arises when the actual lifetime of retirees is longer than expectation. The risk is measured at the plan level over the entire retiree population.

Salary Increase risk: The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than the expectation and impacts the liability accordingly.

Withdrawal risk: The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

23.2.6 Sensitivity

Sensitivity of the respective liability with respect to mentioned variables is not presented as each subsidiary variable differs from each other and it is not practicable to calculate the consolidated sensitivity.

23.3 This represents amount payable to Alternate Energy Development Board (AEDB) between 2018 to 2038.

24. TRADE AND OTHER PAYABLES

	Note	2017 -- Rupees in '000' --	2016
Trade creditors		**2,715,382**	2,755,759
Accrued expenses		**4,067,807**	3,466,597
Workers' Profit Participation Fund	24.1	**414,024**	422,891
Workers' Welfare Fund		**233,850**	381,117
Others		**2,930,171**	1,976,961
		10,361,234	9,003,325

24.1 Workers' Profit Participation Fund

	Note	2017	2016
At July 01		**422,891**	348,000
Allocation for the year	33	**296,536**	253,702
		719,427	601,702
Interest on funds utilised in the Group's businesses		**21,493**	21,801
Payments made to the fund		**(326,896)**	(200,612)
At June 30		**414,024**	422,891

25. SHORT TERM LOANS

These are unsecured interest free loans obtained from directors. These loans are payable on demand.

26. SHORT TERM BORROWINGS

	Note	2017 -- Rupees in '000' --	2016
From banking companies - secured			
- Local currency			
Short term finance	26.1	**1,500,000**	2,000,000
Running finance	26.2	**3,433,012**	2,732,709
- Foreign currency			
Export refinance	26.3	**3,381,668**	2,956,595
Import refinance	26.4	**6,002,310**	5,586,441
		14,316,990	13,275,745

26.1 This represents short term finance facilities from various banks having markup ranging between KIBOR + 0.06% to KIBOR + 0.12% per annum and 3 months KIBOR + 0.2% per annum (2016: KIBOR + 0.02% to KIBOR + 0.6% per annum and 3 months KIBOR + 0.2% per annum). These are secured by hypothecation of stock and charge on receivables and plant and machinery.

26.2 These facilities carry markup at rates ranging from 1 to 3 months KIBOR + 0.00% to 0.25% (2016 : 1 to 3 months KIBOR + 0.08% to 0.2%) and at rates ranging between 6.24% to 6.54% (2016 : 6.55% to 7.16%) per annum. These are secured by way of hypothecation charge over movables assets, stock, receivables, other receivables, export bills, import documents, equitable mortgage charge over land of the group and pledge of personal shares of directors and personal guarantee of directors.

26.3 These facilities carry markup at LIBOR + bank's spread (which is decided at the time of disbursement) and at the rate of 0.1% to 0.5% + SBP Export Refinance Rate (2016 : LIBOR + bank's spread and at rate of 0.5% + SBP Export Refinance Rate). These are secured by way of joint parri passu charged against hypothecation of movable assets, receivables and plant and machinery. Repayment is made from receipt / collection of export proceeds.

26.4 These facilities carry markup at rates LIBOR + bank's spread and at 1% per annum (which is decided at the time of disbursement) (2016: LIBOR + bank's spread and at 1% per annum). These facilities are secured against hypothecation of stock,stores and spares, receivables and plant and machinery.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 Outstanding guarantees given by banks on behalf of GTML (a subsidiary) in normal course of business amounting to Rs. 949.04 million (2016: Rs. 842.78 million).

27.1.2 During prior years, GTML (a subsidiary) was charged by Sui Northern Gas Pipeline Limited (SNGPL) with an amount of Rs. 168 million on account of under billing of gas. The subsidiary lodged complaint with the Appellate Authority ('the Authority') against SNGPL and on January 21, 2010, the Authority gave its decision and partly admitted the plea of the subsidiary and allowed partial relief of Rs. 53.89 million. The subsidiary had already paid Rs. 113.63 million in prior years. Subsequent to the decision of the Authority, both the subsidiary (to claim additional relief) and SNGPL (against the relief provided) have filed appeals with higher authorities against the decision. Management is of the view that no further liability in this regard will arise as it is expected that the final outcome of this case will be in its favour.

27.1.3 The Assistant Commissioner Inland Revenue (ACIR), Peshawar, has passed an order for the Tax Year 2015 which was under audit. GTML (the subsidiary) has preferred an appeal before the Commissioner Inland Revenue (Appeals) (CIRA) against the frivolous demand created by the ACIR. CIRA has given partial relief and the tax demand has now been reduced to Rs.462 Million. GTML has filed a second appeal before the Appellate Tribunal Inland Revenue (ATIR) for relief of remaining unjustified additions, which is pending for hearing. According to the GTML's legal counsel, the GTML has a strong legal grounds and there is likelihood that the same will be decided in its favour. Therefore no additional provisions has been recorded.

27.1.4 GTML filed a suit before the High Court of Sindh, challenging the applicability of Gas Infrastructure Cess Act 2011. The Sindh High Court has restrained the Federation and gas companies from recovering GID Cess over and above Rs. 13 per MMBTU. On August 22, 2014, the Supreme Court of Pakistan declared that the levy of GID cess as a tax was not levied in accordance with the Constitution and hence not valid.

In September 2014, the Federal Government promulgated Gas Infrastructure Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the ground that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the said Ordinance was approved in the Parliament and became an Act.

GTML challenged GIDC Act, 2015 and filed writ petition in the Peshawar High Court (PHC) challenging the vires and legality of the levy and demand of GIDC including its retrospective applicatoin. The Court has granted stay against charging of the GIDC under the said Act.

On May 31, 2017, PHC dismissed the said petition, however, GTML has obtained interim relief from the payment of GIDC Cess through monthly bills. Further, the GTML+C95 is also in the process of filling Civil Petition for Leave to Appeal (CPLA) in Supreme Court, against the said order of PHC.

Since this issue is being faced by industry at large, management is of the view that there is no need to maintain any provision against this liability. The management is confident that decision of the case will be in its favour.

27.1.5 The Finance Act 2010 had introduced Clause 126F in Part I of Second Schedule of Income Tax Ordinance, 2001 (the Ordinance) exempting the tax on profits and gains derived by a tax payer located in the 'war on terror' affected areas of Khyber Pakhtunkhwa. As a result of this change, the income of GTML (a subsidiary) including tax on export proceeds for tax years 2010 to 2012 was exempt. However, the said clause does not specifically address the exemption of turnover tax under Section 113. In this regard, some companies located in the affected areas filed a petition in Peshawar High Court against the recovery of turnover tax seeking a declaration regarding Section 113 and 159 as discriminatory and contrary to the Constitution and the Court granted a relief restraining the recovery of turnover tax. The subsidiary along with other companies in the affected areas also filed the petition on the same grounds. The Peshawar High Court in its order dated July 19, 2012, directed the respondents to extend the benefit to the subsidiary. Subsequently, the Chief Commissioner Inland Revenue filed an appeal in the Supreme Court of Pakistan against the subsidiary and other tax payers of the affected areas, which is pending adjudication.

Through Finance Act, 2015, a sub Clause (XX) of clause 11(A) of the Second Schedule to the Ordinance has been added which gives relief to the subsidiary that the Section 113 (turnover tax) does not apply to the tax payers falling under Clause 126F. However, the matter of tax charged on other than local sales i.e. tax on export, is still pending for adjudication.

Based on the judgement of the Peshawar High Court, management has ascertained that the subsidiary will not be subject tax on export sales and hence, has not made aggregate provision on account of tax on export sales for the years ended June 30, 2010, 2011 and 2012.

27.1.6 The income tax return of FTML now merged with GTML (a subsidiary) for the tax year 2013 was subsequently amended under section 122(5A) by Additional Commissioner Income Revenue (ACIR) vide it order dated March 4, 2014 on account of certain disallowances primarily against WWF. The subsidiary filed an appeal against the amended order against which Commissioner Inland Revenue Appeals (CIRA) allowed some relief to the subsidiary. Both the subsidiary and tax department being dissatisfied had filed an appeal in the Appellate Tribunal which is pending adjudication. On the other hand Federal Board of Revenue (FBR) has selected said return for audit under Sections 177 and 214C. In pursuant to the aforementioned audit the amended assessment order was further amended by the Deputy Commissioner Inland Revenue (DCIR) making additions of Rs 1.63 million on account of certain disallowed expenses, levied WWF of Rs. 9.16 million and also restricted tax refundable to the amount of advance tax thereby reducing it by Rs. 48.89 million. The subsidiary had filed an appeal before CIRA against the said audit on the grounds that the assessment was prejudicially re-amended without evaluating current status. The appeal is still pending adjudication.

Based on the opinion of tax advisors of the subsidiary, the management believes that the aforementioned matters will ultimately be decided in the favour of the subsidiary. Accordingly, no provision is required to be made against the said amounts in these consolidated financial statements.

27.1.7 National Accountability Bureau (NAB) filed a reference against executives of GTML (a subsidiary) in the Accountability Court (Peshawar), alleging that the subsidiary purchased electricity from Peshawar Electric Supply Company (PESCO) at a cheaper price and at the same time it sold the electricity to PESCO at a higher price. The management believes that the allegations are false, unsubstantiated and unfounded. The case is devoid of merits as the subsidiary sold the electricity after required approvals, licenses and at price on which all captive power plants were selling electricity to distribution companies in accordance with Government of Pakistan's approved policy.

27.1.8 The regional head Karimabad and Nazimabad region of Employee Old-Age Benefits Institution (EOBI) issued show cause and demand notice for Rs. 16,815 million and Rs. 7,672 million respectively against LTML (a subsidiary) on account of short payment of contribution for the period July 2007 to June 2010 on the basis of assessment. These demands were challenged before the institution in accordance with Section 33 of the EOBI Act, 1976. However the petition was dismissed on whimsical ground. LTML (a subsidiary) has filed appeal before Board of Trustees as per Section 35 of the said Act. During the pendency of the said appeal the officers of EOBI resorted to make recovery through coercive process of Land Revenue Act. As the constitutional petition No. 2799 of 2012 was filed in the High Court of Sindh and ad-interim injunction was obtained which is continuing till date. The appeal filed by the subsidiary was heard by the Board and dismissed. Accordingly the subsidiary has filed another constitutional petition no. 2579 of 2013 in the High

Both the cases have been clubbed and both the cases will be heard and decided by a single order. Interim injunction has been granted thereby restraining EOBI to take any coercive action. This order is continuing and in full force. The subsidiary has not made any provision against such demand in these consolidated financial statements as legal counsel expects favourable outcome of the case.

27.1.9 The Additional Commissioner Inland Revenue, Peshawar has passed the order u/s.122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) whereby disallowing sales made to customers outside specified area as defined vide Clause 126F, Part-I of the Second Schedule to the Ordinance in the light of Federal Board of Revenue's Circular no.14 of 2011 dated October 06, 2011 and levied tax thereon amounting to Rs.90 million. Subsequently, the order has been set-aside by Commissioner Inland Revenue and directed for fresh assessment proceedings. The hearing of re-assessment proceedings have already been completed, order of which is awaited. However, GTML has also filed writ petition before the High Court of Peshawar to challenge the vires of Circular no.14 of 2011 issued for clarification under Clause (126F) which creates the anomaly and misinterpretation of said clause. The High Court of Peshawar has granted stay on the matter.

27.1.10 During the year, an amendment was introduced in the Income Tax Ordinance 2001 (the Ordinance) via the Finance Act 2016 which imposed tax on inter-corporate dividends, previously exempt to companies designated as a Group under section 59B of the Ordinance. YB Holding has challenged the application of the aforementioned amendment in the Sindh High Court and has been granted a stay in this respect.

27.1.11 During the year, Supreme Court of Pakistan has passed an order dated November 10, 2016 that the Workers' Welfare Fund (WWF) is a fee, not a tax. Hence, the amendments made through Finance Act, 2006 and 2008 have been declared invalid in the said order. Therefore, the management believe that in the light of the aforementioned judgment, all cases pertaining to WWF, pending for adjudication would be decided in the favour of the company.

27.1.12 In the month of April 2016, The Government of Sindh made an upward revision in the EOBI Act thereby increasing the per worker cost from 480 per person to 780 per person. A case has been filed in Sindh High Court for which a stay order is issued and as a result LEPL (a subsidiary) has not made any provision in these consolidated financial statements.

27.1.13 Tax assessments of the LEPL (a subsidiary) are deemed to have been finalized up to tax year 2007 under Section 120 of Income Tax Ordinance, 2001. The taxation authorities amended assessments of the tax years 2008 to 2012 under Section 122(1) of the Ordinance and demand for income tax in respect of deemed markup on interest free loan given or taken from associates and WWF amounting to Rs. 55.696 million and Rs. 14.091 million respectively have been raised for these tax years.

The subsidiary filed appeals before the Commissioner Inland Revenue (Appeals) against the said orders which have been decided in favor of the subsidiary and the tax demands raised have been deleted except for demand in respect of WWF for which the appeal of the subsidiary is pending adjudication in the Supreme Court of Pakistan. The tax department also filed appeal for the tax year 2011 in Appellate Tribunal Inland Revenue (ATIR) challenging deletion of deemed interest income on interest free loans given or taken from associates which is pending for hearing. However, in other cases the same court (as against the Lahore High Court) has principally decided that the amendments made in the WWF Ordinance by the Finance Acts, 2006 and 2008 were within the Constitutional authority and hence the tax department can charge the same.

	2017	2016
	-- Rupees in '000' --	
27.2 Commitments		
27.2.1 Commitments under letters of credit		
Capital commitments		
Plant and machinery under letters of credit	**49,124**	1,367,314
Other capital expenditure	**27,747**	416,682
Other commitments		
Raw material, stores, spares and packing material	**601,879**	202,785
Non-capital expenditure	**-**	-
Others	**648,043**	1,290,690
27.2.2 Commitments with Collector of Custom		
Indemnity bonds issued	**4,255,186**	2,482,823
Post dated cheques	**1,604,822**	1,473,945

27.2.3 The Group's share in associates' commitments is Rs. 307.35 million (2016: 92.02 million).

		2017	2016
		-- Rupees in '000' --	
27.2.4	**Guarantees Issued**		
		2,118,425	1,763,455
27.2.5	**Other commitments**		
	Foreign currency forward contracts	**9,503,079**	9,914,558
	Export bills discounted with recourse	**1,704,933**	1,453,334

27.2.6 GTML (a subsidiary) has signed sponsors support agreement amounting to Rs. 940 million and contractual commitment for debt servicing of two loan installments amount up to the cap of Rs. 338 million, on behalf of YEL (a subsidiary).

27.2.7 LEPL (a subsidiary) has signed sponsors support agreement where by 31,220,415 shares (51% shareholding) of YEL (a subsidiary) have been pledged being a contractual commitment amounting to Rs. 312.2 million with a Bank on behalf of YEL (a subsidiary).

		Note	2017	2016
			-- Rupees in '000' --	
28.	**REVENUE**			
	Export sales		**48,887,279**	47,408,125
	Sale of electricity		**1,865,025**	-
	Service income		**44,969**	-
	Local sales		**13,821,325**	12,619,708
	Export rebate		**272,940**	95,305
	Processing fee		**176,714**	72,749
	Duty draw back, research and development		**436,102**	26,049
			65,504,354	60,221,936
29.	**SALES TAX, COMMISSION AND DISCOUNTS**			
	Sales tax		**47,076**	540,340
	Commission		**372,415**	365,205
	Sales discount		**382,842**	521,039
			802,333	1,426,584
30.	**COST OF SALES**			
	Opening - finished goods		**2,873,044**	3,047,499
	Cost of goods manufactured	30.1	**52,446,384**	47,541,970
	Cost of finished goods purchased		**1,589,508**	1,465,253
			56,908,936	52,054,722
	Closing - finished goods		**(3,446,473)**	(2,873,044)
			53,462,463	49,181,678

	Note	2017	2016
		-- Rupees in '000' --	

30.1 Cost of goods manufactured

	Note	2017	2016
Raw and packing materials consumed	30.1.1	**27,756,053**	24,688,143
Stores and spares consumed		**6,668,564**	6,369,083
Salaries, wages and benefits	30.1.2	**6,718,707**	6,211,649
Utilities		**5,877,395**	5,374,694
Knitting, dyeing, printing and processing charges		**2,482,992**	2,229,747
Repairs and maintenance		**226,832**	145,948
Travelling, conveyance and entertainment		**275,681**	230,311
Depreciation - Investment properties	8	**48,520**	-
Depreciation - Property and equipment	5.1	**2,368,530**	1,961,329
Amortization	7.1.1	**1,901**	977
Insurance		**185,885**	127,234
Rent, rates and taxes		**10,039**	13,841
Fees and subscription		**12,524**	9,529
Vehicles running		**43,491**	45,389
Provision against slow moving stores and spares	13.2	**13,601**	21,002
Printing and stationery		**9,006**	7,666
Loss on disposal of biological assets		**27,838**	5,067
Others		**139,189**	99,745
		52,866,748	47,541,354
Work in process			
Opening		**2,530,142**	2,530,758
Closing		**(2,950,506)**	(2,530,142)
		(420,364)	616
		52,446,384	47,541,970

30.1.1 Raw and packing materials consumed

	2017	2016
At July 01	**8,129,536**	7,856,023
Purchases and purchase expenses	**29,603,949**	24,961,656
	37,733,485	32,817,679
At June 30	**(9,977,432)**	(8,129,536)
	27,756,053	24,688,143

30.1.2 It includes Rs. 370.04 million (2016: Rs. 379.68 million) in respect of staff retirement gratuity.

	Note	2017	2016
		-- Rupees in '000' --	

31. ADMINISTRATIVE EXPENSES

	Note	2017	2016
Salaries and benefits	31.1	**1,458,186**	1,257,580
Travelling and conveyance		**132,669**	155,010
Legal and professional		**60,383**	61,622
Postage, telegram, telephone and electricity		**120,681**	122,338
Vehicles running		**44,676**	36,874
Provision against doubtful debts	15.2	**35,053**	-
Fee and subscription		**96,492**	20,542
Insurance		**31,937**	12,076
Printing and stationary		**23,845**	14,057
Repair and maintenance		**48,886**	32,519
Entertainment		**21,688**	25,032
Rent, rates and taxes		**8,032**	1,944
Auditors' remuneration	31.2	**12,022**	7,609
Advertisement, books and periodicals		**9,598**	1,575
Depreciation - Investment properties	8	**47,252**	-
Depreciation - Property and equipment	5.1	**128,241**	130,421
Amortization	7.1.1	**8,388**	3,960
Impairment of goodwill		**-**	317,747
Others		**170,177**	189,975
		2,458,206	2,390,881

31.1 It includes Rs. 118.18 million (2016: Rs. 107.24 million) in respect of staff retirement gratuity.

31.2 Auditors' remuneration

	2017	2016
Statutory audit fee	**11,558**	7,356
Half year review and other certifications	**315**	150
Out of pocket expenses	**149**	103
	12,022	7,609

32. SELLING AND DISTRIBUTION EXPENSES

	Note	2017	2016
Transportation and freight		**954,354**	886,123
Salaries and benefits	32.1	**420,069**	411,244
Commission		**225,742**	204,738
Promotion and exhibition		**308,191**	295,598
Clearing, forwarding and other distribution cost		**38,732**	36,590
Travelling and conveyance		**14,190**	12,863
Communication		**18,100**	19,829
Vehicles running		**5,073**	4,762
Export development surcharge		**63,165**	59,778
Depreciation	5.1	**11,805**	11,279
Others		**63,829**	149,858
		2,123,250	2,092,662

32.1 It includes Rs. 29.10 million (2016: Rs. 17.04 million) in respect of staff retirement gratuity.

	Note	2017	2016
		-- Rupees in '000' --	

33. OTHER OPERATING EXPENSES

	Note	2017	2016
Exchange loss		**33,323**	91,872
Workers' Profit Participation Fund	24.1	**296,536**	253,702
Donations	33.1	**345,275**	316,317
Others		**152,009**	78,557
		827,143	740,448

33.1 Include donations amounting to Rs. 130 million (2016 :130 million) paid to Aziz Tabba Foundation (ATF) (a related party). Mr. Muhammad Ali Tabba is the Chief Executive of the Holding Company and is the Vice Chairman of ATF. ATF is located at ST-26 block 7,Federal 'B' Area, Karachi, Pakistan.

	Note	2017	2016
		-- Rupees in '000' --	

34. OTHER INCOME

	Note	2017	2016
Income from financial assets			
Dividend income		**432,532**	388,015
Unrealised gain on revaluation of investment		**35,515**	23,123
Profit on deposits with bank		**53,418**	13,485
Workers' Welfare Fund		**220,686**	55,403
Provisions	34.1	**55,343**	1,037
Gain on sale of available-for-sale investments		**105,895**	6,964
		903,389	488,027
Income from non-financial assets			
Gain on disposal of property, plant and equipment		**332,904**	21,439
Scrap sales		**19,471**	11,176
Unrealised gain on revaluation of biological assets		**39,698**	14,006
Other		**96,423**	63,772
		488,496	110,393
		1,391,885	598,420

34.1

	Note	2017	2016
Reversal against other receivables	18.3	**55,343**	-
Provision against loan to employees	11.4	**-**	1,037
		55,343	1,037

35. FINANCE COST

	Note	2017	2016
Markup on loans		**735,809**	41,785
Markup on short term borrowings		**465,164**	605,405
Bills discounting and other bank charges		**136,910**	175,994
Markup on Workers' Profit Participation Fund		**21,493**	21,801
Others		**6,382**	3,216
		1,365,758	848,201

36. TAXATION

	2017	2016
	-- Rupees in '000' --	
Current year	**677,285**	668,934
Prior year	**(264,732)**	(22,834)
Deferred tax	**57,483**	(44,618)
	470,036	601,482

Income from subsidiaries falls under normal tax regime and final tax regime whereas income of some of the subsidiaries are either exempt from tax or taxed under foreign tax laws (in case of foreign subsidiaries) and as such presenting relationship between income tax expense and accounting profit is not practicable.

37. EARNINGS PER SHARE

Basic and diluted

		2017	2016
Profit attributable to owners of the Holding Company	Rupees in '000'	**6,508,935**	4,596,391
Weighted average number of ordinary shares outstanding during the year		**100,000**	100,000
Earnings per share - basic and diluted	Rupees in '000'	**65.09**	45.96

37.1 There is no dilutive effect on the earnings per share of the Group.

38. REMUNERATION OF DIRECTORS AND EXECUTIVES

	2017			2016		
	Directors	**Executives**	**Total**	**Directors**	**Executives**	**Total**
	Rupees in '000'					
Managerial remuneration	110,830	389,936	500,766	90,000	327,331	417,331
Bonus	3,000	60,420	63,420	-	18,891	18,891
Utilities	14,388	32,057	46,445	2,805	24,193	26,998
Other benefits	1,980	143,887	145,867	7,396	108,524	115,920
	130,198	626,300	756,498	100,201	478,939	579,140
Number of persons	6	446	452	6	356	362

The Chief Executive Officer of the Holding Company does not take any remuneration. The remuneration of CEO's and directors of individual subsidiaries have been included under the heading 'Executives'.

39. TRANSACTIONS WITH RELATED PARTIES

The related parties of the group comprises of associated undertakings, directors and key management personnel. The transaction between the Group and the related parties are carried out as per agreed terms.Significant transactions with related parties not disclosed elsewhere in financial statements are as follows:

Name and relationship with the Group	**Nature of transaction**	**2017**	**2016**
		-- Rupees in '000' --	
Associated companies			
ICI Pakistan Limited	- Share of profit	**392,957**	327,032
	- Share of other comprehensive income	**(6,700)**	(4,893)
	- Dividend received	**188,098**	143,755
	- Purchases	**1,316,649**	1,405,592
Lucky Holdings Limited	- Share of profit	**692,077**	506,192
	- Share of other comprehensive income	**(10,368)**	(5,691)
Lucky Cement Limited	- Purchases	**116,519**	160,019
	- Dividend received	**375,578**	362,068
	- Reimbursement of expense	**2,042**	457
Triple Tree Associates	- Share of profit	**290,712**	142,450
	- Loan recovered	**41,351**	46,305
	- Rental income	**-**	40,077
Yunus Wind Power Limited	- Advance against issue of shares	**20,121**	4,599
Directors	- Loan obtained	**175,931**	167,996
	- Loan repaid	**215,659**	672,925

	2017	2016
	-- Rupees in '000' --	

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

40.1 Financial instruments by category

Financial assets

Loans and receivables

	2017	2016
Long-term loans and advances	**210,968**	174,992
Long-term deposits	**51,588**	71,177
Trade debts	**6,354,320**	4,811,393
Loans and advances	**281,011**	298,214
Security and trade deposits	**82,297**	59,318
Other receivables	**310,492**	232,803
Cash and bank balances	**2,713,918**	3,088,452
	10,004,594	8,736,349
Available-for-sale investments	**33,622,048**	28,826,106
Held for trading - investments at fair value through profit or loss	**82,406**	122,624
	43,709,048	37,685,079

Financial liabilities

At amortised cost

	2017	2016
Long-term loans including current portion	**13,987,085**	10,963,467
Long term deposits	**432,986**	100,954
Trade and other payables	**9,713,360**	8,199,317
Short term loans	**208,927**	247,245
Accrued markup	**179,489**	274,089
Short-term borrowings	**14,316,990**	13,275,745
	38,838,837	33,060,817

40.2 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management. The responsibility includes developing and monitoring the Group's risk management policies. To assist the Board in discharging its oversight responsibility, the Board of Directors and the management of individual subsidiaries have been made responsible for identifying, monitoring and managing the Group's financial risk exposures. The Group's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

40.2.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. The Group does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Group arises principally from loans and receivables financial assets (note 40.1). The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2017	2016
	-- Rupees in '000' --	
Long-term loans	**210,968**	174,992
Long-term deposits	**51,588**	71,177
Trade debts	**6,354,320**	4,811,393
Loans and advances	**281,011**	298,214
Security and trade deposits	**82,297**	59,318
Other receivables	**310,492**	232,803
Bank balances	**2,640,688**	3,001,796
	9,931,364	8,649,693

The trade debts are due from foreign and local customers for export and local sales respectively. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. All subsidiaries manage impairment risk in trade debts individually and it is not practicable to provide Group ageing analysis. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans are secured as these are either disposed to the employees of the Group and thus are considered as secured.

40.2.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements, which includes short-term borrowings and discounting of foreign receivables. The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

June 30, 2017	Maturities			
	Within 1 year	More than 1 year and less than 5 years	More than 5 years	Total
	---------- Rupees in '000 ----------			
Financial liabilities				
Long-term loans	1,132,573	5,480,990	7,373,522	13,987,085
Long term deposits	-	432,986	-	432,986
Trade and other payables	9,713,360	-	-	9,713,360
Short term loans	208,927	-	-	208,927
Accrued markup	179,489	-	-	179,489
Short-term borrowings	14,316,990	-	-	14,316,990
	25,551,339	**5,913,976**	**7,373,522**	**38,838,837**

June 30, 2016	Maturities			
	Within 1 year	More than 1 year and less than 5 years	More than 5 years	Total
	------------------- Rupees in '000 -------------------			
Financial liabilities				
Long-term loans	5,088	3,584,857	7,373,522	10,963,467
Long term deposits	-	100,954	-	100,954
Trade and other payables	8,199,317	-	-	8,199,317
Short term loans	247,245	-	-	247,245
Accrued markup	274,089	-	-	274,089
Short-term borrowings	13,275,745	-	-	13,275,745
	22,001,484	3,685,811	7,373,522	33,060,817

40.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The fair value of equity securities exposed to price risk are as follows:

	2017	**2016**
	-- Rupees in '000' --	
Available for sale investments	**33,622,048**	28,826,106
Investment at fair value through profit or loss - held for trading	**82,406**	122,624

In case of 10% increase / decrease in fair value of equity securities on June 30, 2017, consolidated profit and loss for the year would be increased / decreased by Rs. 8.24 million (2016 : 12.26 million) and consolidated other comprehensive income for the year would be increased / decreased by Rs. 3,362.20 million (2016: Rs. 2,882.61 million) as a result of gain / loss.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the reporting date the Group does not have any fixed rate financial instrument. Interest rate risk profile of the Group's variable interest rate bearing financial instruments are:

	Carrying Amount	
	2017	**2016**
	-- Rupees in '000' --	
Variable rate instruments		
Long term loans	**13,933,750**	10,913,493
Short term borrowings		
- KIBOR based	**4,933,012**	4,732,709
- LIBOR based	**9,383,978**	8,543,036

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rate at the reporting date would not affect consolidated profit and loss account.

Cash flow sensitivity analysis for variable rate instruments

A increase / decrease of 100 basis points in KIBOR / SBP refinance rate based financial liabilities and 25 basis points change in LIBOR based financial liabilities at the reporting date would have (decreased) / increased consolidated equity and consolidated profit or loss by Rs. 147.08 million (2016: Rs. 177.82 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as in 2016.

40.2.4 Currency risk

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. Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group is exposed to foreign currency risk on sales, purchases and borrowings, which, are entered in a currency other than Pak Rupees. The Group does not enter into forward foreign exchange contracts for foreign purchases and payables, as it is not allowed by the State Bank of Pakistan. However, the Group enters into forward foreign exchange contracts to cover its exposure to foreign currency sales and receivables. As at June 30, 2017, the financial assets and liabilities exposed to currency risk are as follows:

	2017	2016	2017	2016
	----- USD -----		----- PKR in '000 ------	
Trade debts	2,507,509,058	33,126,656	262,659,712	3,591,904
Foreign currency bank accounts	336,980	352,111	35,316	36,091
Import loan	(56,893,242)	(53,037,538)	(5,973,773)	(5,560,986)
Export finance	(4,349,219)	(2,129,468)	(456,668)	(223,275)
Accrued mark-up	(225,659)	(154,316)	(23,694)	(16,180)
	---- EURO ----		----- PKR in '000 ------	
Trade debts	604,592,740	3,172,072	71,481,000	392,145
Foreign currency bank balance	-	73	-	8
Import loan	(273,810)	(202,739)	(32,896)	(23,070)
Accrued mark-up	(636)	(520)	(76)	(59)
	---- GBP ----		----- PKR in '000 ------	
Trade debts	-	-	-	-
	---- CHF -----		----- PKR in '000 ------	
Import loan	(44,776)	(21,758)	(4,914)	(2,386)
Accrued mark-up	(449)	(413)	(49)	(45)

The following significant exchange rates applied during the year:

	Average rates		Reporting date rate	
	2017	2016	2017	2016
US Dollars to PKR	104.81	104.37	105.00 / 104.80	104.85 / 101.67
CHF to PKR	105.26	106.51	109.75 / 109.54	106.85 / 106.64
Euro to PKR	112.75	115.87	120.14 / 119.91	113.79 / 113.57

As at June 30, 2017, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollars, Swiss Franc and Euros with all variables held constant, consolidated profit and loss for the year would have been lower / higher by Rs. 930.72 million (2016: Rs. 180.59 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as in 2016.

41. FAIR VALUE ESTIMATION

Fair value is 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.

41.1 Fair value of financial assets and financial liabilities

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- **Level** 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from 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** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2016, financial assets are classified in hierarchy levels as follows:

	Level 1	Level 2	Level 3	Total
	Rupees in '000'			
Equity securities				
Available for sale	34,581,294	-	-	34,581,294
At fair value through profit and loss	82,406	-	-	82,406
June 30, 2017	34,663,700	-	-	34,663,700
Equity securities				
Available for sale	28,826,106	-	-	28,826,106
At fair value through profit and loss	122,624	-	-	122,624
June 30, 2016	28,948,730	-	-	28,948,730

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

41.2 Fair value measurement of Group's investment properties

The fair value measurement of investment properties as at June 30, 2016 was performed by Joseph Lobo (Private) Limited, independent valuer not related to the Group. Joseph Lobo (Private) Limited is on panel of Pakistan Banks Association and possesses appropriate qualification and recent experience in the fair value measurements in the relevant locations. The fair value of the office premises and shops was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property, condition, size, utilization, and other relevant factors. In the estimating the fair value of the office premises and shops, the highest and best use of these premises is their current use.

Investment properties are classified under the following fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	Rupees in '000'			
Investment properties				
2017	-	**20,273**	-	**20,273**
2016	-	885,000	-	885,000

There were no transfers within any level during the year.

42. CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders or issue new shares or make restructuring in the Group by means of merger or formation of new companies.

43. NUMBER OF EMPLOYEES

The number of persons employed in the Group as on the reporting date was 14,929 (2016: 15,379) and the average number of employees during the year were 15,154 (2016: 15,899).

44. SUBSEQUENT EVENTS

The Board of Directors proposed a final dividend for the year ended June 30, 2017 of Rs.8,000 per share (2016: Rs. 9045 per share) amounting to Rs. 800,000,000 million (2016: Rs. 904,500,000) at their meeting held on 27 Nov 17 for approval of members at the Annual General Meeting. These financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

As of June 30, 2016 the Group has 8.71 million shares in Feroze 1888 Mills Limited valued at Rs.314.94 per share (refer note 10.2). Subsequent to the year end, the market price of such shares declined to Rs. 192 per share. Hence as a result the value of investments in the Group's books would decline by Rs. 1,070.51 million as of November 7, 2016. These financial statements do not reflect the decline in investment which will be accounted for during the financial year 2017.

45. RECLASSIFICATION

Comparative figures have been re-arranged and re-classified for the purpose of better presentation, the effect of which is not material.

46. DATE OF AUTHORIZATION FOR ISSUE

These consolidated financial statements were authorized for issue on 27 NOV 2017 by the Board of Directors of the Holding Company.

47. GENERAL

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

CHIEF EXECUTIVE

DIRECTOR