ICI Pakistan Limited
Consolidated Balance Sheet
As at June 30, 2017

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	4	**19,958,615**	17,164,769
Intangible assets	5	**783,356**	16,460
		20,741,971	17,181,229
Long-term investment	6	**966,536**	963,667
Long-term loans	7	**382,421**	357,637
Long-term deposits and prepayments	8	**38,627**	33,594
		1,387,584	1,354,898
		22,129,555	18,536,127
Current assets			
Stores, spares and consumables	9	**1,011,381**	861,544
Stock-in-trade	10	**5,913,900**	5,317,357
Trade debts	11	**2,589,878**	1,640,067
Loans and advances	12	**441,985**	392,362
Trade deposits and short-term prepayments	13	**577,426**	430,649
Other receivables	14	**1,617,870**	804,400
Taxation - net		**1,253,468**	2,234,248
Cash and bank balances	15	**1,266,464**	258,962
		14,672,372	11,939,589
Total assets		**36,801,927**	30,475,716
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2016: 1,500,000,000) ordinary shares of PKR 10 each		**15,000,000**	15,000,000
Issued, subscribed and paid-up capital	16	**923,591**	923,591
Capital reserves	17	**309,643**	309,643
Unappropriated profit		**15,102,391**	13,341,517
Attributiable to the equity holders of the holding company		**16,335,625**	14,574,751
Non-controlling interests		**487,360**	-
Total equity		**16,822,985**	14,574,751
Surplus on revaluation of property, plant and equipment	18	**902,788**	995,330
Non-current liabilities			
Provisions for non-management staff gratuity	19	**115,030**	90,867
Long-term loans	20	**4,919,478**	3,652,586
Deferred tax liability - net	21	**1,225,082**	1,430,789
Liabilities subject to finance lease	22	**799**	-
		6,260,389	5,174,242
Current liabilities			
Trade and other payables	23	**9,933,711**	7,322,763
Accrued mark-up		**103,473**	77,663
Short-term borrowings and running finance	24	**2,128,905**	1,937,184
Current portion of long-term loans	20	**647,667**	393,783
Current portion of liabilities subject to finance lease	22	**2,009**	-
		12,815,765	9,731,393
Total equity and liabilities		**36,801,927**	30,475,716
Contingencies and commitments	25		

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	*Chief Executive*	*Chief Financial Officer*

ICI Pakistan Limited
Consolidated Profit and Loss Account
For the year ended June 30, 2017

	Note	For the year ended June 30, 2017	For the year ended June 30, 2016
			Amounts in PKR '000
Turnover	*27.1*	**48,274,030**	42,755,505
Sales tax, commission and discounts	*26*	**(6,502,811)**	(5,801,068)
Net turnover		**41,771,219**	36,954,437
Cost of sales	*27.2*	**(33,755,438)**	(30,382,757)
Gross profit		**8,015,781**	6,571,680
Selling and distribution expenses	*29*	**(2,688,234)**	(2,118,142)
Administration and general expenses	*30*	**(1,141,126)**	(882,030)
Operating result		**4,186,421**	3,571,508
Other charges	*31*	**(174,168)**	(291,692)
Finance costs	*32*	**(403,206)**	(384,245)
		(577,374)	(675,937)
Other income	*33*	**115,040**	83,919
Share of profit from an associate	*6*	**670,869**	407,318
Profit before taxation		**4,394,956**	3,386,808
Taxation	*34*	**(1,114,848)**	(656,987)
Profit after taxation		**3,280,108**	2,729,821
Attributable to:			
Owners of the Holding Company		**3,282,748**	2,729,821
Non-Controlling interests		**(2,640)**	-
		3,280,108	2,729,821
Basic and diluted earnings per share (PKR)	*35*	**35.54**	29.56

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	*Chief Executive*	*Chief Financial Officer*

ICI Pakistan Limited
Consolidated Statement of Comprehensive Income
For the year ended June 30, 2017

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016
Profit for the year	**3,280,108**	2,729,821
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the year	**-**	(2,285)
Income tax relating to hedging reserve	**-**	731
	-	(1,554)
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	**-**	1,554
	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial loss on defined benefit plans	**(74,151)**	(18,030)
Income tax effect	**18,227**	4,070
	(55,924)	(13,960)
Total comprehensive income for the year	**3,224,184**	2,715,861
Attributable to:		
Owners of the Holding Company	**3,226,824**	2,715,861
Non-Controlling interests	**(2,640)**	-
	3,224,184	2,715,861

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	*Chief Executive*	*Chief Financial Officer*

ICI Pakistan Limited

Consolidated Cash Flow Statement

For the year ended June 30, 2017

	For the year ended June 30, 2017	For the year ended June 30, 2016
	Amounts in PKR '000	
Cash generated from operations - note 36	**5,944,957**	5,028,366
Payments for :		
Staff retirement benefit plans - note 19.1.2	**(66,685)**	(65,683)
Non-management staff gratuity and eligible retired employees' medical scheme	**(30,000)**	(29,677)
Taxation	**(309,938)**	(709,498)
Interest	**(364,852)**	(303,234)
Net cash generated from operating activities	**5,173,482**	3,920,274
Cash flows from investing activities		
Capital expenditure	**(4,294,344)**	(4,525,879)
Proceeds from disposal of operating fixed assets	**9,789**	11,010
Interest received on bank deposits	**16,029**	6,754
Investment in Subsidiary / Associate	**(981,300)**	(240,000)
Dividend received	**504,000**	458,375
Net cash used in investing activities	**(4,745,826)**	(4,289,740)
Cash flows from financing activities		
Issuance of shares to Non-controlling interests	**490,000**	-
Long-term loans obtained	**1,896,186**	2,552,427
Long-term loans repaid	**(391,692)**	(955,556)
Payment against finance lease liability	**(1,358)**	-
Dividends paid	**(1,560,184)**	(1,192,827)
Net cash generated from financing activities	**432,952**	404,044
Net increase in cash and cash equivalents	**860,608**	34,578
Cash and cash equivalents at the beginning of the year	**(1,678,222)**	(1,712,800)
Cash and cash equivalents acquired through business combination	**(44,827)**	-
Cash and cash equivalents at the end of the year	**(862,441)**	(1,678,222)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 15	**1,266,464**	258,962
Short-term borrowings and running finance - note 24	**(2,128,905)**	(1,937,184)
	(862,441)	(1,678,222)

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	*Chief Executive*	*Chief Financial Officer*

ICI Pakistan Limited
Consolidated Statement of Changes in Equity
For the year ended June 30, 2017

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total reserves	Non-controlling interests	Total equity
As at July 01, 2015	**923,591**	**309,643**	**11,755,187**	**12,064,830**	**-**	**12,988,421**
Final dividend for the year ended June 30, 2015 @ PKR 6.50 per share	-	-	(600,337)	(600,337)	-	(600,337)
Interim dividend for the year ended June 30, 2016 @ PKR 6.50 per share	-	-	(600,337)	(600,337)	-	(600,337)
	-	**-**	**(1,200,674)**	**(1,200,674)**	**-**	**(1,200,674)**
Profit for the year	-	-	2,729,821	2,729,821	-	2,729,821
Other comprehensive income for the year, net of tax	-	-	(13,960)	(13,960)	-	(13,960)
Total comprehensive income	**-**	**-**	**2,715,861**	**2,715,861**	**-**	**2,715,861**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 18	-	-	71,143	71,143	-	71,143
	-	**-**	**71,143**	**71,143**	**-**	**71,143**
As at June 30, 2016	**923,591**	**309,643**	**13,341,517**	**13,651,160**	**-**	**14,574,751**
Final dividend for the year ended June 30, 2016 @ PKR 9.00 per share	-	-	(831,231)	(831,231)	-	(831,231)
Interim dividend for the year ended June 30, 2017 @ PKR 8.00 per share	-	-	(738,872)	(738,872)	-	(738,872)
	-	**-**	**(1,570,103)**	**(1,570,103)**	**-**	**(1,570,103)**
Shares issued to non-controlling interests	-	-	-	-	490,000	490,000
Loss attributable to non-controlling interest for the year	-	-	-	-	(2,640)	(2,640)
	-	**-**	**-**	**-**	**487,360**	**487,360**
Profit for the year	-	-	3,282,748	3,282,748	-	3,282,748
Other comprehensive income for the year, net of tax	-	-	(55,924)	(55,924)	-	(55,924)
Total comprehensive income	**-**	**-**	**3,226,824**	**3,226,824**	**-**	**3,226,824**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 18	-	-	104,153	104,153	-	104,153
	-	**-**	**104,153**	**104,153**	**-**	**104,153**
As at June 30, 2017	**923,591**	**309,643**	**15,102,391**	**15,412,034**	**487,360**	**16,822,985**

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

1 Status and Nature of Business

The Group consists of:

- ICI Pakistan Limited;
- ICI Pakistan PowerGen Limited;
- Cirin Pharmaceuticals (Private) Limited
- Nurtico (Morinaga) Private Limited

ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on The Pakistan Stock Exchange Limited.

ICI Pakistan PowerGen Limited ("PowerGen") is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited.

Cirin Pharmaceuticals (Private) Limited ("Cirin") is incorporated in Pakistan as a private limited company and is a wholly owned subsidiary company of ICI Pakistan Limited.

NutriCo (Morinaga) Private Limited ("NutriCo Morinaga") is incorporated in Pakistan as a private limited company. ICI Pakistan Limited has 51% ownership in NutriCo Morinaga.

The Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer.

PowerGen is engaged in generating, selling and supplying electricity to the Company.

Cirin is engaged in manufacturing and sale of pharmaceutical products.

Nutrico Morinaga is engaged in manufacturing of infant milk powder.

The Company's registered office is situated at 5 West Wharf, Karachi.

2 Summary of Significant Accounting Policies

Following are the details of significant accounting policies.

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, 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) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of 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 preparation

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

a) certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold and leasehold land and plant and machinery) have been measured at revalued amounts; and

b) Provision for management staff gratuity and non-management staff gratuity are stated at present value.

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the consolidated financial statements in subsequent years are discussed in note 46.

2.3 Basis of consolidation

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- exposure, or rights, to variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;

- rights arising from other contractual arrangements; and

- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in profit and loss account and is not reversed in future periods.

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

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

Subsidiaries have same reporting period as that of the Holding Company. The accounting policies of subsidiaries have been changed to confirm with accounting policies of the Group, wherever needed.

2.4 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment.

The Group's share of its associate's post-acquisition profits and losses is recognised in the profit and loss account, and its share of profit of post-acquisition movements in reserve is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the investment. When the Group's share of losses in the associate equals or exceeds its interest in associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.5 Property, plant and equipment and depreciation

Property, plant and equipment (except freehold land, buildings on freehold & leasehold land and plant & machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold land and leasehold land and plant and machinery are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Capital work-in-progress is stated at cost less impairment, if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria are met.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to profit and loss account over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each balance sheet date, and adjusted, if appropriate.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably. Assets replaced, if any, are derecognised.

Gains and losses on disposal of assets are taken to the profit and loss account, and the related surplus / deficit on revaluation of property, plant and equipment is transferred directly to unappropriated profit.

2.6 Intangible assets and amortisation

Intangible assets with a finite useful life, such as certain softwares, licenses (including extraction rights, software licenses, etc.) and property rights, are capitalised initially at cost and subsequently stated at cost less accumulated amortisation and impairment losses, if any.

Intangible assets with indefinite useful life such as brands are stated at cost less accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit and loss account as incurred.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognized in profit and loss account on a straight-line basis over the estimated useful lives of intangible assets. Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted, if appropriate.

2.7 Investments

Investments that are stated at available for sale are measured at fair value plus directly attributable transaction costs. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.

2.8 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less net estimated cost to sell, which is generally equivalent to replacement cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the balance sheet date.

2.9 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and

Stocks in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the balance sheet date.

2.10 Trade debts and other receivables

Trade debts and other receivables are recognised at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables (Refer note 43.6.1). Bad Debts are written off when identified.

2.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity, respectively.

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.

PowerGen's profits and gains derived from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 and are also exempt from turnover tax under clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation on the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit and loss account is recognised outside profit and loss account. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Further, the Group recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks. Short term finance facilities availed by the Group, which are payable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

2.13 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss account and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of property, plant and equipment" account shown below equity in the balance sheet in accordance with the requirements of section 235 of the repealed Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Group has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of property plant and equipment" account to unappropriated profit / loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.15 Staff retirement benefits

The Group's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Group operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Group also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement. The Group recognises expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income.

All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Group has recognized related restructuring or termination benefits.

Defined contribution plans

The Group operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who have either opted for this fund by July 31, 2004 or have joined the Group after April 30, 2004. In addition to this, the Group also provides group insurance to all its employees.

Compensated absences

The Group recognizes the accrual for compensated absences in respect of employees for which these are earned up to the balance sheet date. The accrual has been recognized on the basis of actuarial valuation.

2.16 Operating leases / Ijarah contracts

Leases, other than those under Ijarah contracts, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under operating leases (net of any incentives received from the lessor) and Ijarah contracts are charged to the profit and loss account on a straight-line basis over the period of the lease.

2.17 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any.

2.18 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

2.19 Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.20 Financial liabilities

All financial liabilities are initially recognised at fair value net of directly attributable cost, if any, and subsequently measured at amortised cost.

2.21 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

2.22 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.

2.23 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer. For those products which are often sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

Commission income is recognised on date of shipment from suppliers.

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

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

Toll manufacturing income is recognised when services are rendered.

2.24 Financial expense and financial income

Financial expenses are recognised using the effective interest rate method and comprise foreign currency losses and markup / interest expense on borrowings.

Financial income comprises interest income on funds invested. Markup / interest income is recognised as it accrues in profit and loss account, using the effective interest rate method.

2.25 Dividend

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the financial statements.

2.26 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (the CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are Polyester, Soda Ash, Life Sciences, Chemicals and others (PowerGen and NutriCo Morinaga), which also reflects the management structure of the Group.

2.27 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognized in the profit and loss account.

2.28 Off-setting

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is, legally enforceable right to set-off the recognised amount and the Group intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

3 Business combination and joint venture

3.1 Acquisition of Cirin Phamraceutical (Private) Limited

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

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at their carrying value which are approximately equal to to fair value, exept:

- Revaluation of land, buildings and plant and machinery was carried out as at 23rd December 2016 by independent valuer on the basis of present market value.

- Fair value of intangible assets (brands) is determined at the acquisition date using relief from royalty method.

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

Indicated value of tangible assets:

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

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

3.2 Incorporation of Nutrico Morinaga (Private) Limited

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

Amounts in PKR '000

	As at June 30, 2017	As at June 30, 2016
4 Property, plant and equipment		
4.1 The following is a statement of property, plant and equipment:		
Operating fixed assets - note 4.2	**15,534,162**	16,001,818
Capital work-in-progress - note 4.7	**4,424,453**	1,162,951
	19,958,615	17,164,769

4.2 The following is a statement of operating fixed assets:

	Land		Lime beds on freehold land	Buildings		Plant and machinery	Railway sidings	Rolling stock and vehicles	Furniture and equipment	Total
	Freehold	Leasehold		On freehold land	On leasehold land					
	Note 4.3			Note 4.3		Note 4.3 and 4.4				
						As at June 30, 2017				
Net carrying value basis										
Opening net book value (NBV)	**519,718**	**-**	**215,405**	**715,423**	**1,929,826**	**12,407,061**	**-**	**15,458**	**198,927**	**16,001,818**
Addition / transfer - note 4.2.1	**10,244**	**-**	**-**	**7,308**	**156,690**	**1,312,785**	**-**	**12,976**	**85,180**	**1,585,183**
Acquisition through business combination	**10,000**	**-**	**-**	**57,117**	**-**	**96,493**	**-**	**32,312**	**21,473**	**217,395**
Revaluation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposal (at NBV)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,464)**	**(39)**	**(2,503)**
Depreciation charge - note 4.5	**-**	**-**	**(16,600)**	**(55,744)**	**(161,123)**	**(1,952,694)**	**-**	**(7,255)**	**(74,315)**	**(2,267,731)**
Closing net book value	**539,962**	**-**	**198,805**	**724,104**	**1,925,393**	**11,863,645**	**-**	**51,027**	**231,226**	**15,534,162**
Gross carrying value basis										
Cost / Revaluation	**539,962**	**562,166**	**359,553**	**3,101,469**	**3,246,384**	**30,923,952**	**297**	**187,976**	**798,323**	**39,720,082**
Accumulated depreciation	**-**	**(562,166)**	**(160,748)**	**(2,377,365)**	**(1,320,991)**	**(19,060,307)**	**(297)**	**(136,949)**	**(567,097)**	**(24,185,920)**
Closing net book value	**539,962**	**-**	**198,805**	**724,104**	**1,925,393**	**11,863,645**	**-**	**51,027**	**231,226**	**15,534,162**
Depreciation rate % per annum	**-**	**2 to 4**	**5 to 25**	**5 to 50**	**3 to 33.33**	**3.33 to 50**	**3.33**	**10 to 33.33**	**10 to 50**	
						As at June 30, 2016				
Net carrying value basis										
Opening net book value (NBV)	468,308	-	123,116	736,692	1,144,223	10,020,066	-	22,826	197,995	12,713,226
Addition / transfer - note 4.2.1	22,713	-	92,052	42,856	832,025	3,704,592	-	4,347	65,516	4,764,101
Revaluation	28,697	-	13,842	7,132	82,529	338,732	-	-	-	470,932
Disposal (at NBV)	-	-	(39)	-	(6,966)	(5,665)	-	(622)	(420)	(13,712)
Depreciation charge - note 4.5	-	-	(13,566)	(71,257)	(121,985)	(1,650,664)	-	(11,093)	(64,164)	(1,932,729)
Closing net book value	519,718	-	215,405	715,423	1,929,826	12,407,061	-	15,458	198,927	16,001,818
Gross carrying value basis										
Cost / Revaluation	519,718	562,166	359,553	3,037,044	3,088,418	29,535,206	297	127,628	708,073	37,938,103
Accumulated depreciation	-	(562,166)	(144,148)	(2,321,621)	(1,158,592)	(17,128,145)	(297)	(112,170)	(509,146)	(21,936,285)
Closing net book value	519,718	-	215,405	715,423	1,929,826	12,407,061	-	15,458	198,927	16,001,818
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

	As at June 30, 2017	As at June 30, 2016
4.2.1 Additions to plant and machinery include transfer from capital work-in-progress. It also includes borrowing cost for various projects determined using capitalization rate of nill (June 30, 2016: 6.00%) amounting to:	**-**	132,085

4.2.2 Operating fixed assets include the following major spare parts and stand by equipment:

Cost	**421,239**	403,142
Net book value	**139,332**	161,208

4.3 Subsequent to revaluation on October 1, 1959, September 30, 2000, December 15, 2006 and December 31, 2011 which had resulted in a surplus of PKR 14.207 million, PKR 1,569.869 million, PKR 704.752 million and PKR 848.191 million respectively as at June 30, 2016 further revaluation was conducted resulting in revaluation surplus net of deferred tax liability of PKR 340.721 million. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value. The fair value of the assets subject to revaluation model fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

4.4 Plant and machinery including equipment held with Searle Pakistan Limited (toll manufacturer) is as follows:

	As at June 30, 2017	As at June 30, 2016
Cost	**9,242**	8,111
Net book value	**4,160**	4,168

	For the year ended June 30, 2017	For the year ended June 30, 2016
4.5 The depreciation charge for the year has been allocated as follows:		
Cost of sales	**2,204,798**	1,875,991
Selling and distribution expenses	**29,665**	20,862
Administration and general expenses	**33,268**	35,876
	2,267,731	1,932,729

4.5.1 Depreciation charge is inclusive of the incremental depreciation due to revaluation.

	As at June 30, 2017	As at June 30, 2016
4.6 Had there been no revaluation, the net book value of specific classes of operating property, plant and equipment would have amounted to:		
Net book value		
Freehold land	**201,985**	191,741
Buildings	**2,366,191**	2,419,060
Plant and machinery	**11,015,713**	11,655,622
	13,583,889	14,266,423

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
4.7	Capital work-in-progress comprises of:		
	Civil works and buildings	**715,276**	443,249
	Plant and machinery	**2,924,642**	529,187
	Miscellaneous equipment	**232,344**	28,825
	Advances to suppliers / contractors	**294,290**	70,571
	Designing, consultancy and engineering fee	**257,901**	91,119
		4,424,453	1,162,951
	This includes interest charged in respect of long-term loans obtained for various projects determined using capitalization rate of 5.57% (June 30, 2016: 5.48%) amounting to:	**69,586**	5,498
4.7.1	The following is the movement in capital work-in-progress during the year:		
	Balance at the beginning of the year	**1,162,951**	1,675,698
	Acquisition through business combination	**305**	-
	Addition during the year	**4,756,813**	4,183,927
		5,920,069	5,859,625
	Transferred to operating fixed assets during the year	**(1,495,616)**	(4,696,674)
	Balance at the end of the year	**4,424,453**	1,162,951

4.8 Details of operating fixed asset disposal having net book value in excess of PKR 50,000 are as follows:

As at June 30, 2017

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Rolling Stock & Vehicles						
Loader - Cat 966 F-II	Scrap	2,733	2,277	456	45	Ghouri Scrap Dealer Mandi Bahaudin

As at June 30, 2016

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Plant and machinery						
65 Ktpa Plant, Sodium bicarbonate plant and commissioning cost	Scrap	27,813	23,967	3,846	644	Ghouri Scrap Dealer Mandi Bahaudin
Building on leasehold land						
Infrastructure refurbishment	Bidding	14,261	7,545	6,716	1,020	Awan Brothers Karimpura, Khewra and Ghouri Scrap Dealer Mandi Bahaudin
Furniture and Equipments						
HP server for PIII and IBM	Scrap	5,824	5,534	290	320	M/s Sh. Auyoub, Sheikhupura
Rolling Stock & Vehicles						
Fleet car	Auction	622	-	622	4,615	Syed Nadeem Raza Ali, Karachi

Amounts in PKR '000

5 Intangible assets

	As at June 30, 2017				
Net carrying value basis	**Goodwill**	**Brands**	**Software**	**Licenses**	**Total**
Opening net book value (NBV)	**-**	**-**	**6,530**	**9,930**	**16,460**
Addition / transfer	**-**	**-**	**4,795**	**5,204**	**9,999**
Acquisition through business combination - note 5.1	**79,864**	**684,219**	**-**	**-**	**764,083**
Amortisation charge - note 5.2	-	**-**	**(2,014)**	**(5,172)**	**(7,186)**
Closing net book value	**79,864**	**684,219**	**9,311**	**9,962**	**783,356**
Gross carrying amount					
Cost	**79,864**	**684,219**	**184,202**	**205,157**	**1,153,442**
Accumulated amortisation	**-**	**-**	**(174,891)**	**(195,195)**	**(370,086)**
Closing net book value	**79,864**	**684,219**	**9,311**	**9,962**	**783,356**
Amortisation rate % per annum			**20**	**20 to 50**	

	As at June 30, 2016				
Net carrying value basis					
Opening net book value (NBV)	-	-	1,980	26,338	28,318
Addition / transfer	-	-	6,096	3,628	9,724
Amortisation charge - note 5.2	-	-	(1,546)	(20,036)	(21,582)
Closing net book value	-	-	6,530	9,930	16,460
Gross carrying amount					
Cost	-	-	179,407	200,674	380,081
Accumulated amortisation	-	-	(172,877)	(190,744)	(363,621)
Closing net book value	-	-	6,530	9,930	16,460
Amortisation rate % per annum			20	20 to 50	

5.1 These have been recognized on the acquisition of Cirin Pharmaceuticals (Private) Limited by the Company. These intangible assets have been treated as having an indefinite useful life because it is expected to contribute to net cash flows indefinitely based on the analysis of various economic factors prepared by management of the Group which indicated that there is no limit to the period these assets would contribute to the net cash inflows and, consequently, the said intangibles will not be amoritsed until their useful life is determined to be finite. However these intangible assets will be tested for impairment annually.

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

	For the year ended June 30, 2017	For the year ended June 30, 2016
Cost of sales	**1,266**	4,491
Selling and distribution expenses	**463**	2,632
Administration and general expenses	**5,457**	14,459
	7,186	21,582

6 Long-term investments

	As at June 30, 2017	**As at June 30, 2016**
Unquoted at equity method		
Associate		
- NutriCo Pakistan (Private) Limited 40% ownership		
200,000 ordinary shares of PKR 1,000 each and premium of PKR 3,800 per share	**960,000**	960,000
Post acquisition profits at the beginning	**1,167**	52,224
Share of profit for the year	**670,869**	407,318
Dividend received	**(668,000)**	(458,375)
Carrying Value of Associate	**964,036**	961,167
Others - at cost		
Equity security available-for-sale		
-Arabian Sea Country Club Limited		
250,000 ordinary shares (June 30, 2016: 250,000) of PKR 10 each	**2,500**	2,500
	966,536	963,667

Amounts in PKR '000

		As at June 30, 2017 (Audited)	As at June 30, 2016 (Audited)
6.1	The summary of financial information of associate as at the balance sheet date is as follows:		
	Total assets	**4,118,366**	4,112,267
	Total liabilities	**1,698,711**	1,699,784
	Total equity and reserves	**2,419,655**	2,412,483
	Total revenue	**7,909,462**	6,670,513
	Profit for the year	**1,677,172**	1,193,752

		As at June 30, 2017	As at June 30, 2016
7	**Long-term loans**		
	Considered good		
	Due from executives and employees - note 7.1	**382,421**	357,637

7.1 Due from executives and employees

	Motor car	House building	Total	Total
Due from executives - note 7.2, 7.3 and 7.4	**279,759**	**70,595**	**350,354**	282,294
Receivable within one year	**(71,262)**	**(30,021)**	**(101,283)**	(68,691)
	208,497	**40,574**	**249,071**	213,603
Due from employees - note 7.3			**158,436**	178,458
Receivable within one year			**(25,086)**	(34,424)
			133,350	144,034
			382,421	357,637
Outstanding for period:				
- less than three years but over one year			**301,517**	275,356
- more than three years			**80,904**	82,281
			382,421	357,637

7.2 Reconciliation of the carrying amount of loans to executives:

Balance at the beginning of the year	**282,294**	245,541
Acquired through business combination	**6,150**	-
Disbursements during the year	**142,845**	124,213
Received during the year	**(80,935)**	(87,460)
Balance at the end of the year	**350,354**	282,294

7.3 Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees, including executives of the Group, in accordance with their terms of employment.

7.4 The maximum aggregate amount of loans due from the executives at the end of any month during the year:	**249,520**	301,495

		As at June 30, 2017	As at June 30, 2016
8	**Long-term deposits and prepayments**		
	Deposits	**30,057**	28,209
	Prepayments	**8,570**	5,385
		38,627	33,594

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
9	**Stores, spares and consumables**		
	Stores - note 9.1	**158,788**	100,558
	Spares - note 9.1	**863,104**	807,960
	Consumables	**132,473**	121,244
		1,154,365	1,029,762
	Provision for slow moving and obsolete stores and spares - note 9.2	**(142,984)**	(168,218)
		1,011,381	861,544
9.1	The above amounts include stores and spares in transit:	**130,851**	70,287
9.2	Movement of provision for slow moving and obsolete stores and spares is as follows:		
	Balance at the beginning of the year	**168,218**	189,247
	Charge for the year - note 30	**-**	4,060
	Write off during the year	**(25,234)**	(25,089)
	Balance at the end of the year	**142,984**	168,218
10	**Stock-in-trade**		
	Raw and packing material include in-transit PKR 871.195 million (June 30, 2016: PKR 818.525 million) - note 10.3	**2,574,275**	2,290,108
	Work-in-process	**110,090**	140,179
	Finished goods include in-transit PKR 6.318 (June 30, 2016: PKR Nil)	**3,294,594**	3,019,011
		5,978,959	5,449,298
	Provision for slow moving and obsolete stock-in-trade - note 10.1		
	- Raw materials	**(3,988)**	(11,381)
	- Finished goods	**(61,071)**	(120,560)
		(65,059)	(131,941)
		5,913,900	5,317,357
10.1	Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
	Balance at the beginning of the year	**131,941**	127,067
	Charge for the year - note 30	**63,729**	22,254
	Write-off for the year	**(130,611)**	(17,380)
	Balance at the end of the year	**65,059**	131,941

10.2 Stock amounting to PKR 734.965 million (June 30, 2016: PKR 338.822 million) is measured at net realisable value and reversal amounting to PKR 25.648 million (June 30, 2016: PKR 10.999 million expense) has been realized in cost of sales.

10.3 Raw and packing materials held with various toll manufacturers:

	2017	2016
Searle Pakistan Limited	**111,841**	183,246
Maple Pharmaceutical (Private) Limited	**984**	2,021
EPLA Laboratories (Private) Limited	**7,770**	-
Breeze Pharma (Private) Limited	**10,140**	25,133
Nova Med Pharmaceuticals	**11,685**	32,000
BioGenics	**115**	-
Other than above	**10,287**	-
	152,822	242,400

		2017	2016
11	**Trade debts**		
	Considered good		
	- Secured	**392,527**	354,531
	- Unsecured	**2,710,985**	1,579,315
		3,103,512	1,933,846
	Considered doubtful	**88,944**	43,955
		3,192,456	1,977,801
	Provision for:		
	- Doubtful debts - note 43.4 and 43.6	**(88,944)**	(43,955)
	- Discounts payable on sales	**(513,634)**	(293,779)
		(602,578)	(337,734)
		2,589,878	1,640,067

11.1 The above balances include amounts due from the following associated undertakings which are neither past due nor impaired:

Unsecured	2017	2016
Yunus Textile Mills Limited	**1,847**	179
Lucky Textile Mills Limited	**1,861**	948
Lucky Foods (Private) Limited	**155**	-
Lucky Knits (Private) Limited	**528**	472
Oil & Gas Development Company Limited	**14**	14
NutriCo Pakistan (Private) Limited	**-**	2,393
Feroze 1888 Mills Limited	**-**	331
	4,405	4,337

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
12	**Loans and advances**		
	Considered good		
	Loans due from:		
	Executives - note 12.1	**101,283**	82,157
	Employees	**25,086**	34,424
		126,369	116,581
	Advances to:		
	Executives	**15,153**	10,768
	Employees	**4,207**	491
	Contractors and suppliers - note 12.2	**294,562**	261,572
	Others	**1,694**	2,950
		315,616	275,781
		441,985	392,362
12.1	The maximum aggregate amount of loans due from the executives at the end of any month during the year:	**48,882**	68,691
12.2	The above balances inculde advances to related parties amounting to:		
	Pakistan Cables Limited	**20,853**	-
	Lucky Cement Limited	**1,617**	-
		22,470	**-**
13	**Trade deposits and short-term prepayments**		
	Trade deposits	**148,718**	38,001
	Short-term prepayments	**428,708**	392,648
		577,426	430,649
14	**Other receivables**		
	Considered good		
	Duties, sales tax and octroi refunds due	**986,290**	520,981
	Commission receivable	**42,834**	28,046
	Due from associate	**164,000**	-
	Receivable from principal - note 14.1	**209,114**	184,950
	Others	**215,632**	70,423
		1,617,870	804,400
	Considered doubtful	**5,055**	1,622
		1,622,925	806,022
	Provision for doubtful receivables - note 14.2	**(5,055)**	(1,622)
		1,617,870	804,400
14.1	This includes receivable from a foreign vendor in relation to margin support guarantee:	**128,527**	118,528
14.2	**Movement of provision for doubtful receivables**		
	Balance at the beginning of the year	**1,622**	1,622
	Charge for the year	**3,433**	-
	Balance at the end of the year	**5,055**	1,622
15	**Cash and bank balances**		
	Cash at bank:		
	- Short-term deposits - note 15.1	**279,350**	247,878
	- Current accounts	**37,937**	4,696
	- Saving accounts - note 15.2	**943,518**	-
	Cash in hand	**5,659**	6,388
		1,266,464	258,962

15.1 Represent security deposits from customers that are placed with various banks at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 5.50% to 6.50% (June 30, 2016: 6.00% to 7.00%) and these term deposits are readily encashable without any penalty.

15.2 This amount pertains to the initial investment of NutriCo Morinaga which is held for the purpose of construction of plant.

Amounts in PKR '000

As at June 30, 2017	As at June 30, 2016		As at June 30, 2017	As at June 30, 2016

16 Issued, subscribed and paid-up capital

(Numbers)				
As at June 30, 2017	As at June 30, 2016		**As at June 30, 2017**	As at June 30, 2016
83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation - (note 16.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 16.2)	**83,963**	83,963
92,359,050	**92,359,050**		**923,591**	**923,591**

16.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 01, 1987.

16.2 With effect from October 1, 2000 the Pure Terephthalic Acid (PTA) Business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

16.3 As at June 30, 2017, Lucky Holdings Limited together with Gadoon Textile Mills and Lucky Textile Mills Limited held 86.14% (June 30, 2016: 86.67%) shares, while institutions held 5.73% (June 30, 2016: 8.25%) and individuals and others held the balance of 8.13% (June 30, 2016: 5.08%).

17 Capital reserves

	2017	2016
Share premium - note 17.1	**309,057**	309,057
Capital receipts - note 17.2	**586**	586
	309,643	309,643

17.1 Share premium includes the premium amounting to PKR 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of PKR 464.357 million representing the difference between nominal value of PKR 10 per share of 12,618,391 ordinary shares issued by the Company and the market value of PKR 590.541 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange (now Pakistan Stock Exchange Limited) over the ten trading days between October 22, 2001 to November 2, 2001.

17.2 Capital receipts represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

18 Surplus on revaluation of property, plant and equipment

	2017	2016
Balance at the beginning of the year	**995,330**	722,369
Revaluation surplus - note 4.2 & 4.3	**-**	470,929
Deferred tax liability recognised on surplus - note 21	**-**	(130,207)
	-	340,722
Adjustment due to change in tax rate - note 21.1	**11,611**	3,382
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	**(104,153)**	(71,143)
Balance at the end of the year	**902,788**	995,330

Amounts in PKR '000

			As at June 30, 2017	As at June 30, 2016
19	**Provisions for non-management staff gratuity**		**115,030**	90,867

19.1 Staff retirement benefits

The amount recognised in the profit and loss account against defined benefit scheme for the year is as follows:

		2017				2016			
		Funded			**Unfunded**	Funded			Unfunded
		Pension	**Gratuity**	**Total**		Pension	Gratuity	Total	
19.1.1	**The amounts recognised in the profit and loss account against defined benefit schemes are as follows:**								
	Current service cost	**13,653**	**42,966**	**56,619**	**4,503**	16,554	38,832	55,386	3,389
	Interest cost	**74,207**	**47,820**	**122,027**	**7,116**	85,424	52,368	137,792	7,661
	Expected return on plan assets	**(106,856)**	**(42,640)**	**(149,496)**	**-**	(123,707)	(44,814)	(168,521)	-
	Past service cost / (reversal)	**-**	**-**	**-**	**-**	-	1,427	1,427	(1,427)
	Net (reversal) / charge for the year	**(18,996)**	**48,146**	**29,150**	**11,619**	(21,729)	47,813	26,084	9,623
	Other comprehensive income:								
	Loss on obligation	**142,055**	**22,379**	**164,434**	**9,903**	54,496	28,629	83,125	1,579
	Gain on plan assets	**(60,949)**	**(39,238)**	**(100,187)**	**-**	(43,712)	(22,962)	(66,674)	-
	Net (gain) / loss	**81,106**	**(16,859)**	**64,247**	**9,903**	10,784	5,667	16,451	1,579
19.1.2	**Movement in the net assets / (liability) recognised in the balance sheet are as follows:**								
	Opening balance	**421,273**	**(100,175)**	**321,098**	**(90,867)**	410,328	(112,378)	297,950	(87,422)
	Acquired through business combination	**-**	**-**	**-**	**(12,759)**	-	-	-	-
	Net reversal / (charge) - note 19.1.1	**18,996**	**(48,146)**	**(29,150)**	**(11,619)**	21,729	(47,813)	(26,084)	(9,623)
	Other comprehensive income / (loss)	**(81,106)**	**16,859**	**(64,247)**	**(9,903)**	(10,784)	(5,667)	(16,451)	(1,579)
	Contributions / payments during the year	**-**	**66,685**	**66,685**	**10,118**	-	65,683	65,683	7,757
	Closing balance	**359,163**	**(64,777)**	**294,386**	**(115,030)**	421,273	(100,175)	321,098	(90,867)
19.1.3	**The amounts recognised in the balance sheet are as follows:**								
	Fair value of plan assets - note 19.1.5	**1,472,114**	**625,476**	**2,097,590**	**-**	1,453,265	556,791	2,010,056	-
	Present value of defined benefit obligation - note 19.1.4	**(1,112,951)**	**(690,253)**	**(1,803,204)**	**(115,030)**	(1,031,992)	(656,966)	(1,688,958)	(90,867)
	Net asset / (liability)	**359,163**	**(64,777)**	**294,386**	**(115,030)**	421,273	(100,175)	321,098	(90,867)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

		2017 Pension	**2017 Gratuity**	**2017 Total**	**2017 Unfunded**	2016 Pension	2016 Gratuity	2016 Total	2016 Unfunded
19.1.4	**Movement in the present value of defined benefit obligation:**								
	Opening balance	**1,031,992**	**656,966**	**1,688,958**	**90,867**	955,651	584,006	1,539,657	87,422
	Acquired through business combination	**-**	**-**	**-**	**12,759**	-	-	-	-
	Current service cost	**13,653**	**42,966**	**56,619**	**4,503**	16,554	38,832	55,386	3,389
	Interest cost	**74,207**	**47,820**	**122,027**	**7,116**	85,424	52,368	137,792	7,661
	Benefits paid	**(148,956)**	**(79,878)**	**(228,834)**	**(10,118)**	(80,133)	(48,296)	(128,429)	(7,757)
	Actuarial loss / (gain)	**142,055**	**22,379**	**164,434**	**9,903**	54,496	28,629	83,125	1,579
	Past service cost / (reversal)	**-**	**-**	**-**	**-**	-	1,427	1,427	(1,427)
	Closing balance	**1,112,951**	**690,253**	**1,803,204**	**115,030**	1,031,992	656,966	1,688,958	90,867
19.1.5	**Movement in the fair value of plan assets:**								
	Opening balance	**1,453,265**	**556,791**	**2,010,056**	**-**	1,365,979	471,628	1,837,607	-
	Expected return	**106,856**	**42,640**	**149,496**	**-**	123,707	44,814	168,521	-
	Contributions	**-**	**66,685**	**66,685**	**-**	-	65,683	65,683	-
	Benefits paid	**(148,956)**	**(79,878)**	**(228,834)**	**-**	(80,133)	(48,296)	(128,429)	-
	Actuarial gain	**60,949**	**39,238**	**100,187**	**-**	43,712	22,962	66,674	-
	Closing balance - note 19.1.7	**1,472,114**	**625,476**	**2,097,590**	**-**	1,453,265	556,791	2,010,056	-

19.1.6 Historical information

	June 30				
	2017	2016	2015	2014	2013
Present value of defined benefit obligation	**1,918,234**	1,779,825	1,627,079	1,627,920	1,700,226
Fair value of plan assets	**(2,097,590)**	(2,010,056)	(1,837,607)	(1,654,533)	(1,655,974)
Net (asset) / liability	**(179,356)**	(230,231)	(210,528)	(26,613)	44,252

19.1.7 Major categories / composition of plan assets are as follows:

	2017	**2016**
Debt instruments	**60.69%**	72.37%
Equity at market value	**32.49%**	21.99%
Cash / Others	**6.82%**	5.63%

Fair value of plan asset

Investment	**Pension**	**Gratuity**	Pension	Gratuity
	As at June 30, 2017		As at June 30, 2016	
National savings deposits	**41,041**	**18,655**	256,738	17,051
Government bonds	**872,860**	**339,892**	852,610	327,732
Mutual Funds	**72,440**	**46,150**	60,873	38,750
Shares	**476,763**	**205,390**	274,215	167,694
Cash	**9,010**	**15,389**	8,829	12,452
Benefits due	**-**	**-**	-	(6,888)
Total	**1,472,114**	**625,476**	1,453,265	556,791

Mortality of active employees and pensioners is represented by the LIC (96-98) table. The table has been rated down three years for mortality of female pensioners and widows.

Actual return on plan assets during the year:	**351,691**	239,346

19.1.8 The principal actuarial assumptions at the reporting date were as follows:

Amounts in PKR '000

	2017	2016
Discount rate	**7.25%**	7.75%
Future salary increases - Management	**5.00%**	5.75%
Future salary increases - Non - Management	**2.75%**	3.25%
Future pension increases	**2.25%**	2.50%

19.1.9 Impact of changes in assumptions on defined benefit scheme Is as follows:

Assumption	1% Increase	1% Decrease
Discount rate	**(88,708)**	103,908
Salary increase	**70,404**	(64,047)
Pension increase	**35,914**	(32,424)

	As at June 30, 2017 (Unaudited)	As at June 30, 2016 (Audited)
19.1.10 During the year, the Group contributed in the fund as follows:		
Provident fund	**88,659**	78,611
Defined contribution superannuation fund	**76,728**	67,426

19.2 Provident fund

Size of the fund	**1,250,408**	1,169,750
Cost of investments made	**1,125,222**	1,046,679
Percentage of investments made	**90%**	89%
Fair value of investments	**1,152,476**	1,090,817

19.2.1 Break-up of Investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	As at June 30, 2017 (Unaudited)		As at June 30, 2016 (Audited)	
On fair value	**Investments**	**% of investment as size of the fund**	Investments	% of investments as size of the fund
Pakistan Investment Bonds	**640,456**	**56%**	559,264	51%
Regular Income Certificates	**21,713**	**2%**	19,767	2%
Mutual Funds	**57,398**	**5%**	147,454	14%
Shares	**432,909**	**37%**	364,332	33%
	1,152,476	**100%**	1,090,817	100%

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

	As at June 30, 2017	As at June 30, 2016
20 Long-term loans	**4,919,478**	3,652,586
Loans from banking companies / financial institutions - note 20.1:		
Interest based arrangement		
Long-term finance facility		
United Bank Limited (UBL)	**1,353,444**	1,282,342
Faysal Bank Limited (FBL)	**74,717**	74,717
MCB Bank Limited	**532,170**	217,086
Other long-term loan		
Allied Bank Limited (ABL)	**83,333**	416,668
United Bank Limited (UBL)	**2,000,000**	2,000,000
Habib Bank Limited (HBL)	**510,000**	-
Shariah compliant		
Islamic term finance		
Habib Bank Limited (HBL)	**1,000,000**	-
First Habib Modarba	**13,481**	-
Meezan Bank Limited (MBL)	**-**	55,556
	5,567,145	4,046,369
Current portion shown under current liabilities	**(647,667)**	(393,783)
	4,919,478	3,652,586

20.1 Terms and conditions of these borrowings are as follows:

Lenders	Mark-up / Profit rate	Limit	Loan duration	Grace Period
FBL	SBP rate + 45bps	250,000	10 Years	2 Yrs
UBL	SBP rate + 50bps	1,500,000	10 Years	2 Yrs
MCB	SBP rate + 30 bps	1,500,000	10 Years	2 Yrs
HBL	6MK + 5bps	2,500,000	7 Years	2 Yrs
ABL	3MK + 25bps	1,000,000	4 Years	1 Yr
UBL	3MK + 25bps	2,000,000	5 Years	2 Yrs
First Habib Modaraba	6MK + 225bps	17,757	3 to 5 Years	Nil

These loans are secured against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 7,000 million respectively. Mark-up is payable on quarterly basis.

Amounts in PKR '000

21 Deferred tax liability - net

	As at June 30, 2017				As at June 30, 2016			
	Opening	**Reversal**	**Recognized in surplus on revaluation**	**Closing**	Opening	Charge / (Reversal)	Recognized in surplus on revaluation	Closing
Deductible temporary differences								
Provisions for retirement benefits, doubtful debts and others	**(239,276)**	**(34,442)**	-	**(273,718)**	(230,018)	(9,258)	-	(239,276)
Retirement funds provisions	**(19,491)**	**(18,227)**	-	**(37,718)**	(15,421)	(4,070)	-	(19,491)
Taxable temporary differences				**-**	-	-	-	
Property, plant and equipment - note 21.1	**1,689,556**	**(153,038)**	**-**	**1,536,518**	1,426,606	132,743	130,207	1,689,556
	1,430,789	**(205,707)**	**-**	**1,225,082**	1,181,167	119,415	130,207	1,430,789

21.1 Charge during the year includes amount adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate of: **11,611** 3,382

22 Liabilities subject to finance lease

	As at June 30, 2017		As at June 30, 2016	
	Minimum lease payments	**Present value of minimum lease payments**	Minimum lease payments	Present value of minimum lease payments
Within one year	**2,198**	**2,009**	-	-
After one year but not more than five years	**826**	**799**		
Total minimum lease payments	**3,024**	**2,808**	-	-
Less: Finance charges allocated to future periods	**216**	**-**		
Present value of minimum lease payments - note 22.1	**2,808**	**2,808**	-	-
Less: Current maturity shown under current liability	**2,009**	**2,009**		
	799	**799**	-	-

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

23 Trade and other payables

	As at June 30, 2017	As at June 30, 2016
Trade creditors	**1,846,046**	1,309,635
Bills payable	**3,301,163**	2,557,323
Accrued expenses	**2,537,351**	1,857,509
Technical service fee / royalty - note 23.1	**21,640**	19,778
Workers' profit participation fund - note 23.2	**243,326**	191,680
Workers' welfare fund	**65,767**	181,209
Distributors' security deposits - payable on termination of distributorship - note 23.3	**101,657**	101,113
Contractors' earnest / retention money	**10,572**	10,245
Running account with customers - note 23.4	**426,174**	302,686
Unclaimed dividends	**80,568**	70,648
Payable for capital expenditure	**1,109,672**	547,635
Provision for compensated absences - note 23.5	**31,249**	31,249
Others	**158,526**	142,053
	9,933,711	7,322,763

23.1 This amount includes royalty payable to Lucky Holdings Limited, the Holding Company. **21,640** 18,993

23.2 Workers' profit participation fund

Balance at the beginning of the year	**191,680**	152,453
Acquired through business combination	**3,141**	-
Allocation for the year - note 31	**235,170**	189,030
	429,991	341,483
Interest on funds utilised in the Group's at 48.25% (June 30, 2016: 86.25%) per annum - note 32	**2,365**	3,704
Payment to the fund	**(189,030)**	(153,507)
Balance at the end of the year	**243,326**	191,680

23.3 Interest on security deposits from certain distributors is payable at ranging from 5.50% to 6.50% (June 30, 2016: 6% to 7%) per annum as specified in the respective agreements.

23.4 Included herein are amounts due to the following associated undertakings (related party):

Fashion Textile Mills (Pvt.) Limited	**362**	-
Yunus Textile Mills Limited	**-**	106
Lucky Cement Limited	**-**	1,039
	362	1,145

23.5 This figure is based on actuarial valuation and estimation.

24 Short-term borrowings and running finance **2,128,905** 1,937,184

Short-term borrowings and running finance facility from various banks aggregated to Rs. 7,341 million (June 30, 2016: Rs. 7,281 million) and carry mark-up during the year ranging from relevant KIBOR negative 0.05% to positive 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.12% on utilized limits (June 30, 2016: relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.22% on utilized limits). These facilities are secured by immovable property and hypothecation charge over the present and future stock-in-trade and book debts of the Company.

Amounts in PKR '000

24.1	**Export refinance**	**50,000**	388,741

The Company has export refinance facility of upto PKR. 1200 million available from Faysal Bank Limited as at June 30, 2017 out of which PKR. 50 million was utilized (2016: PKR. 388.741 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 2%) + 0.25% per annum (June 30, 2016: SBP rate 3.5% + 0.25% per annum).

24.2 Money Market

During the year the Company had obtained a money market loan of PKR 300 million from Standard Chartered Bank Limited for a term of 3 month at plain KIBOR, and of PKR 250 million from Natioanl Bank of Pakistan for a term of 3 month at relevant KIBOR minus 5 bps. **550,000** 300,000

24.3	**Short-term running finance - secured**	**1,528,905**	1,248,443

25 Contingencies and commitments

25.1 Claims against the Group not acknowledged as debts are as follows:

Local bodies - note 25.1.1	**1,400**	1,100
Others	**15,302**	28,529
	16,702	29,629

25.1.1 Collectorate of customs - classification issue in PCT heading

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

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

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

25.1.2 Cirin Pharmaceuticals (Pvt.) Ltd (‘Cirin’) has been manufacturing its own registered product Carnem (Meropenem) (“Product”) and marketing it through a company named Laderly Bio-tech Pharma (‘Laderly’). The agreement for such arrangement expired in the year 2015 and later completed its extended one-year term in the year 2016. Both companies agreed to manufacture final batches of the Product just before the acquisition by ICI. However post-acquisition, Laderly demanded to have the Product transferred in its name.
Thereafter, Laderly initiated legal proceedings against Cirin for getting the product transferred in its name. Cirin’s stance is that since Laderly does not hold a drug manufacturing license, it is not legally permissible for Laderly to manufacture drugs, and therefore the Product cannot be transferred to Laderly. At present, the matter is pending adjudication in court and Cirin is strongly contesting the matter. The chances of a favorable outcome for Cirin are expected.

25.2 Tax related contingencies are disclosed in note 46 to these consolidated financial statements for income tax and sales tax contingencies.

25.3	Commitments in respect of capital expenditure including various projects of the Soda Ash business:	**1,888,030**	2,193,478

25.4 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

Year		
2016-17	**-**	64,050
2017-18	**72,921**	44,247
2018-19	**60,110**	28,227
2019-20	**39,393**	6,550
2020-21	**18,186**	-
	190,610	143,074

Payable not later than one year	**72,921**	64,050
Payable later than one year but not later than five years	**117,689**	79,024
	190,610	143,074

26 Operating segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	Group
	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016
Sales												
Afghanistan	-	-	59,967	34,502	-	-	1,247	8,711	-	-	61,214	43,213
India	-	-	584,537	704,327	-	-	-	-	-	-	584,537	704,327
United Kingdom	-	-	-	-	-	-	-	2,192	-	-	-	2,192
Others	-	-		-	1,981	-	-	-	-	-	1,981	-
	-	-	644,504	738,829	1,981	-	1,247	10,903	-	-	647,732	749,732
Inter-segment	-	-	-	-	-	-	7,214	4,610	527,052	455,181	534,266	459,791
Local	14,647,604	14,235,639	13,159,554	12,653,113	14,173,116	10,265,352	5,504,214	4,739,851	-	-	47,484,488	41,893,955
	14,647,604	14,235,639	13,804,058	13,391,942	14,175,097	10,265,352	5,512,675	4,755,364	527,052	455,181	48,666,486	43,103,478
Commission / Toll income	-	-	-	-	10,145	-	55,085	45,681	-	-	65,230	45,681
Turnover	14,647,604	14,235,639	13,804,058	13,391,942	14,185,242	10,265,352	5,567,760	4,801,045	527,052	455,181	48,731,716	43,149,159
Sales tax	-	(414,677)	(1,897,987)	(1,848,888)	(135,821)	(141,338)	(622,360)	(540,998)	(76,580)	(66,137)	(2,732,748)	(3,012,038)
Commission and discounts	(259,549)	(393,753)	(865,387)	(702,375)	(2,489,130)	(1,413,689)	(155,997)	(279,213)	-	-	(3,770,063)	(2,789,030)
	(259,549)	(808,430)	(2,763,374)	(2,551,263)	(2,624,951)	(1,555,027)	(778,357)	(820,211)	(76,580)	(66,137)	(6,502,811)	(5,801,068)
Net turnover	14,388,055	13,427,209	11,040,684	10,840,679	11,560,291	8,710,325	4,789,403	3,980,834	450,472	389,044	42,228,905	37,348,091
Cost of sales - note 28	(14,251,410)	(13,765,271)	(7,727,970)	(7,432,444)	(8,124,521)	(6,195,958)	(3,734,456)	(3,086,848)	(376,507)	(297,630)	(34,213,124)	(30,776,411)
Gross profit	136,645	(338,062)	3,312,714	3,408,235	3,435,770	2,514,367	1,054,947	893,986	73,965	91,414	8,015,781	6,571,680
Selling and distribution expenses - note 29	(242,348)	(243,280)	(296,027)	(310,371)	(1,810,828)	(1,266,174)	(339,031)	(298,317)	-	-	(2,688,234)	(2,118,142)
Administration and general expenses - note 30	(332,202)	(274,325)	(287,018)	(241,827)	(374,348)	(232,148)	(147,289)	(133,377)	(509)	(593)	(1,141,126)	(882,030)
Operating result	(437,905)	(855,667)	2,729,669	2,856,037	1,250,594	1,016,045	568,627	462,292	73,456	90,821	4,186,421	3,571,508
26.1 Segment assets - note 26.5	9,682,810	8,085,224	20,853,429	16,782,250	8,277,934	7,011,907	4,082,046	3,152,394	1,390,974	388,906	33,817,840	27,277,801
26.2 Unallocated assets											2,984,087	3,197,915
											36,801,927	30,475,716
26.3 Segment liabilities - note 26.5	13,710,932	12,368,868	3,925,251	2,034,908	3,232,079	2,187,208	1,129,720	734,635	71,521	45,106	11,196,063	8,773,771
26.4 Unallocated liabilities											7,880,091	6,131,864
											19,076,154	14,905,635

26.5 Inter unit current account balances of respective businesses have been eliminated from the total

26.6 Depreciation and amortisation charge note 4.5 and 5.2	791,828	819,631	1,357,068	1,016,718	43,856	29,723	38,819	33,166	43,346	55,073	2,274,917	1,954,311
26.7 Capital expenditure	253,982	222,744	4,376,082	3,937,224	84,669	47,953	88,776	46,232	52,870	6,925	4,856,379	4,261,078

26.8 Inter-segment pricing

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

26.9 There were no major customer of the Group which formed part of 10% or more of the Group's revenue.

27 Reconciliations of reportable segment revenues, cost of sales, assets and liabilities

	For the year ended June 30, 2017	For the year ended June 30, 2016
27.1 Turnover		
Total turnover for reportable segments - note 26	48,731,716	43,149,159
Elimination of inter-segment turnover - note 26	(7,214)	(4,610)
Elimination of inter-segment turnover from the subsidiary	(450,472)	(389,044)
Total turnover	48,274,030	42,755,505
27.2 Cost of sales		
Total cost of sales for reportable segments - note 28	34,213,124	30,776,411
Elimination of inter-segment purchases - note 28	(7,214)	(4,610)
Elimination of inter-segment purchases from the subsidiary	(450,472)	(389,044)
Total cost of sales	33,755,438	30,382,757

	As at June 30, 2017	As at June 30, 2016
27.3 Assets		
Total assets for reportable segments	33,817,840	27,277,801
Taxation recoverable	1,253,468	2,234,248
Intangibles - goodwill and brands	764,083	-
Long-term investments - note 6	966,536	963,667
Total assets	36,801,927	30,475,716
27.4 Liabilities		
Total liabilities for reportable segments	11,196,063	8,773,771
Short-term borrowings and running finance - note 24	2,128,905	1,937,184
Long-term loan - note 20	5,567,145	4,046,369
Accrued mark-up	103,473	77,663
Unclaimed dividends - note 23	80,568	70,648
Total Liabilities	19,076,154	14,905,635

28 Cost of sales

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	Group
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Raw and packing materials consumed												
Opening stock	**644,917**	665,385	**625,823**	405,275	**821,960**	690,608	**219,532**	295,456	**20,611**	21,643	**2,332,843**	2,078,367
Purchases												
Inter-segment	**5,532**	4,106	**-**	-	**1,682**	504	**-**	-	**-**	-	**7,214**	4,610
Others	**11,801,977**	10,982,051	**2,223,176**	2,506,983	**2,191,148**	2,030,953	**2,008,727**	1,427,390	**289,143**	194,507	**18,514,171**	17,141,884
	11,807,509	10,986,157	**2,223,176**	2,506,983	**2,192,830**	2,031,457	**2,008,727**	1,427,390	**289,143**	194,507	**18,521,385**	17,146,494
	12,452,426	11,651,542	**2,848,999**	2,912,258	**3,014,790**	2,722,065	**2,228,259**	1,722,846	**309,754**	216,150	**20,854,228**	19,224,861
Closing stock - note 10	**(742,941)**	(644,917)	**(645,261)**	(625,823)	**(724,286)**	(767,844)	**(436,174)**	(219,532)	**(21,625)**	(20,611)	**(2,570,287)**	(2,278,727)
Raw and packaging material consumed	**11,709,485**	11,006,625	**2,203,738**	2,286,435	**2,290,504**	1,954,221	**1,792,085**	1,503,314	**288,129**	195,539	**18,283,941**	16,946,134
Salaries, wages and benefits - note 28.1	**485,944**	436,141	**808,959**	751,389	**88,453**	25,203	**67,764**	58,076	**17,737**	17,603	**1,468,857**	1,288,412
Stores and spares consumed	**182,685**	188,411	**162,273**	144,872	**1,282**	(691)	**12,907**	11,304	**19,281**	20,617	**378,428**	364,513
Conversion fee paid to contract manufacturers	**-**	-	**-**	-	**385,683**	376,652	**14,269**	9,382	**-**	-	**399,952**	386,034
Oil, gas and electricity	**1,133,944**	1,029,957	**2,629,665**	2,825,500	**17**	-	**20,864**	18,023	**578**	1,768	**3,785,068**	3,875,248
Rent, rates and taxes	**1,698**	1,649	**1,371**	1,338	**14,605**	13,983	**41,632**	30,062	**450**	420	**59,756**	47,452
Insurance	**15,946**	19,194	**26,972**	27,232	**569**	34	**1,699**	1,306	**1,038**	1,255	**46,224**	49,021
Repairs and maintenance	**12,632**	11,812	**6,105**	1,463	**5,080**	3,281	**6,887**	5,380	**120**	130	**30,824**	22,066
Depreciation and amortisation charge - note 4.5 and 5.2	**779,835**	801,217	**1,344,567**	999,894	**14,901**	6,051	**23,415**	18,247	**43,346**	55,073	**2,206,064**	1,880,482
Excise duty	**-**	-	**-**	-	**-**	-	**-**	-	**4,587**	3,934	**4,587**	3,934
Technical fees	**-**	-	**-**	-	**3,416**	3,035	**591**	2,876	**-**	-	**4,007**	5,911
Royalty	**-**	-	**-**	-	**4,476**	3,605	**-**	-	**-**	-	**4,476**	3,605
General expenses	**199,663**	211,454	**228,257**	188,528	**38,524**	7,413	**40,133**	29,684	**1,241**	1,291	**506,078**	436,630
Opening stock of work-in-process	**96,152**	72,137	**-**	-	**77,208**	13,391	**7,284**	10,506	**-**	-	**180,644**	96,034
Closing stock of work-in-process - note 10	**(52,831)**	(96,152)	**-**	-	**(53,231)**	(36,743)	**(4,028)**	(7,284)	**-**	-	**(110,090)**	(140,179)
Cost of goods manufactured	**14,565,153**	13,682,445	**7,411,907**	7,226,651	**2,871,487**	2,369,435	**2,025,502**	1,690,876	**376,507**	297,630	**27,248,816**	25,265,297
Opening stock of finished goods	**401,556**	484,382	**133,957**	182,030	**1,947,861**	1,668,871	**440,433**	433,725	**-**	-	**2,923,807**	2,769,008
Finished goods purchased	**18,588**	-	**270,003**	157,720	**5,246,319**	4,090,211	**1,802,843**	1,414,880	**-**	-	**7,337,753**	5,662,811
	14,985,297	14,166,827	**7,815,867**	7,566,401	**10,065,667**	8,128,517	**4,268,778**	3,539,481	**376,507**	297,630	**37,510,376**	33,697,116
Closing stock of finished goods - note 10	**(733,887)**	(401,556)	**(87,897)**	(133,957)	**(1,879,187)**	(1,922,505)	**(532,552)**	(440,433)	**-**	-	**(3,233,523)**	(2,898,451)
Provision for slow moving and obsolete stock-in-trade - note 30	**-**	-	**-**	-	**(61,959)**	(10,054)	**(1,770)**	(12,200)	**-**	-	**(63,729)**	(22,254)
	14,251,410	13,765,271	**7,727,970**	7,432,444	**8,124,521**	6,195,958	**3,734,456**	3,086,848	**376,507**	297,630	**34,213,124**	30,776,411

28.1 Staff retirement benefits

Salaries, wages and benefits include amounts in respect of staff retirement benefits: **93,775** 89,692

29 Selling and distribution expenses

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	Group
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Salaries and benefits - note 29.1	**49,641**	44,052	**42,233**	42,058	**818,954**	609,675	**169,886**	142,537	**-**	-	**1,080,714**	838,322
Repairs and maintenance	**205**	149	**1,036**	1,241	**5,522**	4,783	**3,852**	2,771	**-**	-	**10,615**	8,944
Advertising and publicity expenses	**23,420**	25,100	**28,900**	10,902	**354,009**	207,042	**8,901**	10,677	**-**	-	**415,230**	253,721
Rent, rates and taxes	**552**	527	**2,781**	3,136	**22,311**	13,847	**1,616**	1,363	**-**	-	**27,260**	18,873
Insurance	**-**	-	**342**	312	**16,121**	10,887	**2,027**	3,245	**-**	-	**18,490**	14,444
Lighting, heating and cooling	**134**	125	**2,214**	2,328	**5,379**	4,482	**4,137**	4,772	**-**	-	**11,864**	11,707
Depreciation and amortisation charge - note 4.5 and 5.2	**-**	-	**86**	108	**21,242**	14,403	**8,800**	8,983	**-**	-	**30,128**	23,494
Write-offs	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Outward freight and handling	**1,180**	18,287	**88,417**	127,031	**172,681**	106,930	**80,514**	72,058	**-**	-	**342,792**	324,306
Travelling expenses	**12,321**	9,486	**3,417**	3,806	**209,587**	167,703	**23,369**	21,638	**-**	-	**248,694**	202,633
Postage, telegram, telephone and telex	**1,216**	1,578	**2,009**	1,771	**23,163**	18,096	**3,724**	3,651	**-**	-	**30,112**	25,096
Royalty	**143,844**	134,272	**110,407**	108,407	**-**	-	**-**	-	**-**	-	**254,251**	242,679
General expenses	**9,835**	9,704	**14,185**	9,271	**161,859**	108,326	**32,205**	26,622	**-**	-	**218,084**	153,923
	242,348	243,280	**296,027**	310,371	**1,810,828**	1,266,174	**339,031**	298,317	**-**	-	**2,688,234**	2,118,142

29.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits: **59,573** 51,830

30 Administration and general expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	Group
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Salaries and benefits - note 30.1	**199,205**	169,001	**180,905**	150,715	**163,615**	121,191	**102,577**	85,988	**-**	(29)	**646,302**	526,866
Repairs and maintenance	**3,738**	3,341	**4,217**	3,889	**6,063**	5,935	**812**	763	**-**	-	**14,830**	13,928
Advertising and publicity expenses	**2,877**	1,454	**3,259**	1,730	**1,125**	564	**855**	419	**-**	-	**8,116**	4,167
Rent, rates and taxes	**6,383**	6,017	**3,113**	3,047	**6,225**	1,747	**673**	659	**-**	-	**16,394**	11,470
Insurance	**1,022**	1,058	**1,223**	1,265	**4,957**	4,220	**288**	399	**-**	-	**7,490**	6,942
Lighting, heating and cooling	**5,685**	6,573	**4,137**	4,526	**10,806**	12,654	**4,029**	4,525	**-**	-	**24,657**	28,278
Depreciation and amortisation charge - note 4.5 and 5.2	**11,993**	18,414	**12,415**	16,716	**7,713**	9,269	**6,604**	5,936	**-**	-	**38,725**	50,335
Provision for doubtful debts - note 43.6	**553**	548	**-**	-	**37,618**	6,752	**675**	2,890	**-**	-	**38,846**	10,190
Provision for slow moving and obsolete stock-in-trade - note 10.1	**-**	-	**-**	-	**61,959**	10,054	**1,770**	12,200	**-**	-	**63,729**	22,254
Provision for slow moving stores and spares - note 9.2	**-**	-	**-**	4,060	**-**	-	**-**	-	**-**	-	**-**	4,060
Travelling expenses	**8,808**	7,834	**6,512**	5,518	**11,367**	8,491	**3,503**	2,318	**-**	-	**30,190**	24,161
Postage, telegram, telephone and telex	**3,648**	3,244	**2,833**	2,649	**5,336**	4,100	**1,739**	1,571	**-**	-	**13,556**	11,564
General expenses	**88,290**	56,841	**68,404**	47,712	**57,564**	47,171	**23,764**	15,709	**509**	622	**238,291**	167,815
	332,202	274,325	**287,018**	241,827	**374,348**	232,148	**147,289**	133,377	**509**	593	**1,141,126**	882,030

30.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits: **61,913** 22,073

		For the year ended June 30, 2017	For the year ended June 30, 2016
			Amounts in PKR '000
31	**Other charges**		
	Auditors' remuneration - note 31.1	**6,097**	5,239
	Donations - note 31.2	**20,000**	20,000
	Workers' profit participation fund - note 23.2	**235,170**	189,030
	Workers' welfare fund	**59,195**	73,222
	Workers' welfare fund - Reversal - note 31.3	**(174,638)**	-
	Loss on disposal of operating fixed assets	**-**	2,701
	Others	**28,344**	1,500
		174,168	291,692
31.1	**Auditors' remuneration**		
	Statutory audit fee	**3,671**	3,034
	Half yearly review and other certifications	**1,264**	1,271
	Out of pocket expenses	**1,162**	934
		6,097	5,239

31.2 Represent provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of the Group, Mr. Suhail Aslam Khan, Mr. Arshaduddin Ahmed, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Group are amongst the Trustees of the Foundation.

31.3 Through the Finance Acts of 2006 and 2008, certain amendments were brought in the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) including the levy of WWF which had been originally calculated at the rate of 2% of the total (taxable) income of the industrial establishment in a particular year, was amended to charge on higher of total (taxable) income or profit before tax as per account. During the year, the Honorable Supreme Court of Pakistan through its judgement dated 10 October 2016, in Civil Appeals No. 1049 to 1055/2011 decided that amendments in WWF Ordinance made through Finance Acts were unconstitutional. Accordingly, the Company has reversed the excess provision calculated on the basis of profit before tax as per accounts.

32	**Finance costs**		
	Mark-up	**313,464**	260,200
	Interest on workers' profit participation fund - note 23.2	**2,365**	3,704
	Discounting charges on receivables	**70,388**	55,748
	Exchange losses	**13,087**	60,005
	Guarantee fee and others	**3,902**	4,588
		403,206	384,245
33	**Other income**		
	Income from financial assets		
	Profit on short-term and call deposits - note 33.1	**14,553**	8,151
	Income from non-financial assets		
	Scrap sales	**82,634**	60,803
	Sales from scrap raw materials	**1,164**	12,754
	Gain on disposal of operating fixed assets	**7,285**	-
	Provisions and accruals no longer required written back	**5,679**	369
	Sundries	**3,725**	1,842
		115,040	83,919

33.1 These are interest-based arrangements.

Amounts in PKR '000

		For the year ended June 30, 2017	For the year ended June 30, 2016
34	**Taxation**		
	Current	**1,290,717**	530,120
	Deferred	**(175,869)**	126,867
	Net tax charged - note 34.1	**1,114,848**	656,987
34.1	**Tax reconciliation**		
	Profit before tax	**4,394,956**	3,386,808
	Tax @ 31% (June 30, 2016: 32%)	**1,362,436**	1,083,779
	Effect of profit of subsidiary	**(38,750)**	(28,673)
	Effect of share of profit from associate	**(123,580)**	(130,342)
	Effect of credit under section 65B	**(130,996)**	(355,500)
	Effect of change in tax rate on beginning deferred tax	**(36,694)**	(41,612)
	Others	**82,432**	129,335
	Net tax charged	**1,114,848**	656,987
	Average effective tax rate	**25.37%**	19.40%
35	**Basic and diluted earnings per share (EPS)**		
	Profit after taxation for the year	**3,282,748**	2,729,821
		Number of shares	
	Weighted average number of ordinary shares in issue during the year	**92,359,050**	92,359,050
		PKR	
	Basic and diluted earnings per share (EPS)	**35.54**	29.56

Amounts in PKR '000

36	Cash flows from operating activities	For the year ended June 30, 2017	For the year ended June 30, 2016
	Profit before taxation	4,394,956	3,386,808
	Adjustments for:		
	Depreciation and amortization - note 4.5 and 5.2	2,274,917	1,954,311
	Loss / (gain) on disposal of operating fixed assets - note 31 and 33	(7,285)	2,701
	Provision for staff retirement benefit plan - note 19.1.1	29,150	26,084
	Provisions for non-management staff gratuity and eligible retired employees' medical scheme	31,302	32,450
	Interest on short-term bank deposits	(14,553)	(8,151)
	Share of profit from associate	(670,869)	(407,318)
	Interest expense	390,118	324,240
	Provision for doubtful debts - note 43.6	38,846	10,190
	Provision for slow moving and obsolete stock-in-trade - note 10.1	63,506	22,254
	Provision for slow moving stores and spares - note 9.2	-	4,060
	Provisions and accruals no longer required written back	(5,679)	(369)
		6,524,409	5,347,260
	Movement in:		
	Working capital - note 36.1	(555,792)	(284,954)
	Long-term loans	(18,626)	(31,122)
	Long-term deposits and prepayments	(5,034)	(2,818)
		5,944,957	5,028,366

36.1 Movement in working capital

	For the year ended June 30, 2017	For the year ended June 30, 2016
Increase in current assets		
Stores, spares and consumables	(149,837)	(156,406)
Stock-in-trade	(547,425)	(396,202)
Trade debts	(964,096)	(219,163)
Loans and advances	(50,233)	(66,734)
Trade deposits and short-term prepayments	(169,824)	5,747
Other receivables	(638,504)	181,269
	(2,519,919)	(651,489)
Increase in current liabilities		
Trade and other payables	1,964,127	366,535
	(555,792)	(284,954)

37 Remuneration of chief executive, directors and executives

The amounts charged in the financial statements for the remuneration, including all benefits, to the chief executive, directors and executives of the Group were as follows:

	Chief Executive		Directors		Executives		Total	
	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016	For the year ended June 30, 2017	For the year ended June 30, 2016
Managerial remuneration	52,137	49,844	34,104	32,117	920,399	807,571	1,006,640	889,532
Retirement benefits	8,610	8,197	6,059	5,712	199,622	177,700	214,291	191,609
Group insurance	55	45	55	45	7,009	5,605	7,119	5,695
Rent and house maintenance	1,636	1,096	-	-	269,318	235,874	270,954	236,970
Utilities	1,033	844	-	-	68,246	59,640	69,279	60,484
Medical expenses	210	85	62	335	33,498	48,165	33,770	48,585
	63,681	60,111	40,280	38,209	1,498,092	1,334,555	1,602,053	1,432,875
Number of persons as at the balance sheet date	1	1	1	1	632	575	634	577

37.1 The directors and certain executives are provided with free use of cars (obtained on lease by Company) in accordance with their entitlement. The chief executive is provided with free use of the Company leased car, certain household equipment and maintenance when needed.

		For the year ended June 30, 2017	For the year ended June 30, 2016
37.2	Remuneration paid to Chairman during the year:	-	-
37.3	During the year fee paid to non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	3,313	2,813

		As at and for the year ended June 30, 2017	As at and for the year ended June 30, 2016
37.4	Total number of employees as at the balance sheet date	1,805	1,757
	Average number of employees during the year	1,809	1,730

38 Transactions with related parties

The related parties comprise the holding company (Lucky Holdings Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, local associated companies, directors of the Company, companies where directors also hold directorship, key employees (note 37) and staff retirement funds (note 19). Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship with the company	Nature of transaction	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Holding Company	Dividend	**1,170,969**	896,952
	Royalty	**254,251**	242,679
Associated companies	Purchase of goods, materials and services	**118,276**	101,833
	Sale of goods and materials	**1,424,859**	1,477,802
	Dividend received from associate	**668,000**	458,375
	Reimbursement of Expenses	**88,272**	61,760
	Dividend paid to associates	**187,988**	143,755
	Donations paid	**20,000**	-
Key management personnel	Remuneration paid	**195,068**	182,620
	Post employment benefits	**31,159**	30,850

39 Plant capacity and annual production

- in metric tonnes except PowerGen which is in thousands of Megawatt hours and Nutraceuticals which is in packs:

	For the year ended June 30, 2017		For the year ended June 30, 2016	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester	**122,250**	**121,929**	122,250	118,859
Soda Ash	**350,000**	**342,416**	350,000	337,869
Chemicals - note 39.2	**-**	**14,210**	-	12,950
Sodium Bicarbonate	**40,000**	**31,660**	40,000	29,330
PowerGen - note 39.3	**122,640**	**30,412**	122,640	29,178
Nutraceuticals and Cirin - note 39.2 and 39.4	**-**	**3,018,534**	-	836,332

39.1 Production of Soda Ash as compared to last year was greater due to commissioning of Coal fired boilers 3 and 4, dense ash, and light ash projects. Annual name plate capacity of Sodium Bicarbonate also increased due to commissioning of RSB project. Out of total production of 342,416 metric tonnes Soda Ash, 28,495 metric tonnes was transferred for production of 31,660 tonnes of Sodium Bicarbonate.

39.2 The capacity Chemicals, Neutraceuticals and Cirin is indeterminable because these are multi-product with multiple dosage and multiple pack size plants.

39.3 Electricity by PowerGen is produced as per demand of the Polyester division of the Holding Company.

39.4 Last year includes six month production after commissioning of Nutra plant.

40 Fair value of financial assets and liabilities

The carrying amounts of the financial assets and financial liabilities as at the balance sheet date approximate their fair values.

Amounts in PKR '000

41 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

41.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

42 Market risk

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

42.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the balance sheet date the interest rate profile of Group's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2017	As at June 30, 2016
Fixed rate instruments		
Financial assets - Note 15	**1,222,868**	247,878
Financial liabilities - Note 20 and 21	**(2,061,988)**	(1,675,258)
	(839,120)	(1,427,380)
Variable rate instruments		
Financial liabilities - note 20 and 24	**(4,212,238)**	(4,409,407)
	(4,212,238)	(4,409,407)

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the balance sheet date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been PKR 42.122 million (June 30, 2016: PKR 44.094 million).

42.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Group is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupees, the Group enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Group's treasury policy. The policy allows the Group to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross balance sheet exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP	JPY
			As at June 30, 2017		
Other receivables	**-**	**990**	**33,346**	**-**	**-**
	-	**990**	**33,346**	**-**	**-**
Trade and other payables	**(606,417)**	**(158,390)**	**(2,152,362)**	**(10,096)**	**(549)**
Gross balance sheet exposure	**(606,417)**	**(157,400)**	**(2,119,016)**	**(10,096)**	**(549)**
			As at June 30, 2016		
Other receivables	3,583	406	18,944	49	-
	3,583	406	18,944	49	-
Trade and other payables	-	(140,419)	(1,801,105)	(5,978)	(348)
Gross balance sheet exposure	3,583	(140,013)	(1,782,161)	(5,929)	(348)

Amounts in PKR '000

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**As at June 30, 2017**	As at June 30, 2016
Rupees per	**PKR**		**PKR**	
EURO	**114.22**	115.73	**119.63**	116.80
USD	**104.81**	104.35	**104.85**	104.83
GBP	**132.93**	155.15	**136.24**	141.43
CNY	**15.39**	16.22	**15.47**	15.78
JPY	**0.96**	0.89	**0.94**	1.02

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by PKR 28.935 million (June 30, 2016: PKR 19.249 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2017, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Group's profit before tax at June 30, 2017 and June 30, 2016 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
2017						
Pak Rupee	**+1%**	**6,064**	**1,574**	**21,190**	**101**	**5**
Pak Rupee	**-1%**	**(6,064)**	**(1,574)**	**(21,190)**	**(101)**	**(5)**
2016						
Pak Rupee	+1%	(36)	1,400	17,822	59	3
Pak Rupee	-1%	36	(1,400)	(17,822)	(59)	(3)

43 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Group's gross maximum exposure to credit risk at the balance sheet date is as follows:

	As at June 30, 2017	As at June 30, 2016
43.1 Financial assets		
Long-term investment - note 6	**966,536**	963,667
Long-term loans - note 7	**382,421**	357,637
Long-term deposits - note 8	**30,057**	28,209
Trade debts - note 11	**2,589,878**	1,640,067
Loans and advances - note 12	**441,985**	392,362
Trade deposits - note 13	**148,718**	38,001
Other receivables - note 14	**631,580**	283,419
Bank balances - note 15	**1,260,805**	252,574
	6,451,980	3,955,936

43.2 The Group has placed its funds with banks which are rated A1+ by PACRA and A-1+ by JCR-VIS.

43.3 Financial assets

- Secured	**920,677**	814,236
- Unsecured	**5,531,303**	3,141,700
	6,451,980	3,955,936

Amounts in PKR '000

43.4 The ageing of trade debts and loans and advances at the balance sheet date is as follows:

	As at June 30, 2017	As at June 30, 2016
Not past due	**2,581,245**	1,856,497
Past due but not impaired:		
Not more than three months	**462,100**	160,408
Past due and Impaired:		
More than three months and not more than six months	**36,274**	8,805
More than six months and not more than nine months	**778**	734
More than nine months and not more than one year	**20,101**	22,545
More than one year	**20,309**	27,395
	539,562	219,887
Provision for:		
- Doubtful debts - note 11	**(88,944)**	(43,955)
	3,031,863	2,032,429

43.4.1 There were no past due or impaired receivables from related parties.

43.5 The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:

Wholesale customers	**73,749**	10,962
Retail customers	**465,799**	172,969
End-user customers	**14**	35,956
	539,562	219,887
Provision for:		
- Doubtful debts - note 11	**(88,944)**	(43,955)
	450,618	175,932

43.6 **Movement of provision for doubtful debts, loans and advances**

	Trade Debts	**Loans and Advances**	**Total**	Total
Balance at the beginning of the year	**43,955**	**-**	**43,955**	40,987
Acquisition through business combination	**6,143**	**-**	**6,143**	-
Additional provision - note 30	**38,846**	**-**	**38,846**	10,190
Written off during the year	**-**	**-**	**-**	(7,222)
Balance at the end of the year	**88,944**	**-**	**88,944**	43,955

43.6.1 The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a Group-standard for dynamic provisioning:

• Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
• Provide impairment loss for 100% when overdue more than 120 days.

43.7 **Concentration risk**

The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

	As at June 30, 2017	As at June 30, 2016
Textile and chemicals	**871,525**	475,256
Glass	**31,056**	63,940
Paper and board	**10,348**	32,157
Pharmaceuticals	**384,245**	235,235
Paints	**47,785**	36,855
Banks	**141,748**	258,962
Loans and advances and others	**1,775,848**	1,226,553
	3,262,555	2,328,958
Provision for:		
- Doubtful debts - note 11	**(88,944)**	(43,955)
	3,173,611	2,285,003

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

Amounts in PKR '000

44 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyze the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
		As at June 30, 2017	
Financial liabilities			
Trade creditors - note 23	**1,846,046**	**(1,846,046)**	**(1,846,046)**
Bills payable - note 23	**3,301,163**	**(3,301,163)**	**(3,301,163)**
Accrued mark-up	**103,473**	**(103,473)**	**(103,473)**
Accrued expenses - note 23	**2,537,351**	**(2,537,351)**	**(2,537,351)**
Technical service fee / Royalty - note 23	**21,640**	**(21,640)**	**(21,640)**
Distributors' security deposits - payable on termination of distributorship - note 23 and 23.3	**101,657**	**(108,773)**	**(108,773)**
Contractors' earnest / retention money - note 23	**10,572**	**(10,572)**	**(10,572)**
Unclaimed dividends - note 23	**80,568**	**(80,568)**	**(80,568)**
Payable for capital expenditure - note 23	**1,109,672**	**(1,109,672)**	**(1,109,672)**
Others - note 23	**158,526**	**(158,526)**	**(158,526)**
Long-term loans - note 20	**5,567,145**	**(5,567,145)**	**(647,667)**
Short-term borrowings - note 24	**2,128,905**	**(2,128,905)**	**(2,128,905)**
	16,966,718	**(16,973,834)**	**(12,054,356)**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

		As at June 30, 2016	
Financial liabilities			
Trade creditors - note 23	1,309,635	(1,309,635)	(1,309,635)
Bills payable - note 23	2,557,323	(2,557,323)	(2,557,323)
Accrued mark-up	77,663	(77,663)	(77,663)
Accrued expenses - note 23	1,857,509	(1,857,509)	(1,857,509)
Technical service fee / royalty - note 23	19,778	(19,778)	(19,778)
Distributors' security deposits - payable on termination of distributorship - note 23 and 23.3	101,113	(108,191)	(108,191)
Contractors' earnest / retention money - note 23	10,245	(10,245)	(10,245)
Unclaimed dividends - note 23	70,648	(70,648)	(70,648)
Payable for capital expenditure - note 23	547,635	(547,635)	(547,635)
Others - note 23	142,053	(142,053)	(142,053)
Long-term loan - note 20	4,046,369	4,046,369	(393,783)
Short-term borrowings - note 24	1,937,184	(1,937,184)	(1,937,184)
	12,677,155	(4,591,495)	(9,031,647)

45 Capital risk management

Amounts in PKR '000

The Group's objective when managing capital is to safeguard the Group's 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 dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2017 and June 30, 2016 is as follows:

	As at June 30, 2017	As at June 30, 2016
Long-term loans - note 20	**5,567,145**	4,046,369
Short-term borrowings and running finance - note 24	**2,128,905**	1,937,184
Total debt	**7,696,050**	5,983,553
Cash and bank balances - note 15	**(1,266,464)**	(258,962)
Net debt	**6,429,586**	5,724,591
Share capital	**923,591**	923,591
Capital reserves	**309,643**	309,643
Unappropriated profit	**15,102,391**	13,341,517
Equity	**16,335,625**	14,574,751
Capital	**22,765,211**	20,299,342
Gearing ratio	**28.24%**	28.20%

46 Accounting estimates and judgements

Income and sales taxes

The Company takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Companys's view differs from the view taken by the authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

In the case of assessment year 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant & the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Company. The Company had filed an appeal against the said order before the CIR (Appeals) which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant & the tax depreciation claimed thereon and the issue of addition to income in respect of trial production stocks were decided in Company 's favour however the issue of restriction of cost of capitalization of PTA plant was decided against the Company. The Company and FBR have filed the appeals on respective matters decided against them in Tribunal the hearing of which is yet to be conducted.

In the case of assessment year 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Company had filed a writ petition in the Supreme Court, after it being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Company. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02. The High Court decided the same in favor of the Company and stated that the assessment for AY 2001-2002 is time barred. The department filed an appeal in the Supreme Court against the order of the High Court. On March 13, 2017, the Supreme Court dismissed the appeal of the department pertaining to assessment year 2001-2002 and upheld the directions of the High Court and adjudged the case as being barred by limitation and thereby restoring the position in the original order whereby unabsorbed depreciation was allowed. Further, the Supreme Court gave directions to the company vide its order dated March 14, 2017 to file its reply to the notice dated May 26, 2005 with respect to AY 2002-2003. Thereafter the Company submitted its response to the department in consultation with its external counsel. On May 15, 2017 the DCIR passed its assessment order disallowing depreciation relating to PTA assets, Capital Gain on Transfer of PTA Plant, Capital Gain on exchange of Shares, Financial charges on loans Subordinate to Pakistan PTA, Excess Perquisites, discounts, Interest paid to ICI Japan, Provisions and Write Offs. An appeal with the CIR has been filed by the company against the said order. This appeal is still pending. Further, the Company filed an appeal in the Sindh High Court against the said order which has granted stay against the said order.

In the case of Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR (Appeals) has allowed all the issues in Tax Years 2003 to 2010 in Company's favor (except 2 issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues which were not decided in Company's favor, one relates to disallowance of financial charges in tax year 2003 which has now been decided in company's favor in the order dated June 15, 2017, whereby with respect to issue pertaining to tax year 2010, we have filed an appeal in the Tribunal against CIR (Appeals)'s decision.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets on the grounds that the same were sold through negotiations and not through auction as required by law. ICI filed an appeal against the said order with the Commissioner Inland Revenue (CIR), who decided the appeal in company's favor. Consequently the ACIR being dissatisfied with the CIR order filed an appeal with the ATIR. ATIR through his order dated December 01, 2016 decided the matter against ICI. ICI had filed an appeal in the High Court against the said order, the hearing of which is yet to be conducted

Availing the exemption as per clause 103 A, Part 1, 2nd Schedule of Income Tax Ordinance 2001 on inter-corporate dividend paid to Group Company entitled to Group Relief under section 59 B of the Income Tax Ordinance 2001, ICI disbursed the dividend without tax deduction to Lucky Holdings for dividends announced on 27th August, 2015 and on 19th February, 2016. However, Federal Board of Revenue not being satisfied, through an Order dated 2nd September, 2016, has called for the deposit of tax on such dividends along with penalties and additional tax. The Company filed an appeal against the said order in the High Court which has granted a stay against the said order. The Company is confident that there is no merit in this claim of FBR

In course of conducting a sales tax audit for the period July 2012 to June 2013, DCIR of FBR raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to the Company on its sales. On September 12, 2014 the Company received an order in which demand of PKR 952 million was raised. An appeal was filed with CIR(A) which was decided against the Company however directions were given to DCIR to amend the original order if the returns are revised by the Company subject to approval of FBR itself. The application for revision of return filed by the Company is pending with FBR. The Company being aggrieved has filed a suit in the Sindh High Court for relief in which the Court has granted ad-interim relief till the next date of hearing which is yet to take place. The Company is confident that there is no merit in this claim of FBR regarding revenue loss and hence, considering no probability that the case would be decided against the Company, no provision in respect of this has been made in these financial statements.

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 18 to the consolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

47 Standards, amendments and interpretations adopted during the year

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

47.1 New and amended standards

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
IFRS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)
IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS27 - Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

Annual improvements to IFRSs 2012-2014 Cycle

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7 - Financial Instruments: Disclosures - Servicing contracts
IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19 - Employee Benefits - Discount rate: regional market issue
IAS 34 - Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above revised standards, amendments and improvements does not have any material effect on these financial statements.

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

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

Standard or Interpretation	Effective date (annual periods beginning on or after)

IFRS 2 – Classification and Measurement of Share Based Payment Transactions (Amendment)	January 01, 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Yet not finalised
IAS 7 - Statement of Cash Flows - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 - Uncertainity over Income tax treatment	January 01, 2019

The Company expects that the adoption of the above standards and amendments will not have any material impact on the Company's financial statements in the period of initial application.

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

Standard or Interpretation	**IASB effective date (annual periods beginning on or after)**
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019
IFRS 17 - Insurance Contracts	January 01, 2021

The Group expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

48 Post balance sheet events - dividends

The Directors in their meeting held on July 28, 2017 have recommended a final dividend of PKR 10.00 per share (June 30, 2016: PKR 9.00 per share). This dividend is in addition to interim dividend paid of PKR 8.00 per share during the current year. The consolidated financial statements for the year ended June 30, 2017 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

49 Date of authorization

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on July 28, 2017.

50 General

50.1 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no

50.2 Figures have been rounded off to the nearest thousand rupees except as stated otherwise.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	*Chief Executive*	*Chief Financial Officer*