



ISMAIL  
INDUSTRIES  
LIMITED



FORWARD  
AND SUCCEED

ANNUAL REPORT 2022



# COMPANY PROFILE

## BOARD OF DIRECTORS

Mr. Muhammad M. Ismail	Chairman
Mr. Munsarim Saifullah	Chief Executive Officer
Mr. Ahmed Muhammad	Executive Director
Mr. Maqsood Ismail Ahmed	Non-Executive Director
Ms. Mehvish Ahmed Karim	Non-Executive Director
Mr. M. Zubair Motiwala	Independent Director
Ms. Tasneem Yusuf	Independent Director

## AUDIT COMMITTEE MEMBERS

Ms. Tasneem Yusuf	Chairperson
Mr. Muhammad M. Ismail	Member
Mr. Maqsood Ismail Ahmed	Member

## REGISTERED OFFICE

17, Bangalore Town,  
Main Shahrah-e-Faisal, Karachi.

## FACTORIES

Unit-1: C-230, Hub H.I.T.E.,  
Balochistan.

Unit -2: B-140, Hub H.I.T.E.,  
Balochistan.

Unit-3: G-1, Hub H.I.T.E.,  
Balochistan.

Unit-4: G-22, Hub H.I.T.E.,  
Balochistan.

Unit-5: 38-C, Sundar Industrial Estate  
Raiwind Road, Lahore.

Unit-6: D-91, D-92 & D-94 North Western Zone,  
Port Qasim.

Unit-7: E164-168, North Western Zone,  
Port Qasim.

Unit-8: E154-157, North Western Zone,  
Port Qasim.

Unit-9: G-1, Hub H.I.T.E.,  
Balochistan.

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. M. Zubair Motiwala	Chairman
Mr. Maqsood Ismail Ahmed	Member
Ms. Mehvish Ahmed Karim	Member

## COMPANY SECRETARY

Mr. Ghulam Farooq

## CHIEF FINANCIAL OFFICER

Mr. Ahmed Raza Parekh

## AUDITOR

Grant Thornton Anjum Rahman  
Chartered Accountants

## LEGAL ADVISOR

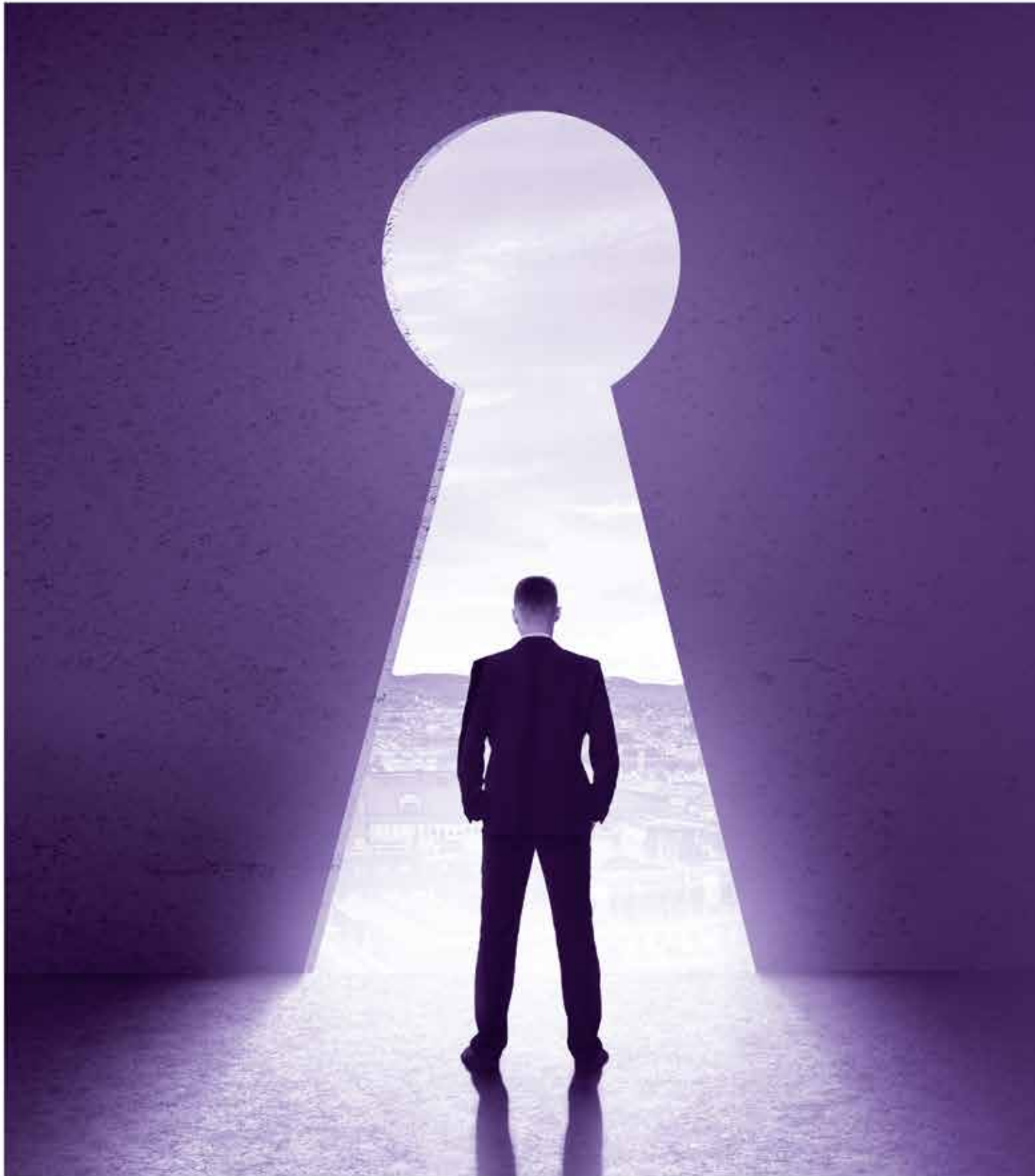
Mohsin Tayebaly & Co.

## SHARE REGISTRAR

THK Associates (Pvt.) Limited

## BANKERS / INSTITUTIONS

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank (Pakistan) Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial & Commercial Bank of China Limited  
JS Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
PAIR Investment Company Limited  
Pak Brunei Investment Co. Ltd  
Pak Oman Investment Co. Ltd  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Punjab

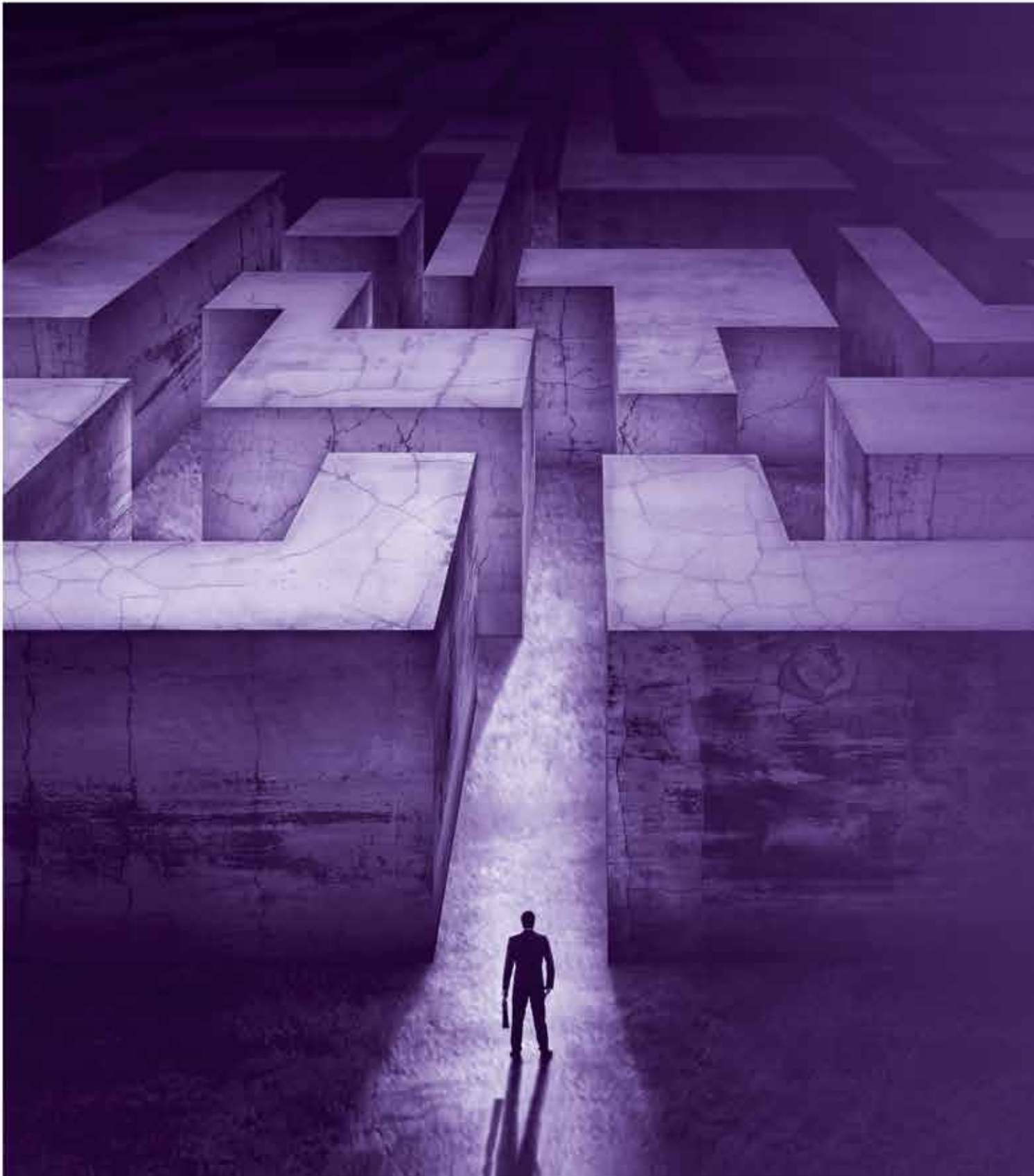




“The greatest glory in living lies not in never falling, but in rising every time we fall.”

**Nelson Mandela**



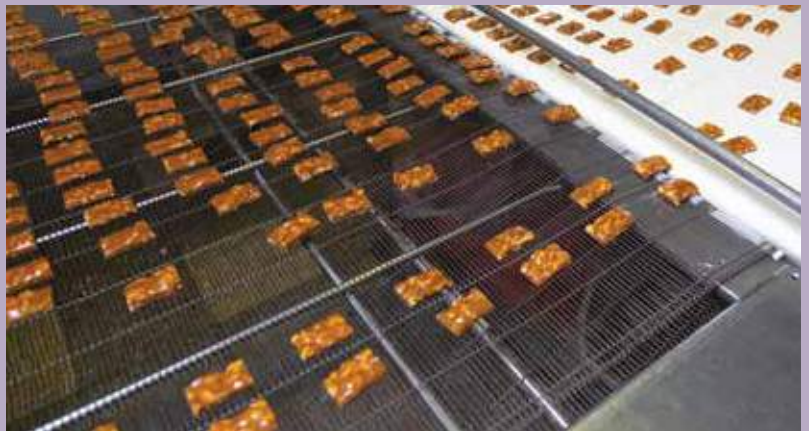




Ismail Industries Limited is one of the largest business entities of Pakistan. The company has a diverse portfolio ranging from food products (confectioneries, biscuits, snacks, and nutrition) to high-quality packaging films.

# WELCOME

Our aim is to continue to tackle environmental issues but primarily focus on the growth of our business creating a social and positive impact in society.





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## ISMAIL INDUSTRIES LIMITED

Since the very beginning we have excelled in producing and developing quality products targeting a wide variety of customers, satisfying their needs and demands.

Our efforts have borne fruit and today we are the leading producers of some of the most sought after confectionary items relished and savored by millions of our customers.

Our products appeal to all ages which have become a national symbol and it is our resolve to improve our growth by introducing newer products cherished and relished by all segments of society.



# OUR STORY





CandyLand was the pioneer of our company having been established in 1988 and very quickly earning the distinction of being the largest confectionery company of Pakistan.

Imbued with the spirit of honesty, dedication and relentless hard work we have managed to repose the confidence and trust of our customers' consumer trust for over three decades.

CandyLand has been instrumental in making us the market leader in the confectionery business. Thereafter, there was no turning back and in 2002, the Bisconni division was introduced, which soon became one of the fastest growing biscuits industries in the country.

In 2006, continuing our diversification, we ventured into the chips and peanuts category and SnackCity emerged. We then launched Astro Films in the same year as a specialized division that manufactures packaging and plastic films.

We feel honored and privileged to state that we take pride in being **ISO 22000 certified** and meeting the global quality standard developed by the International Organization for Standardization dealing with food safety.

Certified by South African National Halal Authority (SANHA) which is a leading authority in the certification for Halal products around the world. For over two decades, **IIL** has been exporting its products to more than **40 countries** in North America, Europe, Australia, Africa, the Far East, and the Middle East.

Our long-standing and unflinching commitment to our customers to provide the highest quality products, our effective and durable customer relationships and a brilliant marketing strategy speak volumes of our devotion and dedication to our customers.

Our employees have complete latitude and are empowered to think and act in the highest interest of our key stakeholders.

This has enabled us to think out-of-the box that has resulted in many home-grown ideas resulting in some of the most innovative products brought to Pakistan confectionery, biscuit, and snack market industry.



# MISSION

Our mission is to capitalize on our values and maximize our customers' satisfaction through continuous efforts of delivering consistent quality of products. We aim to constantly empower and enable our people to deliver value for our consumers. Our target is to extensively cater to the home markets and to strengthen our roots in international ones. The overarching mission of Ismail Industries Limited is to become a socially responsible organization that contributes towards the betterment, growth and development of Pakistan.





# VISION

Ismail Industries' vision is to continue its growth trajectory in the coming years and to become the largest food manufacturing company in Pakistan. It aims to serve its customers with delightful treats and products with the promise of taste and bringing smiles. The company plans to become the best snacking company in the country through its strategy focused on quality products, leveraging people's capabilities, employing technology for efficiency, bold innovation, and continuous process improvements.





# OUR BUSINESSES





# CORE VALUES

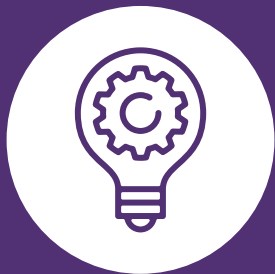


## BELIEF

Our mantra is to keep dreams alive. We have faith in the notion that belief in oneself and the overall purpose is the first step to achieve something. We strongly believe in our products, our processes, our partners, and above all - we believe in each other.

## LEADERSHIP

We believe that business performance is driven by effective leaders who can truly inspire people to unleash their individual and collective potential. We focus on providing a leadership that provides a vision, inculcates aspirations, promotes communication, and displays passion.



## EXCELLENCE

Our corporate purpose is to manifest excellence in our performance attitude. We view it as a continuous process that enables us to excel in everything we do.

## FAIRNESS

Fairness is a professional behavior that establishes reliability and credibility. We keep fairness paramount - we do what we say.



## TEAMWORK

We focus on leveraging collective efforts and nurturing a culture of appreciation. Our aim is to empower our people to make collective decisions with utmost integrity and responsibility.





# Division Introduction

- From humble beginnings to being the current largest confectionary segment of Ismail Industries Limited in Pakistan, CandyLand began its operations on June 21, 1988. The foundation of our first production plant was laid down on 1 acre of land and the first brand was launched in 1990. From that point onwards, the company has constantly achieved one milestone after the other and has expanded its production facilities to over 8-acres.
- Being the pioneer in jellies category, CandyLand has also launched brands in technically difficult categories such as lollipops and marshmallows. We take pride in delivering the best quality products and our brands strive hard to always delight our consumers. This has also helped us export our products to more than 40 countries around the globe.
- Backed by a consumer centric and innovation driven mindset, CandyLand has been known to bring new product categories to the Pakistani consumer. Our state-of-the-art facilities have enabled us to become one of the most technologically advanced and superior companies within the industry. Our customers and consumers are at the core of everything we do. We strive to deliver the best customer value proposition and ensure that our consumers receive the utmost satisfaction every time they choose our products. A blend of highly qualified and experienced individuals in our technical and marketing teams help us achieve consumer delight. Our sales force that is one of the most efficient and largest in the category, ensures that we reach out to our customers even in the most remote areas across the country.
- CandyLand offers a plethora of product categories such as Jellies, Chocolates, Marshmallows, Candies, Toffees, Chews, Lollipops, Gums, Milk chocolates, Spreads, Brittles and Truffles, all meeting international standards of quality and food safety. All CandyLand products are certified ISO 22000 and have Halal certification from SANHA.
- Coming out of the pandemic phase, we stuck to our philosophy of providing our consumers with a delightful consumption experience by introducing multiple new offerings in the markets. Some of the notable campaigns aired were for our brands were Bubble Pop and ABC Jelly on ICC WorldCup 2021. We also introduced some new brands to the market such as YOU pure milk chocolate which was a big bet for the year with a 360 degree campaign, followed by the launch of FICO, CHATPAT, Bisca and Teen Titans Go Lollipop. These latest additions to our portfolio have been launched with great zeal across the company and are a part of CandyLand's long-term growth strategy.
- At CandyLand, we promise to uphold our values, continue to nurture our existing brands and grow our category by constantly innovating and launching new brands that connect with our consumers, meet their needs and continue to delight them for many years to come.

## Objectives 2021-22

Strengthening the Sales and Distribution Structure

Research based communication development

Investment in flagship product categories

Brand health tracking and ROI based marketing

Channel management and development

Profitability improvement initiatives

## Objectives 2022-23

**Portfolio growth through product innovation**

- Strengthen Consumer value proposition
- Strategic alliances to enhance brand equity
- Portfolio expansion with introduction of new channels and geographies
- KPI based sales management
- Resource optimization



# New Launches

## FICO

This center filled toffee is a rich, caramel treat with a sweet chocolatey core. FICO hit the stores in January 2022. This premium toffee was another delectable, premium addition to the CandyLand portfolio.



## Teen Titans Go

CandyLand and Warner Bros. joined forces to launch Teen Titans Go Lollipops.. Priced at Rs. 10, the brand was launched in February 2022 and established a strong presence in the Lollipops segment.



## CHATPAT Candy

Chatpat was launched in March 2022 within CandyLand's candies category. This is a Spicy Tangy center filled candy available in three flavors : Chutney, Imli and Kairi. This brand is very close to Pakistani taste palette and resonates well with consumers that have an appetite for Chatpatta and spicy foods.





## MIXX Candy

A crystal clear candy in Cherry, Blackcurrant, Peach, Orange and Green Apple flavors was launched in March 2022. Its unique format and fruity burst make it a one of a kind proposition in the local market.



## Jammin

Staying true to our philosophy of innovation, we launched Jammin in August 2021, a jam filled marshmallow in three flavors Orange, Strawberry and Peach. The Jam center filling within a marshmallow is a unique and proposition in the local market which brought about a lot of excitement within the kids target group.



## Choc Oh Sachet

In 2020 we launched Choc Oh, a chocolate hazelnut spread. We introduced an entirely new category for CandyLand in a jar format in the premium segment.

In order to give the consumers a single consumption SKU we launched a sachet SKU in Rs 20 which not only helped generate trial but also increased the household penetration base. This way we were able to cater to all socio-economic households and also became a part of the impulse price point segment.



# Campaigns

## YOU – Pure Milk Chocolate

The biggest launch of the year, the mouthwatering, creamiest milk chocolate YOU, was unlike the country had ever seen. A clutter breaking addition to the local market, YOU was set to level against a giant market of imported brands. Launched in January, the marketing direction for YOU Milk Chocolate, the brand, hovered around the notion of taking a break from mundane worldly rituals and introducing rewarding oneself. The integrated marketing plans around the launch covered Out of Home, TV, and Digital across Pakistan.



## New Look

### Bubble Your Name

Bubble Your Name has been around for decades and has been one of the brands with the highest recall within CandyLand portfolio. Relaunching in Rs. 5, it was time to give Bubble Your Name a whole new look. The new Bubble Your Name boasts a bigger, better and juicier experience and has proven to be a huge hit in the market



### DEWY CHEWY

We refreshed the look of Dewy Chewy in May 2022 and also transitioned into the Rs. 2 price point. Dewy Chewy is now not only in a new look but also in a square shape with the same old juicy flavors.











## Perfecting the art of Baking



Carrying the ambition to bring an exquisite taste in every bite, Bisconni has inculcated an unbreakable bond with its consumers, becoming a leading player in the biscuit industry. With an array of tantalizing offerings, it has become a household name that diligently works towards delivering unmatched quality every time.

With its powerful brands over the past 20 years, Bisconni has firmly established itself amongst the three leading biscuit manufacturers of Pakistan. We aim to continue our journey towards continuous growth with innovative products of superior quality and impeccable taste. Currently present in two categories of Cookies and Cakes, our flagship brands include the country's favorites Cocomo, Chocolatto, Chocolate Chip Cookies, Novita, Rite, Craving, Flo, Chai Wala Biskut, Crux and Rollies.

Since the beginning, Bisconni has adopted a consumer-centric approach. Innovation and quality are at the heart of our corporate identity, resulting in all our products being ISO 22000 and Halal certified from SANHA. Our commitment to creating the ultimate brand experience at the forefront of our guiding philosophy has enabled us to deliver our promises and convert consumers' brand loyalty into brand love.

Bisconni is the value driver for Ismail Industries Limited and will continue to increase its market share in all categories by exploring untapped opportunities within the country and beyond.







## Chocolate Chip Cookies

The pioneer in the Chocolate Chip Category, our Biscoffi Chocolate Chip Cookie spoke to its consumers through its new campaign featuring Hira Mani. Hira is loved across all audiences; hence the message was very well received giving a boost to the brand.



## Chai Wala Biskut

The brand name calls out the product's immense association with tea. Cashing into the popularity of egg and milk cookies in Pakistan, we collaborated with Brooke Bond Supreme for a successful co-promotion.





## Rollies

Re-launched the soft & delicious Swiss Roll cake with chocolate base, Rollies! With a retro themed, colorful TVC & it's oh-so-good taste, Rollies made everyone fall in love with its flavor – Jo Khaye Ghoom Jaye!



## FLO

Building on the equity of FLO, we introduced a freshly baked TVC featuring Hania Aamir. The Cake or Chocolate confusion continued for this Fusion Mazay ka! The TVC helped us introduce the bigger sized FLO. Along with that, we enhanced trade level visibility and offered promotional packs to consumers.











Established in June 2006 and expanded in March 2010, the SnackCity division of Ismail Industries Limited proudly retains its status as a market leader in the crinkle chips category even today. Now home to an impressive range of chips, namely Kurleez, Chillz, Fillz, Hoops, Peanuts and Smax, SnackCity's sales and results speak for themselves.

This year, we proudly launched Coated Peanuts, an innovative launch in the nuts category; the product was a big success, and has laid the foundation for SnackCity to expand further in the future.

As a trial, as well as an acknowledgement of the team's efforts, gift baskets containing our new Coated Peanuts were internally distributed to management and departmental heads. Additionally, Internal Sales Challenge, named the SnackCity Super League was held in the sales department, modelled on the Pakistan Super League which was taking place simultaneously. Another creative initiative taken by SnackCity came in the form of a Selfie Competition for our product vendors whereby vendors submitted selfies posing with the newly inducted SnackCity Kurleez Stands. With these endeavours, we aim to validate the work of everyone who makes SnackCity's success possible.

At SnackCity, the customers are of utmost priority, which is why all our products are certified Halal by SANHA, alongside our ISO 22000 Certification - a testament to our commitment towards quality. Furthermore, the business unit has invested in the world's best machinery, employed the best food technicians and experts, and adopted the best practices to achieve our objective of customer satisfaction.

We aim to continue to nurture SnackCity's existing products, as well as expand our portfolio in the upcoming year of 2022-2023. We vow to uphold our company values, and meet our goal of absolute customer satisfaction, as well as continuing to be leading innovators of the Pakistani market.

## Kurleez- New Modern Look

Kurleez's new packaging put a contemporary twist on a fan favorite. The team retained the recognizable colors of each Kurleez flavor to create a seamless consumer experience, choosing instead to modernize other aspects that came together in an eclectically cohesive new look.



## Kurleez New Flavors

Based on market research and significant progress in the product development sector of Ismail Industries Limited, Kurleez made the decision to launch two new flavors under Kurleez - Herb & Yogurt, as well as Salt N Pepper. Both products were immediate hits in the market.





## Coated Peanuts Launch

Closing in on a prominent gap in the market, SnackCity launched Coated Peanuts in a beloved Masala flavor, and at two different price points to appeal to a wider consumer base. The product was a remarkable success, laying the foundation to expand and innovate further in the upcoming fiscal year.



## Glimpse of the Future

As we gear up for 2022-23, the team has generated a three-pronged target to ensure that this year is a remarkable one for SnackCity. Firstly, we aim to increase sales by reaching maximum capacity on all fronts, and ensuring that we comfortably meet our targets for the year. Secondly, we aim to diversify our existing range of products, by expanding into additional snack markets, flavors and value offerings. Thirdly, we aim to foster long-term consumer relationships by connecting more deeply and attentively with our audiences on digital and social platforms. The year ahead is filled with an abundance of opportunities, and we hope to seize them to the best of our abilities.







**ISMAL**  
NUTRITION







# ISMAIL NUTRITION

Malnutrition is a universal plague which affects a population of over 815 million people in the world.

Due to overpopulation and scarcity of adequate nutrition in Pakistan, stunting has become prevalent in children belonging to low socioeconomic backgrounds. As a socially responsible company dedicated to providing high quality food products, Ismail Industries Limited initiated the manufacturing of lipid-based nutritional products in 2010.

The urgent need of nutritional foods combined with the food manufacturing experience of the company resulted in the creation of the Ismail Nutrition Division. The overwhelming success of these products in Pakistan encouraged Ismail Industries Limited to begin exporting to neighboring countries. Many international social welfare agencies joined in as recipients of these vital nutritional aids. Ismail Nutrition is an approved supplier of United Nations Children’s Fund (UNICEF) and World Food Program (WFP). Ismail Nutrition’s manufacturing facility is currently capable of producing 120 metric tons per day.

Ismail Nutrition further aims to work towards freeing the world of malnutrition.



## Development, Research & Technology

Ismail Nutrition benefits from the rich heritage brought by Ismail Industries Limited in the food sector with over 50 years of experience in production, research & development. In addition to this, Ismail Industries’ expansive network of partners in advanced food technology aids Ismail Nutrition in the consistent development of products with high quality standards. All our products are designed to meet WHO specifications and requirements.



# FLOUR MILL AND CEREAL PLANT



Ismail Industries Limited intends to set-up Flour Mill and Cereal Plant having capacity of 240 TPD and 120 TPD respectively at Port Qasim Authority.

Flour is a powder made by grinding raw grains, roots, beans, nuts or seeds. Flour is used to make many different food products, few of them which can be produced are:

- Bread
- Pasta
- Crackers
- Cakes

Wheat/Maize/Corn is transferred through conveyor to Cereal Plant which is stored in bins on right side of above attached picture. It basically composed of 2 main process sections:

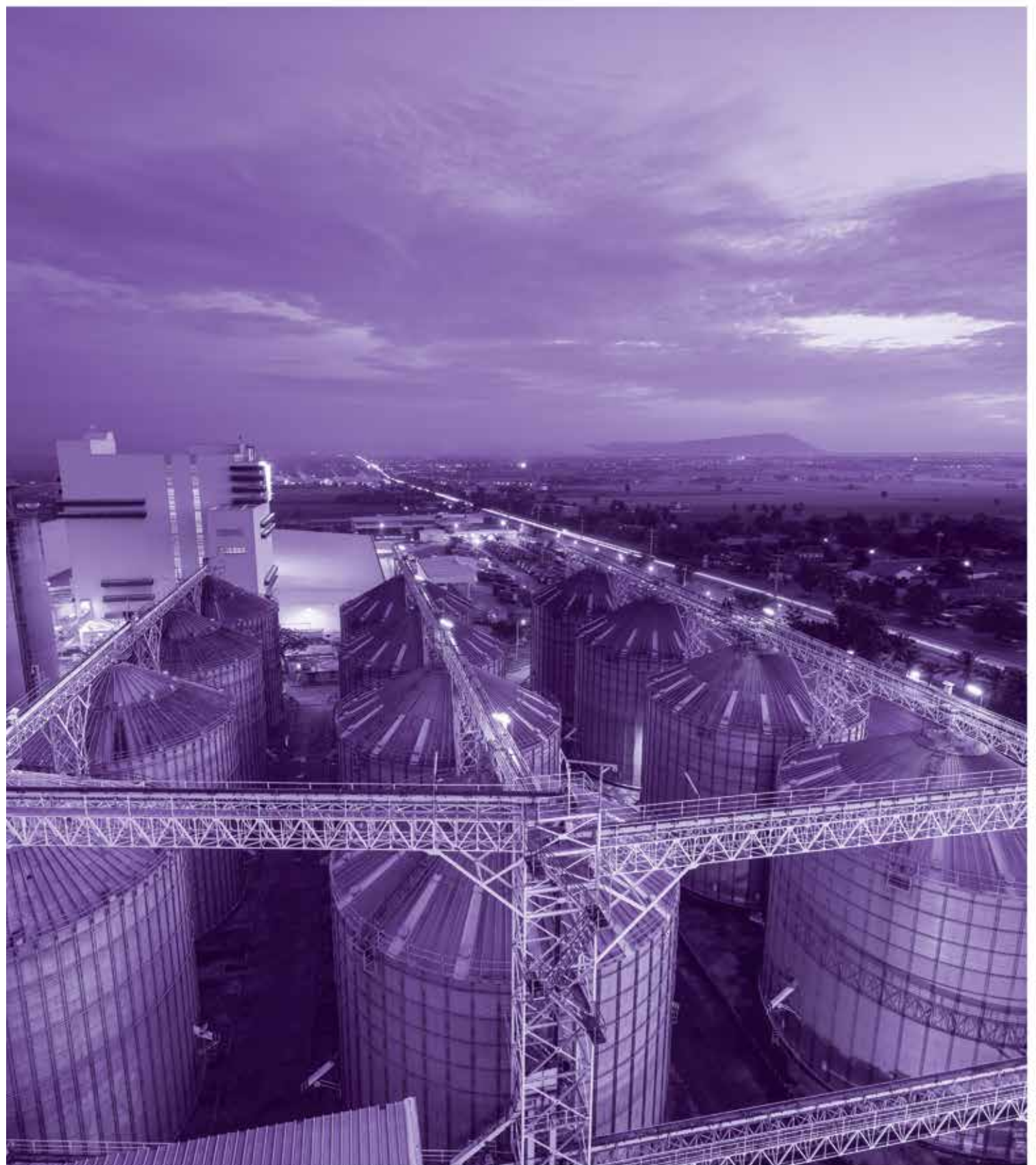
- Specialty Cleaning & Grinding Section
- Extrusion & Drying Section

Cereal and cereal products are prime carbohydrate food resources for humans and animals. Cereal grains provide a source for energy and nutrients in the form of protein, fat, fiber, and minerals along with vitamins. Our cereal plant has capacity to produce below mentioned products based on the recipes and usage of raw material:

- Wheat Soya Blend
- Wheat Soya Blend +
- Wheat Soya Blend plus +
- Corn Soya Blend
- Corn Soya Blend +
- Corn Soya Blend plus +













# ASTRO FILMS

Astro Films is one of Pakistan's leading flexible packaging film suppliers, manufacturing CPP, BOPP, and BOPET Films owned and operated by Ismail Industries Limited. Operating from the port city of Karachi, Astro Films is a regionally and globally recognized brand in the flexible packaging industry; offering a complete flexible packaging solution to its prestigious customers.

Astro Films has its production facilities in two locations in Pakistan; Hub and Port Qasim industrial areas. At Hub, Astro Films set up a CPP Plant of a renowned Italian company Gruppo Colines with an annual production capacity of 6,000 tons. Enhancing capacity and market share in 2014, Astro Films set up a new 10,000 tons per annum CPP Plant from the same company at Port Qasim, increasing overall annual CPP films capacity to 16,000 tons.

In addition, we have three metallizers from 'General Vacuum' (UK). Two metallizers are installed at the Hub CPP Plant and one at Port Qasim Plant. The two facilities have an annual metallization capacity of 12,000 and 7,000 tons respectively.

Ismail Family added a small BOPP plant from Bruckner (Germany) with a capacity of 4,500 tons per annum as a strategic addition to packaging portfolio under the name of Plastiflex Films (Private) Limited.

In 2011, the company embarked on further expansion of its packaging film portfolio by ordering the first-ever BOPET film line from Bruckner, in Pakistan. With an annual capacity of 18,000 tons per annum, this state-of-the-art film line is designed to produce BOPET films ranging from 12 $\mu$  to 120 $\mu$  thickness. The enhanced features in the BOPET line have further improved operational efficiency, providing the technical capabilities to meet the customer's expectations.

Complying to the highest quality, process, and food safety standards, Astro Films possesses certifications including **ISO 9001:2015 and FSSC 22000 (version 5)**. We are proud of our accomplishments and manufacturing capabilities which have enabled us to become one of the most competitive suppliers of CPP and BOPET films in the international market as well. Our international customer base, spanning from USA to Europe and Asia, is a testament to our truly global footprint as a packaging film supplier. Our competitive advantage in international markets has been the ability to supply the best quality film in the fastest lead times; creating sustainable business and a strongly established image of reliability.



Adding another milestone to its illustrious history, Astro Films' new state-of-the-art 8.7meter production line is operational since November 2020 with an annual output capacity of 36,000 tons, increasing Astro Film's overall BOPET capacity to 54,000 tons per annum. With the addition of this latest production line, Astro Film's total film production capacity is now 75,000+ tons/annum.





**HUDSON  
PHARMA**

**Private Limited**

**(A Subsidiary of IIL)**







## Mission

Hudson Pharma's focus is to identify safe and efficacious treatments that address local patient's unmet needs across the globe. We identify treatments that are either unavailable or under-penetrated, often with innovative delivery methods or manufacturing processes that vastly improve both safety and attainability. We have a well-established track record of executing our vision based on a repeatable and reliable process that we have developed and refined over many years. Our mission is simple. We are making game-changing drugs attainable and safer for the populations we serve.

## International Expansions

Our first step is to identify geographies with similar customer habits, socio-economic conditions, genealogy and routes to market. We are continuously looking across the world for new markets to plant seeds of future growth. We are cognizant that the returns will be higher and execution risk lower in geographies where we already have a strong physical presence. Our view is to use a balanced approach by continuously investing for long-term growth while ensuring that our current competitiveness in our existing markets is not hampered.

## Operations

In our plant in Karachi, Pakistan, we produce injectables, oral liquids and respules in polyethylene containers using the innovative blow fill seal (BFS) process. Our ophthalmic eye drops are manufactured using barrier isolation, which ensures a safer and thus superior end product. We have further extended our portfolio with the introduction of Dry Powder Inhalation (DPI) capsules filled through the microencapsulation process to ensure accurate dosing. This year, Hudson has launched their dermatology line in innovative lacquer-free packaging.

Our activities include developing, contract manufacturing, and marketing branded generic and specialty drugs in the following therapeutic areas: respiratory products, vitamins, diluting agents, anti-inflammatories, anesthetics, anti-infectives, anti-nauseants, antiemetics, anti-ulcers, NSAIDs, antifungals and ophthalmics.

## Responsibility

### Patients & Care Providers

Safety is our first priority. At every step, we make decisions and design processes with patient safety at the forefront to

ensure that the end product we market is safe, efficacious and effectively addresses patient and provider needs.

## Employees

The welfare and morale of our employees are important factors in ensuring that our team is singularly focused on the safety of both patients and other Hudson team members. We work diligently to promote a culture where creativity, innovation, teamwork, honesty and productivity are rewarded despite age, race, gender, seniority, ethnicity, background or any improper basis.

## Business Partners

We take seriously protecting the interests and reputation of our partners as though they were our own.

## Community & Environment

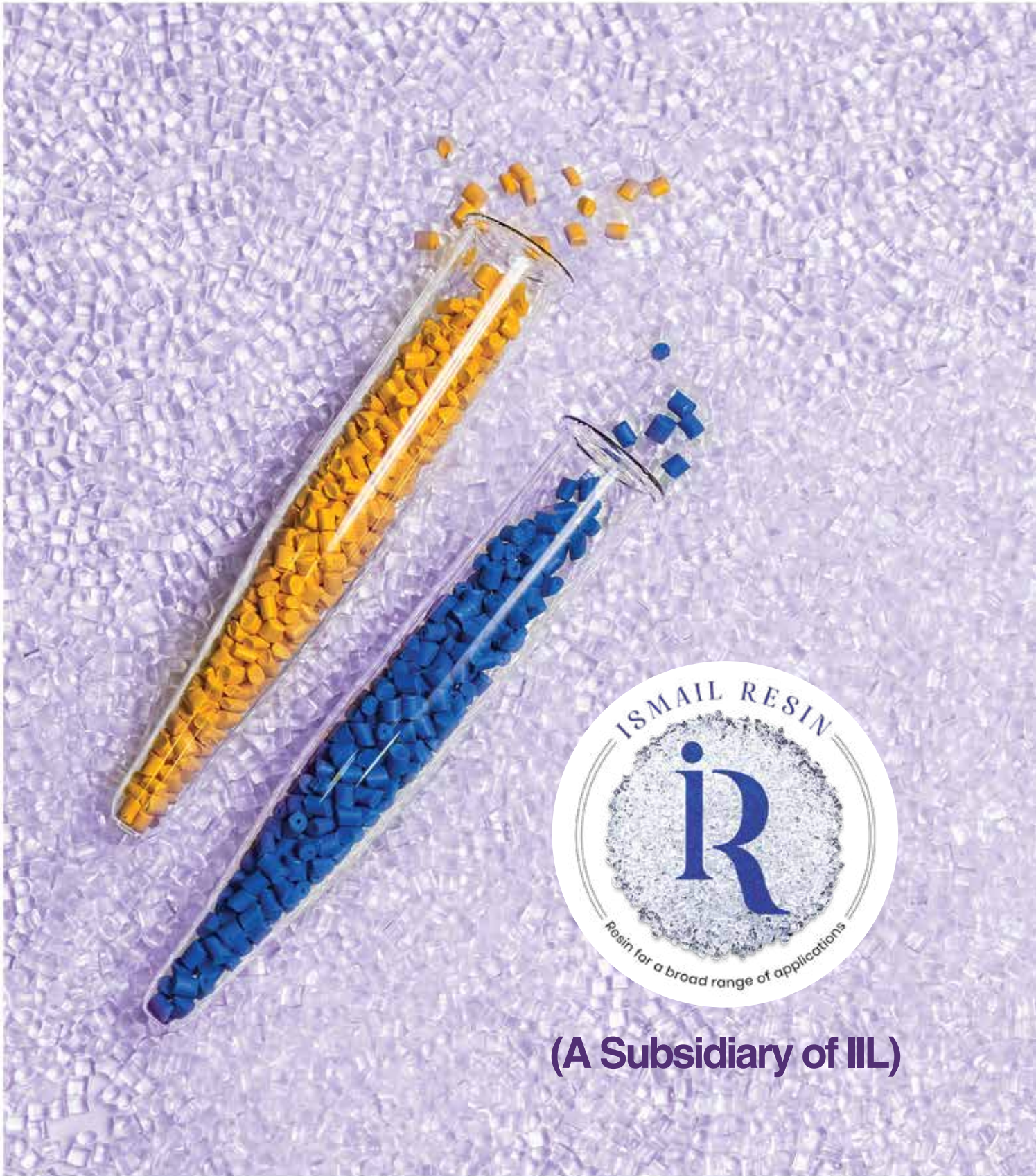
We are committed to making business decisions that protect and preserve the Earth's natural resources and environment. Our procurement and business development teams seek suppliers and partners respectively that share Hudson's commitment to environmental responsibility.

## Hudson at Present

Hudson Pharma has managed to achieve double-digit growth for the second consecutive year. Sales from all of its current product portfolios have achieved commendable growth in this period. The firm has successfully commenced its target completion of construction of new healthcare facilities for manufacturing vitamins and minerals premix and over-the-counter (OTC) vitamins and dermatology drugs. Furthermore, Hudson Pharma is installing a new manufacturing line for steroidal inhalation and oral capsule products, whose launch is also anticipated in this coming fiscal year. Apart from manufacturing and selling pharmaceutical products, the firm also engaged in a consulting role for an international NGO regarding disseminating nutritional products among pregnant and lactating women of the lower-income class of Pakistan.











# ISMAIL RESIN (PRIVATE) LIMITED

## Executive Summary

The upcoming backward integration project that includes the launch of 'PET Resin' in Ismail Resin (Private) Limited (IRL) a subsidiary company of Ismail Industries Limited. IRL was incorporated in Karachi, Pakistan on January 13, 2021 with the intention of setting-up PET Resin Plant at Port Qasim Authority at a cost of Rs. 7 billion. This facility would manufacture the PET Resin for both local and international markets. The plant with the license technology from Oerlikon Barmag - 5 Reactor Process that has a capacity of manufacturing of 300 tons/day. This PET Resin line is designed to produce both PET Film and Bottle Grade Resins. The plant is expected to be commercially operational by April 2023.

## The Business

Polyethylene terephthalate (PET) is the most common thermoplastic polymer resin of the polyester family. Plastic Material is made from PET Resin due to its excellent water and moisture barrier quality that are used by soft drinks, still water, edible oil industry and pharmaceutical sector. The convenience attached with plastic packaging is paramount in increasing the consumption of PET in Pakistan.

## Market

PET is the world's packaging choice for many foods and beverages because it is hygienic, strong, lightweight, shatterproof, and retains freshness. It is most commonly used to package carbonated soft drinks and water. PET is also popular for packaging salad dressings, cooking oil, peanut butter, shampoo, liquid hand soap, mouthwash, and other personal care items. Special grades of PET are used for take-out containers and prepared food trays that can be warmed in the oven or microwave.

## PET Resin and its industry

PET Resin is normally available in various grade as follows:

- Fiber Grade: Consumers are textiles and rubber industries.
- Film Grade: BOPET (Biaxially Oriented PET Film) and sheet grade for thermoforming consumers are foods and allied industries and pharmaceutical sector.
- Bottle Grade: Water Bottles (flat) consumers are plastic industry and carbonated. Soft drink grade and edible oil industry.



# IIL EXPORT BUSINESS

This year marked a major strategic shift in our export business. IIL is exporting to 40+ markets in 5 continents and we have now started working on further expansion of our Distributor Network and Consumer Base. We have reworked our RTM and GTM model and have appointed new distributors with large scale operational setup and better reach across all Sales Channels. A local team has been hired to work closely with the distributors on our Trade and Consumer Plans.

We are also working closely with F&B Trade Consultants to open up white spaces in South East Asia and Western Europe.

We have participated actively in regional and global trade fairs and export events. This year we participated in the following:

- Stamegna Network: Middle Eastern Food & Beverages, Dubai.
- Yummex Middle East 2021, Dubai
- Gulf Food 2022, Dubai
- PLMA 2022, Amsterdam

Despite exchange rate volatility and major increase in material & packaging costs, we closed the fiscal at positive growth.

The company is committed to an Exports future that is more agile, productive, and customer-centric. We are moving faster, taking more calculated risks, and working towards what matters most - the customer.

Our top priority for the next fiscal is to maximize Inorganic Growth to boost our Top-line Sales and Volume gains. We will work on tapping white spaces and on expanding our business with the current distributors. We also plan to increase our presence in Modern Trade and e-commerce.

## LOCAL PRESENCE

2000+ Sales Force Personnel	5 Regional Sales Office
400+ Towns	135,000 Outlets
1400+ Vans	6 Warehouses
1200+ Distributors	400,000 Weekly Sales Calls





## GLOBAL FOOTPRINT

6 Continents  
40+ Countries  
64+ Clients

# CORPORATE **SOCIAL** RESPONSIBILITY







# CORPORATE **SOCIAL** RESPONSIBILITY

Ismail Industries Limited is imbued with a noble mission of inspiring hope and contributing to the well-being of underserved communities in Pakistan. The aim is to initiate social developmental projects; provide educational and vocational opportunities; and to organize recreational events that help in improving & strengthening society.





## SOCIAL WELLBEING & HEALTHCARE

Ismail Industries Limited has launched an initiative to provide free health insurance to over 2000 field force to ensure the well-being of the staff and their families. The group also donates generously to leading healthcare institutions such as Indus Hospital to help them deliver quality healthcare to the underprivileged.



## EDUCATION FOR ALL

At Ismail Industries Limited, we are committed more than ever to make quality education accessible for everyone in Pakistan. A storytelling activity project has been initiated that will cover government schools in underserved areas of Karachi. This activity aimed to engage students and attract them to a learning culture. So far, we have carried out this activity in more than 20 schools and this long-term project continues to targets many other schools in the city.

In addition to these initiatives, we continue to sponsor Ismail Academy and Khadija Girls College, where approximately 1000 underprivileged students are receiving education through smart learning techniques and extracurricular activities. With qualified faculty, these institutes are places for students from low-income families to learn and grow into productive members of society.



## TAHAFFUZ PROGRAM

The COVID pandemic undeniably affected a major chunk of the population in Pakistan, and one major consequence was unemployment. Ismail Industries Limited resorted to contributing over Rs. 1 million to support its employees in need during this difficult time. We provided health insurance to around 1500 people – protecting approximately 5000 lives. We are the only local company which has taken such an initiative.



## SUSTAINABLE ENVIRONMENT

After exploring various alternate sources of energy, we have installed solar panels at our factories. This new energy source combined with the existing one enable us to generates about 4.48 MW of electrical power for our production units. Right now we are further planning to increase our solar capacity keeping in view the additional power requirements.



## WASL

WASL (Water and Sanitation Logistics) is a project of Ismail Industries Limited, launched with the aim of providing clean drinking water to underdeveloped areas in Pakistan. The RO plant installed in Landhi area has the capacity to provide 20,000 liters of clean drinking water every day, which can be bought at a minimal price. The profits from the WASL project are to be used for the betterment of the community.



## ISMAIL FOUNDATION AND IT'S COLLABORATIONS

Ismail Family formed a not-for-profit organization named "Ismail Foundation" with a noble mission of serving the nation and making this society a better place for everyone. Ismail Foundation also allows various organizations to join together and make even bigger strides in bettering the community and improving the society.







# ISMAIL FOUNDATION **COLLABORATIONS**

## **Ismail Foundation and Unilever**

Ismail Foundation and Unilever Pakistan have partnered to provide sustainable clean drinking water to underserved communities in Pakistan. Both companies have joined hands to establish an RO plant at Rahim Yar Khan under Ismail Foundation's Water and Sanitation Logistics (WASL) initiative, which is their flagship water project.



## **Ismail Foundation and NCAI**

Ismail Foundation and NCAI (National Centre for Artificial Intelligence) at NED UET Karachi have signed an MOU to work on building sustainable IoT & Artificial Intelligence based solution for automation & controls, energy & production efficiency at WASL RO Plants, which provide clean drinking water to under served areas in Karachi.

The collaboration will increase the social impact of the WASL project and improve its effectiveness manifold.





## Ismail Foundation and Shan Foods

In its commitment to promote green and healthy communities, Shan Shares, the CSR identity of Shan Foods, has partnered with Ismail Foundation to construct and maintain a park under the Foundation's WASL project (Water and Sanitation Logistics). Under this partnership, Shan Shares will sponsor WASL for the construction of a recreational park in the area surrounding the plant.



30<sup>th</sup> March 2022



25<sup>th</sup> April 2022





## Ismail Foundation and SWVL

Ismail Foundation recently joined hands with Swvl Business to provide safe and clean drinking water in under-served areas of Landhi & Korangi in Karachi as part of the WASL project. As per the contract, approximately 3000 liters of water will be provided every day to the inhabitants of the area free of cost. This collaboration is one of the many steps towards ensuring that we play our part in community development and betterment.



## Ismail Foundation and JDC/Saylani

Ismail Foundation has collaborated with JDC to provide free of cost RO dispensers in Masjids / Madressas / Old age homes. These dispensers provide free of cost safe and clean drinking water to even more residents of Karachi.





## Collaboration with KFC and Saylani

Ismail Foundation has collaborated with JDC, Saylani & KFC in order to provide free of cost RO dispensers in Masjids / Madressas / Old age homes / underprivileged schools. These 30 RO machines are providing 3000 gallon per day of water each day.




**پینے کا صاف پانی**  
اس نعمت کو ضائع نہیں کریں

**#TeamHamidIsmail**

For more information:  
**0300-8213324**  
[www.ismailfoundation.org](http://www.ismailfoundation.org)





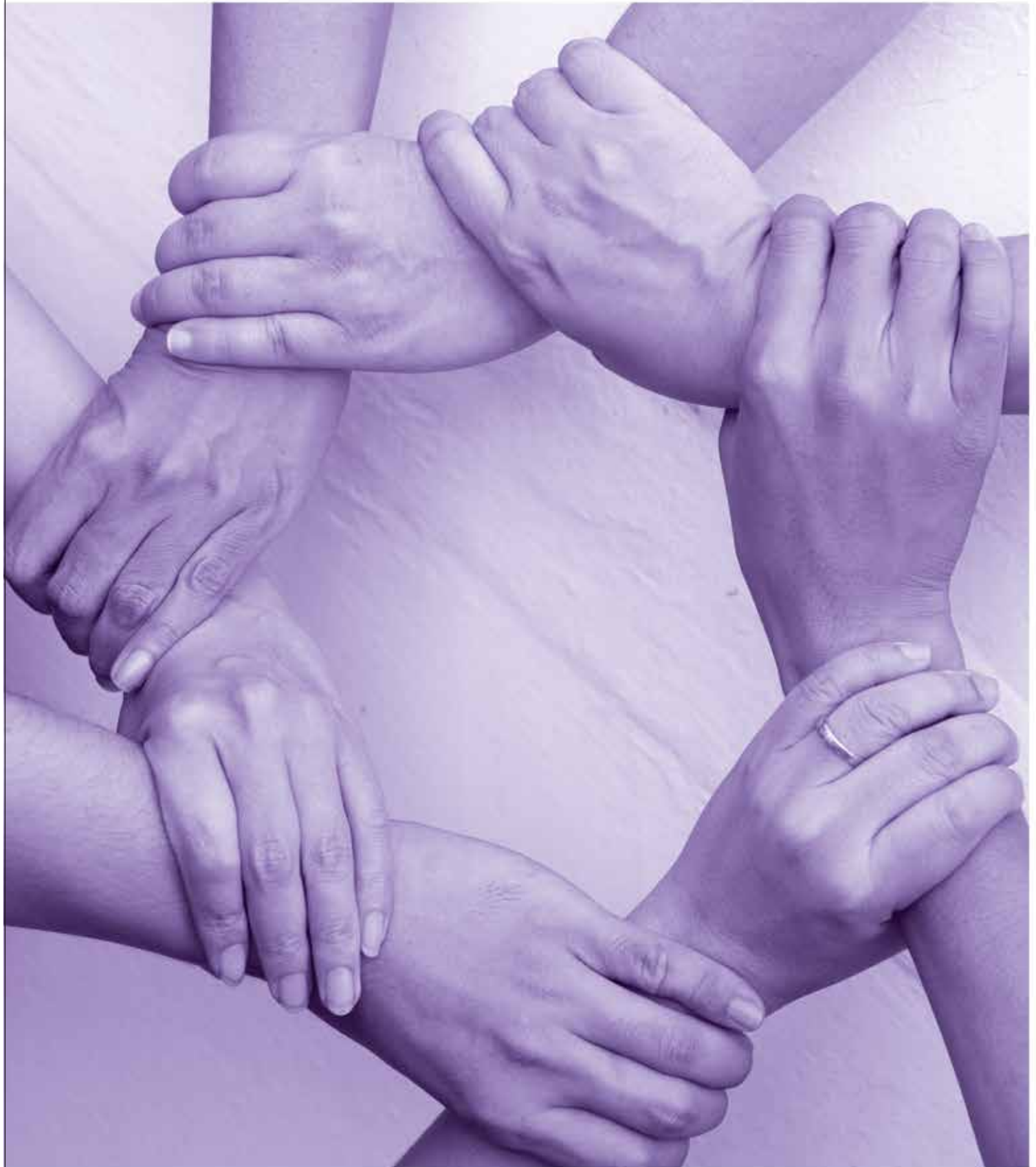
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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of **Ismail Industries Limited** will be held at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi on Wednesday, October 26, 2022 at 12:00 noon to transact the following businesses.

### Ordinary Businesses:

1. To confirm the minutes of 33<sup>rd</sup> Annual General Meeting of the Company held on October 25, 2021.
2. To receive, consider, approve and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2022, together with the Chairman's Review, Directors' Review, and Auditors' Reports thereon.
3. To approve and declare the final cash dividend on the ordinary shares of the Company for the year ended June 30, 2022 @ 40% (Rs.4/- per share) as recommended by the Board of Directors.
4. To appoint Auditors for the year ending June 30, 2023 and fix their remuneration. The Audit Committee of the Board has recommended that the retiring auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants being eligible have offered themselves for re-appointment.
5. To elect seven (7) Directors of the Company as fixed by the Board of Directors in their meeting held on September 16, 2022, for a term of three (3) years commencing from October 27, 2022, in accordance with Section 159 of the Companies Act, 2017. The following present Directors retire and are eligible for re-election.

- |                                 |                             |
|---------------------------------|-----------------------------|
| 1. Mr. Muhammad M. Ismail       | 2. Mr. Maqsood Ismail Ahmed |
| 3. Mr. Munsarim Saifullah       | 4. Mr. Ahmed Muhammad       |
| 5. Ms. Mehvish Ahmed Karim      | 6. Ms. Tasneem Yusuf        |
| 7. Mr. Muhammad Zubair Motiwala |                             |

### Special Businesses:

6. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2022 by passing the following special resolution with or without modification:

**"RESOLVED THAT** transactions carried out in normal course of business with Related Parties during the year ended June 30, 2022 as disclosed in the note no. 46 of the unconsolidated financial statements be and are hereby ratified and approved."

7. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2023, by passing the following special resolutions with or without modification:

**"RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to approve transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2023."

**"FURTHER RESOLVED THAT** these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval."





8. To consider and if deemed appropriate, pass following resolutions, with or without modifications, under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

**“RESOLVED THAT** pursuant to the requirements of section 199 of the Companies Act, 2017 the Board has decided to enhance the quantum of long-term equity investment in its subsidiary company M/s. Hudson Pharma (Private) Limited (Hudson Pharma) as approved by the shareholders in Annual General Meeting of the Company held on October 25, 2021 from Rs. 800,000,000/- (Rupees: Eight hundred million only) to Rs. 1,200,000,000/- (Rupees: One billion two hundred million only). The enhancement of Rs. 400,000,000/- (Rupees: Four hundred million only) is being proposed specifically to meet the current operational expenses / working capital requirements of the Hudson Pharma.”

9. **“RESOLVED THAT** pursuant to the requirements of section 199 of the Companies Act, 2017 the Board has decided to enhance the amount of Cross Corporate Guarantee by Rs.300,000,000/- (Rupees: Three hundred million only) for its subsidiary company M/s. Hudson Pharma as approved by the shareholders in Annual General Meeting of the Company held on October 25, 2021 from Rs. 700,000,000/- (Rupees: Seven hundred million only) to Rs. 1,000,000,000/- (Rupees: One billion only).”

10. **“RESOLVED THAT** pursuant to the requirements of section 199 of the Companies Act, 2017 the Board has decided to enhance the quantum of long-term equity investment in its subsidiary company M/s. Ismail Resin (Private) Limited (Ismail Resin) as approved by the shareholders in Annual General Meeting of the Company held on October 25, 2021 from Rs. 2,500,000,000/- (Rupees: Two billion five hundred million only) to Rs. 3,000,000,000/- (Rupees: Three billion only). The enhancement of Rs. 500,000,000/- (Rupees: Five hundred million only) is being proposed specifically to meet further estimated cost over-run arises in which main reasons are high inflation and massive devaluation of Pak Rupee.”

11. **“RESOLVED THAT** pursuant to the requirements of section 199 of the Companies Act, 2017 the Board hereby authorized to provide financial assistance to its subsidiary company M/s. Ismail Resin by way of creation of lien/charge/hypothecation/ mortgage/pledge, (ranking/pari passu) over the fixed assets of the Company to the extent of Rs. 7,000,000,000/- (Rupees: Seven billion only) in favor of Banks/Financial Institutions to secure the banking facilities extended to Ismail Resin.”

**“FURTHER RESOLVED THAT** the Chief Executive Officer / Company Secretary of the Company be and are hereby singly authorized to execute and deliver all necessary deeds, agreements, declarations, undertakings, documents and take any and/or all actions to implement and give effect to above resolutions and to complete any or all required corporate and necessary legal formalities for the purpose of implementation of above resolutions.”





**Any other Businesses:**

12. To transact any other business with the permission of the Chair.

**"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolutions, is attached along with the Notice circulated to the members of the Company, and is deemed to be an integral part hereof."**

By order of the Board

Karachi: October 1, 2022

**Ghulam Farooq**  
Company Secretary

**Notes:**

**1. Closure of Shares Transfer Book**

The shares transfer book of the Company shall remain closed with effect from October 20, 2022 to October 26, 2022 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Ltd, Plot # 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Phone # 021-111-000-322 (the Share Registrar) at the close of business on October 19, 2022 will be considered in time to attend and vote at the meeting.

**2. Participation in Annual General Meeting**

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxy, in order to be effective must reach the Company Share Registrar Office not less than 48 hours before the time of the meeting during working hours.

An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant I.D. numbers to prove his/her identity. A representative of Corporate members, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated: January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

**3. Submission of the CNIC/NTN Details (Mandatory)**

In accordance with the notification of the Securities and Exchange Commission of Pakistan Notifications SRO 779 (I) dated: August 18, 2011, and SRO 831 (I) 2012 dated: July 05, 2012, which mandates that the dividend counters should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate entities. Shareholder are requested to submit the same to the Company's Share Registrar. In case of non-compliance, the Company shall withhold credit of dividend as per law.





#### 4. Withholding Tax on Dividend

Pursuant to the provisions of section 150 of the Income Tax Ordinance, 2001 as amended by the Finance Act, 2022 prescribes rates for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

- (i) Rate of tax deduction for filer of income tax return 15%
  - (ii) Rate of tax deduction for non-filer of income tax return 30%
- I) All the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of book closure date otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
- II) According to clarification received from Federal Board of Revenue, Withholding Tax will be determined separately on 'Filer/Non-Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all Members/Shareholders of the Company either holding shares in physical form or in CDC, who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing and in the following manner:

Folio/ CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

- III) A valid Exemption Certificate under Section 159 of the Ordinance, 2001 is mandatory to claim exemption of withholding tax under Clause 47-B of Part-IV of Second Schedule to the Ordinance, 2001. Those who wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Share Registrar prior to the date of commencement of Book Closure otherwise tax will be deducted according to the applicable Law.

#### 5. Payment of Cash Dividend Electronically (Mandatory Requirement)

The provisions of section 242 of the Companies Act, 2017, and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the Shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to Company's Share Registrar at the address given herein above. In case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

<b>(i) Shareholder's details:</b>	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
<b>(ii) Shareholder's Bank account details:</b>	
Title of Bank Account	
IBAN	
Bank's Name	
Branch Name & Code No.	
Branch Address	

## 6. Transmission of Annual Report through Email

Pursuant to the SRO No. 787(I)/2014 dated: September 08, 2014, issued by the Securities and Exchange Commission of Pakistan permitted Companies to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Director Report etc. ("Annual Report") along with the notice of annual general meeting ("Notice"), to its shareholders by email. Shareholders of the Company, who wish to receive the Company's Annual Report and Notice by email, are requested to provide the complete Electronic Communication details. However, the Company may provide hard copy of Annual Report and Notice to such members on their request, free of cost, within seven days of receipt of such request.

## 7. Transmission of Annual Report through CD

The Company has circulated annual audited financial statements to its members through CD at their registered address. Printed copy of above said statements can be provided to members upon request.

## 8. Unclaimed / Unpaid Entitlements

Shareholders who by any reason could not collect their dividends/bonus shares/other entitlements are advised to contact our Share Registrar to collect / enquire about their unclaimed dividends/bonus shares/other entitlements, if any.

## 9. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities & Exchange Commission of Pakistan.

The shareholders having physical shares are encouraged to open CDC sub-account with any of the broker or Investor account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including save custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.







## 10. E-Voting

Pursuant to the Companies (E-voting) Regulations, 2016, shareholders will be able to exercise their right to vote through e-voting by giving their consent in writing, holding in aggregate 10% or more of the voting power, at least 10 days before the date of the meeting to the Company on the appointment of Execution Officer by the intermediary as Proxy.

## 11. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Director and for any other agenda item subject to the requirement of section 143 to 145 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

## 12. Availability of Financial Statements and Reports on the Website

In accordance with the Provision of section 223(7) of the Companies Act, 2017 the audited financial statements of the Company for the year ended June 30, 2022, are available on the Company's website.

## 13. Request for Video Conference Facility

In accordance with section 134(1)(b) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city. To avail this facility, fill the request form reproduce below and submitted to the registered address of the Company.

### REQUEST FOR VIDEO CONFERENCE FACILITY

I/We/Messrs. \_\_\_\_\_ of \_\_\_\_\_, being Member(s) of Ismail Industries Limited, holder of \_\_\_\_\_ ordinary share(s) as per Folio # \_\_\_\_\_ and/or CDC Participant ID & Sub-Account No. \_\_\_\_\_, hereby opt for video conference facility at \_\_\_\_\_ city.

\_\_\_\_\_  
Signature of Member(s)

(Please affix Company stamp in case of corporate entity)

## 14. Election of Directors

The office term of the existing Board of Directors of the Company will expire on October 26, 2022. In terms of section 159 (1) of the Companies Act, 2017 the directors have fixed the number of persons seven (7) to be elected at the 34<sup>th</sup> Annual General Meeting for a period of three years commencing from the conclusion of the said AGM.

The present directors are interested to the extent that they are eligible for re-election as directors of the Company.

Any person who seeks to contest the election to the office of Director, whether he is a retiring director or otherwise, shall file with the Company at its registered office 17-

Bangalore Town, Main Shahrah-e-Faisal, Karachi, not later than fourteen (14) days before the date of Annual General Meeting the following:

- a. A person must hold Company shares at the time of filing his/her consent to act as Director except a person representing a member, which is not a natural person.
- b. A notice of his/her intention to offer himself/herself for election as director in terms of section 159(3) of the Companies Act, 2017 along with consent to act as director Form-28 duly completed and signed under section 167(1) of the Companies Act, 2017.
- c. A detailed profile along with office address as required under SECP SRO 634(1)2014 dated July 10, 2014.
- d. A declaration confirming that:
  - i. He/she is not serving as a director in more than seven (7) listed companies including the Company.
  - ii. He/she is not ineligible to become a director of the Company under any applicable laws and regulations (including Listing Regulations of the Pakistan Stock Exchange)
  - iii. He/she is aware of his/her duties and powers under the relevant laws, the Company's Memorandum & Articles of Association and Listing Regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019 to be elected as director of the Company.
  - iv. He/she is not engaged in the business of brokerage or is not a spouse of such person or is not a sponsor, or officer of a corporate brokerage house.

#### **Statement of Material Facts under Section 166 (3) of the Companies Act, 2017**

Independent Directors will be elected through the process of election of director in terms of section 159 of the Act and they shall meet the criteria laid down in section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018 accordingly the following additional documents are to be submitted by candidates intending to contest election of directors as independent director:

- a) Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulation 2019; and
- b) Undertaking on non-judicial stamp paper that he/she meets the requirement of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.





## STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Ismail Industries Limited to be held on Wednesday, October 26, 2022, at 12:00 noon at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi, Pakistan, and set out the material facts concerning the Special Businesses to be transacted at the Meeting.

### **1. Item number 6 of the notice – Ratification and approval of the related parties' transactions carried out during the year ended June 30, 2022.**

The Company carries out transactions with its related parties during the year ended June 30, 2022, on an arm's length basis as per the approved policy in the normal course of business. All transactions entered into with related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

Many of the Company's Directors were interested in certain transactions with related parties due to their common directorships in associated/subsidiaries companies. During the 33<sup>rd</sup> Annual General Meeting of the Company, shareholders had authorized the Board of Directors to approve transactions with related parties from time-to time on case-to-case basis for the year ended June 30, 2022 and such transactions were deemed to be placed before the shareholders in upcoming Annual General Meeting for their formal approval/ratification.

In view of above, transactions conducted with related parties as shown in note no. 46 of the unconsolidated financial statements for the year ended June 30, 2022, are being placed before the shareholders for their consideration and approval/ratification.

### **2. Item number 7 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2023.**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023, on an arm's length basis as per the approved policy in the normal course of business. Many of the Company's Directors are interested in these transactions due to their common directorship in the subsidiaries/associated companies. In order to promote transparent business practices, shareholders desire to authorize the Board of Directors to approve transactions with related parties from time-to-time on case-to-case basis for the year ending June 30, 2023, which shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval.



**3. Item number 8 & 9 of the notice – Investment in subsidiary company M/s. Hudson Pharma (Private) Limited u/s. 199 of the Companies Act, 2017.**

**(A) Regarding associated company or associated undertaking:**

(i)	Name of the associated company or associated undertaking	M/s. Hudson Pharma (Private) Limited																
(ii)	Basis of relationship	Subsidiary Company with 78.26% shareholding and common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Ahmed Muhammad																
(iii)	Earnings per share for the last three years;	Loss per share: Financial Year 2021-2022, Rs. 1/11 Financial Year 2020-2021, Rs. 1/75 Financial Year 2019-2020, Rs. 5/91																
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 4/42 per share																
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<table><tr><th colspan="2">Financial Position and Profit / Loss for the Year ended June 30, 2022</th></tr><tr><td></td><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>1,592,040,870</td></tr><tr><td>Total Assets</td><td>1,939,207,614</td></tr><tr><td>Equity – net</td><td>1,200,547,817</td></tr><tr><td>Non-Current Liabilities</td><td>510,721,008</td></tr><tr><td>Total Liabilities</td><td>738,659,797</td></tr><tr><td>Loss for the Year</td><td>231,377,800</td></tr></table>	Financial Position and Profit / Loss for the Year ended June 30, 2022			Rs.	Non-Current Assets	1,592,040,870	Total Assets	1,939,207,614	Equity – net	1,200,547,817	Non-Current Liabilities	510,721,008	Total Liabilities	738,659,797	Loss for the Year	231,377,800
Financial Position and Profit / Loss for the Year ended June 30, 2022																		
	Rs.																	
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Total Assets	1,939,207,614																	
Equity – net	1,200,547,817																	
Non-Current Liabilities	510,721,008																	
Total Liabilities	738,659,797																	
Loss for the Year	231,377,800																	
(vi)	<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;</p> <p>(i) Description of the project and its history since conceptualization;</p> <p>(ii) Starting date and expected date of completion of work;</p> <p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking</p>	Not Applicable																





	distinguishing between cash and non-cash amounts;	
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**(B) General disclosures:**

(i)	Maximum amount of investment to be made	<p>Enhance the quantum of long-term equity investment as approved by the shareholders in Annual General Meeting of the Company held on October 25, 2021 from Rs. 800,000,000/- (Rupees: Eight hundred million only) to Rs. 1,200,000,000/- (Rupees: One billion two hundred million only).</p> <p>Enhance the amount of Cross Corporate Guarantee as approved by the shareholders in Annual General Meeting of the Company held on October 25, 2021 from Rs. 700,000,000/- (Rupees: Seven hundred million only) to Rs. 1,000,000,000/- (Rupees: One billion only).</p>
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	<p>The Company made investment for their operational expenses / working capital requirements. The Company expects to earn good return in long run because of this strategic investment.</p> <p>The purpose of enhancement in amount of Cross Corporate Guarantee is to facilitate the subsidiary company for securitizing their lenders against banking facilities extended to them.</p> <p>The Company expects to get good return in long run on this strategic investment.</p> <p>Period of Investment: Investment would be made in piecemeal as and when needed and shall be valid for period of three years effective from the date of members approval.</p>
(iii)	<p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p>	<p>From Surplus funds of the Company</p> <p>Not Applicable</p>
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not Applicable

(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Munsarim Saifullah and Mr. Ahmed Muhammad are Directors of Ismail Industries Limited (the investing company), they are also Directors of Hudson Pharma (Private) Limited (Hudson Pharma). However, they have no direct or indirect interest except to the extent of their shareholding in the Hudson Pharma. Whereas the investing company is a major shareholder of Hudson Pharma.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	<p>Ismail Industries Limited have made an equity investment of Rs. 2,125,984,000/- (Rupees: Two billion one hundred twenty-five million nine hundred eighty-four thousand only) and issued Cross Corporate Guarantee of Rs. 663,811,644/- (Rupees: Six hundred sixty-three million eight hundred eleven thousand six hundred forty-four only) in favor of the lenders of Hudson Pharma for securitizing them against banking facilities extended.</p> <p>Hudson Pharma having the state of art and most modern facility anywhere in Pakistan. It has a well-established track record of executing their vision based on repeatable and reliable process that they have developed and refined over many years. It has an aim to provide health institution with more sterile injectable materials which are easier to administer as compared to other form of dosage.</p> <p>There are no impairment and write off relating to the investment made so far.</p>
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

#### Additional information for equity investment:

(i)	Maximum price at which securities will be acquired.	At face value of Rs. 10/- per share
(ii)	In case the purchase price is higher than its market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not Applicable
(iii)	Maximum number of securities to be acquired.	40,000,000 Ordinary shares of Rs. 10/- each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Currently, the Company holds 212,598,400 ordinary shares constituting 78.26%. Last year Company got the investment approval from its members for further 80,000,000 ordinary shares. The Company has subscribed its portion of 52,000,000 shares which have been issued by Hudson Pharma. Remaining un-issued portion of 28,000,000 shares along with further proposed enhancement in investment of 40,000,000 shares, the Company's equity investment position would be 280,598,400 ordinary shares in same proportion.
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in	Not Applicable







	listed securities;	
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	The fair value of equity has been worked out at Rs. 14/- per share, as determined by M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using discounted cash flow method. The underlying five (5) years projections were prepared by the management.

#### Additional information for Cross Corporate Guarantee:

(i)	Category-wise amount of investment	Further Cross Corporate Guarantee up to Rs. 300,000,000/- will be issued by Ismail Industries Limited in favor of Hudson Pharma's lenders for securitizing them against banking facilities extended.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	The current average borrowing cost of Ismail Industries Limited for the year ended June 30, 2022, is 5.76%.
(iii)	Rate of interest, markup, fees or commission etc. to be charged by investing company	Not Applicable
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security obtained from the subsidiary company as collateral.
(v)	If the investment carries conversion features i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Not Applicable

**4. Item number 10 & 11 of the notice – Investment in subsidiary company M/s. Ismail Resin (Private) Limited u/s. 199 of the Companies Act, 2017.**

**(A) Regarding associated company or associated undertaking:**

(i)	Name of the associated company or associated undertaking	M/s. Ismail Resin (Private) Limited																
(ii)	Basis of relationship	Subsidiary Company with 75% shareholding and common directorship of following directors: 1) Mr. Muhammad M. Ismail 2) Mr. Maqsood Ismail Ahmed 3) Mr. Munsarim Saifullah 4) Mr. Ahmed Muhammad																
(iii)	Earnings per share for the last three years;	Loss per share:  Financial Year 2021-2022 Rs. 0/20 Financial Year 2020-2021: Rs. 31/87																
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 9/90 per share																
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<table border="1"><tr><th colspan="2">Financial Position and Profit / Loss for the Year ended June 30, 2022</th></tr><tr><td></td><td>Rs.</td></tr><tr><td>Non-Current Assets</td><td>2,881,762,314</td></tr><tr><td>Total Assets</td><td>3,523,462,582</td></tr><tr><td>Equity – net</td><td>2,475,494,726</td></tr><tr><td>Non-Current Liabilities</td><td>957,857,305</td></tr><tr><td>Total Liabilities</td><td>1,047,967,856</td></tr><tr><td>Loss for the Year</td><td>24,345,926</td></tr></table>	Financial Position and Profit / Loss for the Year ended June 30, 2022			Rs.	Non-Current Assets	2,881,762,314	Total Assets	3,523,462,582	Equity – net	2,475,494,726	Non-Current Liabilities	957,857,305	Total Liabilities	1,047,967,856	Loss for the Year	24,345,926
Financial Position and Profit / Loss for the Year ended June 30, 2022																		
	Rs.																	
Non-Current Assets	2,881,762,314																	
Total Assets	3,523,462,582																	
Equity – net	2,475,494,726																	
Non-Current Liabilities	957,857,305																	
Total Liabilities	1,047,967,856																	
Loss for the Year	24,345,926																	
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;  (i) Description of the project and its history since conceptualization; (ii) Starting date and expected date of completion of work;  (iii) Time by which such project shall become commercially operational;	<p>Polyester Resin (PET Resin) Manufacturing Plant with capacity of 108,000 tons per annum.</p> <p>Almost all plant &amp; machineries have been arrived and factory building construction is under final phase. Erection &amp; installation will be started from October 2022.</p> <p>Hopefully by April/May 2023 project will be commercially operational.</p>																





	<p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	<p>From financial year 2024-2025</p> <p>Funds invested or to be invested by the sponsors are in the form of cash.</p>
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**(B) General disclosures:**

(i)	Maximum amount of investment to be made	Enhance the quantum of long-term equity investment in its subsidiary company M/s. Ismail Resin (Private) Limited (Ismail Resin) as approved by the shareholders in Annual General Meeting of the Company held on October 25, 2021 from Rs. 2,500,000,000/- (Rupees: Two billion five hundred million only) to Rs. 3,000,000,000/- (Rupees: Three billion only).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	<p>Purpose: Enhancement in long-term equity investment is made specifically to meet further estimated cost over-run arises in which main reasons are high inflation and massive devaluation of Pak Rupee.</p> <p>Benefits:</p> <ol style="list-style-type: none"> <li>1. To earn dividend income which ultimately maximize the shareholder value of the investing company.</li> <li>2. PET Resin will be available locally for investing company which it presently procures locally as well as from abroad through import.</li> </ol> <p>Period of Investment: Investment would be made in piecemeal as and when needed and shall be valid for period of three years effective from the date of members approval.</p>
(iii)	<p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p>	<p>From Surplus funds of the Company</p> <p>Not Applicable</p> <p>Not Applicable</p> <p>Not Applicable</p>



(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not Applicable
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Muhammad M. Ismail, Mr. Maqsood Ismail Ahmed, Mr. Munsarim Saifullah and Mr. Ahmed Muhammad, are Directors of Ismail Industries Limited (the investing company), they are also Directors of Ismail Resin. However, they have no direct or indirect interest except to the extent of their shareholding in the Ismail Resin. Whereas the investing company is the major shareholder of Ismail Resin.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	<p>Ismail Industries Limited have made an equity investment of Rs. 1,875,000,000/- (Rupees: One billion eight hundred seventy-five million only) for acquisition of land and construction of building and ancillary work. The Company has also issued Cross Corporate Guarantee of Rs. 3,500,000,000/- (Rupees: Three billion five hundred million only) to facilitate the subsidiary company to securitize its lenders against banking facilities extended to them for setting-up the project.</p> <p>There are no impairment and write off relating to the investment made so far.</p>
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

#### Additional information for equity investment:

(i)	Maximum price at which securities will be acquired.	At face value of Rs. 10/- per share
(ii)	In case the purchase price is higher than is market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not Applicable
(iii)	Maximum number of securities to be acquired.	50,000,000 Ordinary shares of Rs. 10/- each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment	Currently, the Company holds 187,500,000 ordinary shares constituting 75%. Last year Company got the investment approval from its members up to 250,000,000 ordinary shares. The Company has subscribed its portion which have been issued by Ismail Resin. Remaining un-issued portion of 62,500,000 shares along with further proposed enhancement in investment of 50,000,000 shares, the Company's equity investment position would be 300,000,000 ordinary shares in same proportion.
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in	Not Applicable





	listed securities;	
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	The fair value of equity has been worked out at Rs. 19/21 per share, as determined by M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using discounted cash flow method. The underlying five (5) years projections were prepared by the management.

#### Additional information for Financial Assistance:

(i)	Category-wise amount of investment	Transactions does not involve any cash outlay for the Company. The Company will only be creating a lien / charge / hypothecation / mortgage / pledge, (ranking/pari passu) over the fixed assets of the Company to the extent of Rs. 7,000,000,000/- in favor of Banks/Financial Institutions to secure the banking facilities extended to M/s. Ismail Resin.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Not Applicable
(iii)	Rate of interest, markup, fees or commission etc. to be charged by investing company	Not Applicable
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security obtained from the subsidiary company as collateral.
(v)	If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Not Applicable

#### Information under Rule 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

As mentioned above and as per the disclosure requirement of Regulation 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, it is informed that following Directors of the Company are also the Directors of Investee companies.

Ismail Resin (Private) Limited	Hudson Pharma (Private) Limited
Mr. Munsarim Saifullah	Mr. Munsarim Saifullah
Mr. Ahmed Muhammad	Mr. Ahmed Muhammad
Mr. Muhammad M. Ismail	
Mr. Maqsood Ismail Ahmed	

**Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017**

Name of the Investee Company	Ismail Resin (Private) Limited
Total Amount approved	Rs. 2,500,000,000 (Rupees: Two billion five hundred million only) as equity investment and Rs. 4,700,000,000/- (Rupees: Four billion seven hundred million only) as Cross Corporate Guarantee in favor of Ismail Resin's lenders for the project financing extended to them was duly approved by members in previously Extra Ordinary General /Annual Meetings.
Amount of investment made to date	Equity Investment Rs. 1,875,000,000/- Guarantee Issued Rs. 3,500,000,000/-
Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	There is no deviation in timeline of Investment made in the Ismail Resin and shall be valid till the completion of the project.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment	There is no material change in financial statements of Ismail Resin.

Name of the Investee Company	Hudson Pharma (Private) Limited
Total Amount approved	Rs. 800,000,000/- (Rupees: Eight hundred million only) as equity investment and Rs. 700,000,000 (Rupees: Seven hundred million only) as Cross Corporate Guarantee in favor of Hudson Pharma's lenders for securitization the project expansion financing extended to them was duly approved by members in Annual General Meeting held on October 25, 2021.
Amount of investment made to date	Equity Investment Rs. 520,000,000/- Guarantee Issued Rs. 663,811,644/-
Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	There is no deviation in timeline of Investment made in the Hudson Pharma's and shall be valid till the completion of expansion project.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment	There is no material change in financial statements of Hudson Pharma.

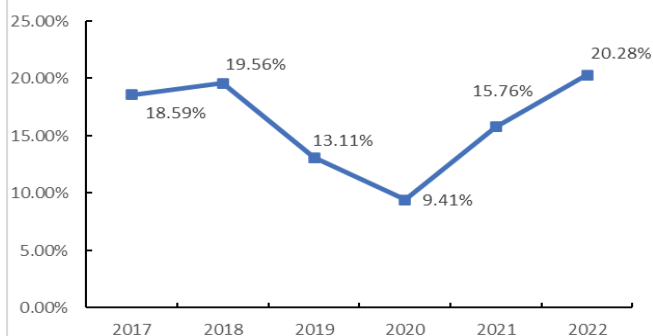




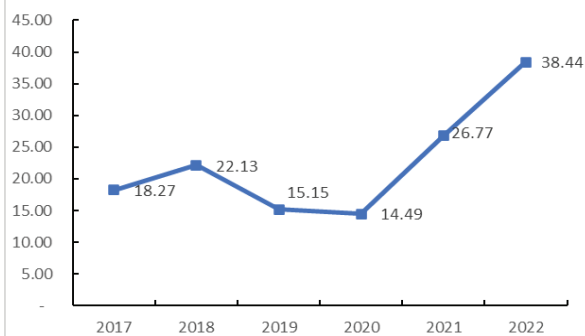
## KEY OPERATING AND FINANCIAL DATA

	2022	2021	2020	2019	2018	2017
	----- (Rs. in millions) -----					
<b>ASSETS EMPLOYED</b>						
Operating fixed assets	21,364	19,903	13,731	12,121	10,756	9,221
Capital work - in - progress	3,762	976	5,843	638	157	1,175
Intangible assets	6	34	55	86	42	-
Long term investment	7,145	5,278	5,276	3,212	3,560	3,926
Long term deposits	24	27	37	44	39	33
Net current assets / (liabilities)	2,328	258	632	97	133	725
<b>Total Assets Employed</b>	<b>34,629</b>	<b>26,476</b>	<b>25,574</b>	<b>16,198</b>	<b>14,687</b>	<b>15,080</b>
<b>FINANCED BY</b>						
Shareholders equity	12,579	11,275	9,900	7,374	7,220	6,272
Long term financing	19,691	12,910	13,605	7,191	6,037	7,595
Deferred liabilities	2,359	2,291	2,069	1,633	1,430	1,213
	<b>34,629</b>	<b>26,476</b>	<b>25,574</b>	<b>16,198</b>	<b>14,687</b>	<b>15,080</b>
<b>SALES &amp; PROFIT</b>						
Gross sales	65,256	44,949	40,807	37,011	29,971	24,295
Net sales	55,261	37,308	33,218	30,091	23,906	19,605
Gross profit	9,845	7,194	6,878	6,354	5,361	3,721
Profit before taxation	3,387	2,213	1,323	1,404	1,838	1,643
Profit after taxation	2,551	1,777	932	967	1,412	1,166
Proposed dividend (%age)	40.00	150.00	35.00	45.00	27.50	65.00
Reserves	11,916	10,611	9,236	6,736	6,582	5,634

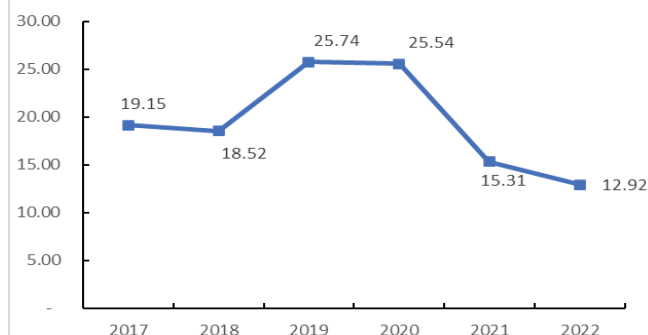
**Return on Equity (in %age)**



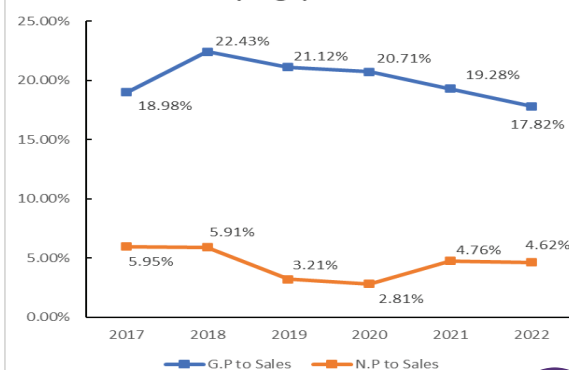
**Earning per Share (in rupees)**



**Price to Earning Ratio**



**GP & PAT to Sales (%age)**







## SUMMARY OF PROFIT OR LOSS SIX YEARS

	2022		2021		2020		2019		2018		2017	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
<b>Profit or Loss Account</b>												
Sales - gross	65,256		44,949		40,807		37,011		29,971		24,295	
Sales - net	55,261	100.00%	37,308	100.00%	33,218	100.00%	30,091	100.00%	23,906	100.00%	19,605	100.00%
Cost of Sale	(45,415)	-82.18%	(30,114)	-80.72%	(26,340)	-79.29%	(23,737)	-78.88%	(18,545)	-77.57%	(15,884)	-81.02%
Gross profit	9,845	17.82%	7,194	19.28%	6,878	20.71%	6,354	21.12%	5,361	22.43%	3,721	18.98%
Selling & Distribution expenses	(4,785)	-8.66%	(4,236)	-11.35%	(4,469)	-13.45%	(3,590)	-11.93%	(2,896)	-12.12%	(1,663)	-8.48%
Administrative expenses	(817)	-1.48%	(652)	-1.75%	(594)	-1.79%	(541)	-1.80%	(381)	-1.59%	(260)	-1.33%
Other operating expenses	(423)	-0.77%	(394)	-1.06%	(181)	-0.54%	(172)	-0.57%	(254)	-1.06%	(147)	-0.75%
Other operating income	763	1.38%	393	1.05%	353	1.06%	213	0.71%	232	0.97%	195	1.00%
Share of profit from associated company	217	0.39%	601	1.61%	492	1.48%	45	0.15%	393	1.64%	468	2.39%
Profit from operation	4,801	8.69%	2,907	7.79%	2,479	7.46%	2,309	7.67%	2,455	10.27%	2,314	11.81%
Finance cost	(1,414)	-2.56%	(694)	-1.86%	(1,156)	-3.48%	(905)	-3.01%	(617)	-2.58%	(671)	-3.42%
Profit / (loss) before taxation	3,387	6.13%	2,214	5.93%	1,323	3.98%	1,404	4.67%	1,838	7.69%	1,643	8.38%
Taxation expense	(836)	-1.51%	(437)	-1.17%	(391)	-1.18%	(437)	-1.45%	(425)	-1.78%	(477)	-2.43%
Profit/ (loss) after taxation	2,551	4.62%	1,777	4.76%	932	2.81%	967	3.21%	1,413	5.91%	1,166	5.95%
<b>Balance Sheet</b>												
Total equity	12,580	24.50%	11,275	27.51%	9,900	26.39%	7,374	27.35%	7,220	31.29%	6,272	28.20%
Total non-current liabilities	22,051	42.95%	15,201	37.09%	15,674	41.79%	8,824	32.72%	7,467	32.36%	8,808	39.61%
Total current liabilities	16,714	32.55%	14,514	35.41%	11,934	31.82%	10,766	39.93%	8,385	36.34%	7,159	32.19%
Total equity and liabilities	51,344	100.00%	40,990	100.00%	37,508	100.00%	26,964	100.00%	23,072	100.00%	22,239	100.00%
Total non-current assets	32,302	62.91%	26,218	63.96%	24,942	66.50%	16,100	59.71%	14,554	63.08%	14,356	64.55%
Total current assets	19,042	37.09%	14,772	36.04%	12,566	33.50%	10,864	40.29%	8,518	36.92%	7,883	35.45%
Total assets	51,344	100.00%	40,990	100.00%	37,508	100.00%	26,964	100.00%	23,072	100.00%	22,239	100.00%



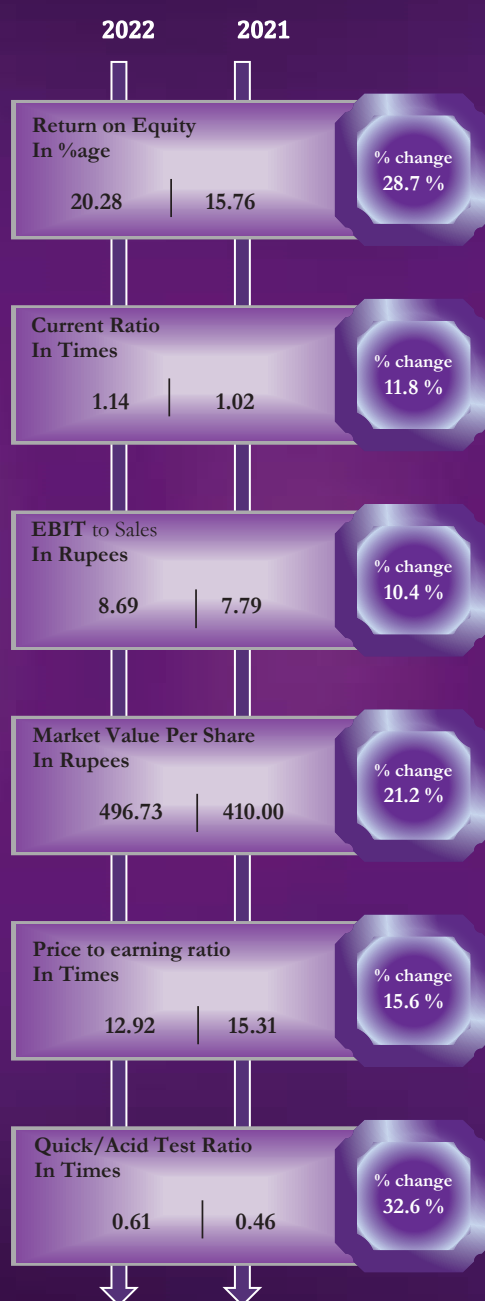
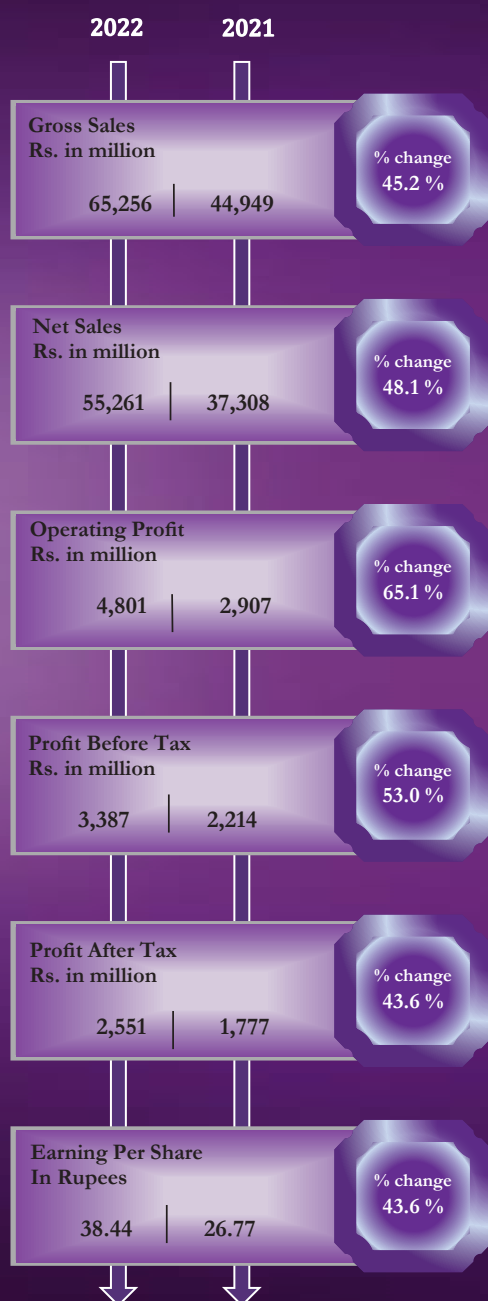


## SUMMARY OF CASH FLOW STATEMENT SIX YEARS

	2022	2021	2020	2019	2018	2017
	(Rs. in Millions)					
Cash generated from operations	5,328	2,432	5,957	2,619	2,241	2,933
(Increase) / decrease in current assets						
Gratuity paid	(44)	(69)	(32)	(20)	(20)	(24)
Income tax paid-net	(704)	(178)	(534)	(340)	(344)	(375)
Long term deposits - net	3	10	7	(5)	(6)	23
<b>Net cash generated from operating activities</b>	<b>4,584</b>	<b>2,195</b>	<b>5,398</b>	<b>2,254</b>	<b>1,871</b>	<b>2,557</b>
Capital expenditure (including CWIP)	(6,618)	(3,355)	(8,127)	(3,161)	(1,558)	(3,209)
Intangible assets	(1)	(10)	-	(47)	(36)	-
Long term investment - advances to subsidiary	(1,903)	-	(624)	(376)	-	-
Investment in associated undertakings	-	(492)	(16)	-	-	-
Proceed from dissolution of associated company	-	188	-	-	-	-
Proceed from sale of long term investment	-	-	-	196	117	-
Purchase of investment - at fair value through profit or loss	-	-	-	(2)	-	37
Sale of investment - at fair value through profit or loss	-	-	-	2	-	-
Dividend received	-	629	122	-	362	362
Short-term investment	(652)	(124)	(200)	-	-	-
Proceeds from disposal of property, plant and equipment	552	585	58	231	76	28
<b>Net cash used in investing activities</b>	<b>(8,621)</b>	<b>(2,579)</b>	<b>(8,787)</b>	<b>(3,157)</b>	<b>(1,039)</b>	<b>(2,782)</b>
Receipts / (repayment) from long term financing-net	6,439	2,014	6,433	902	(1,439)	2,183
Sponsor's loan	-	-	17	-	-	-
(Lease repayments) / lease repayments net off sale and lease back	(55)	(106)	(68)	(263)	251	(12)
Interest / mark-up paid	(1,202)	(727)	(1,166)	(801)	(610)	(659)
Dividend paid	(994)	(199)	(223)	(287)	(176)	(414)
Payment against purchase of shares	-	-	-	-	-	-
<b>Net cash generated from/ (used in) financing activities</b>	<b>4,188</b>	<b>982</b>	<b>4,993</b>	<b>(449)</b>	<b>(1,974)</b>	<b>1,098</b>
Net increase/ (decrease) in cash and cash equivalents	150	598	1,604	(1,352)	(1,142)	873
Cash and cash equivalents at beginning of the year	(1,066)	(1,664)	(3,268)	(1,916)	(774)	(1,647)
Transfer from APL	-	-	-	-	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>(916)</b>	<b>(1,066)</b>	<b>(1,664)</b>	<b>(3,268)</b>	<b>(1,916)</b>	<b>(774)</b>

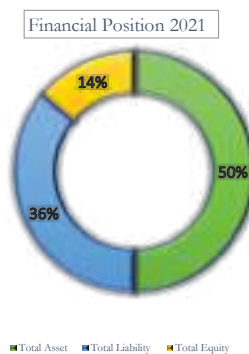
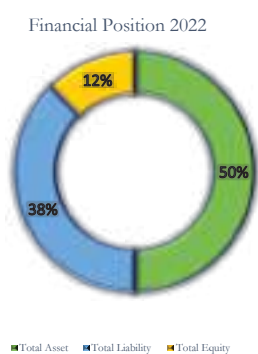
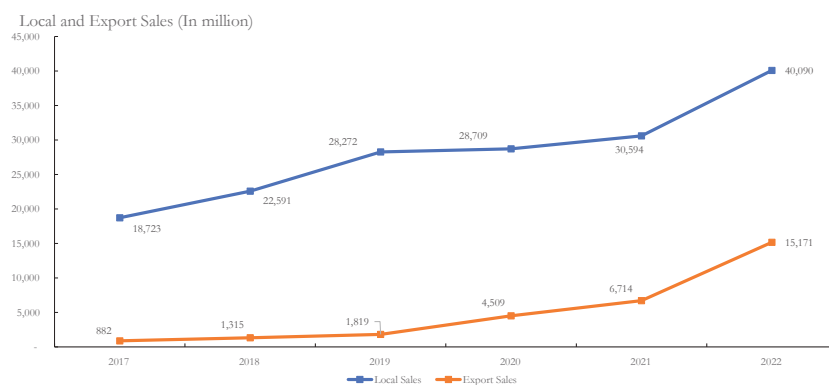
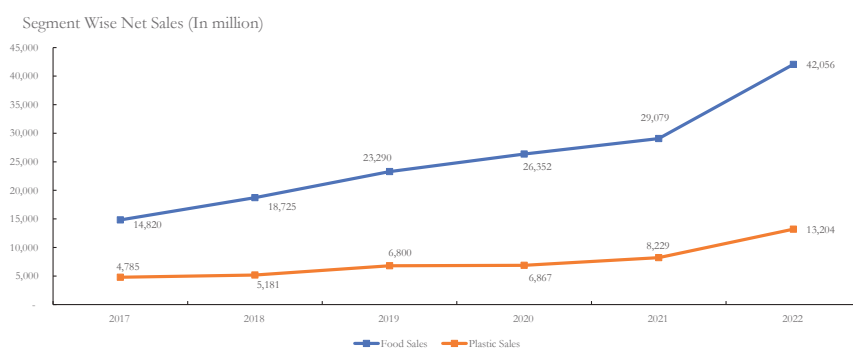
## KEY PERFORMANCE INDICATORS

Key performance indicators, or KPIs, are a set of quantifiable measurements used to gauge the performance of a company.



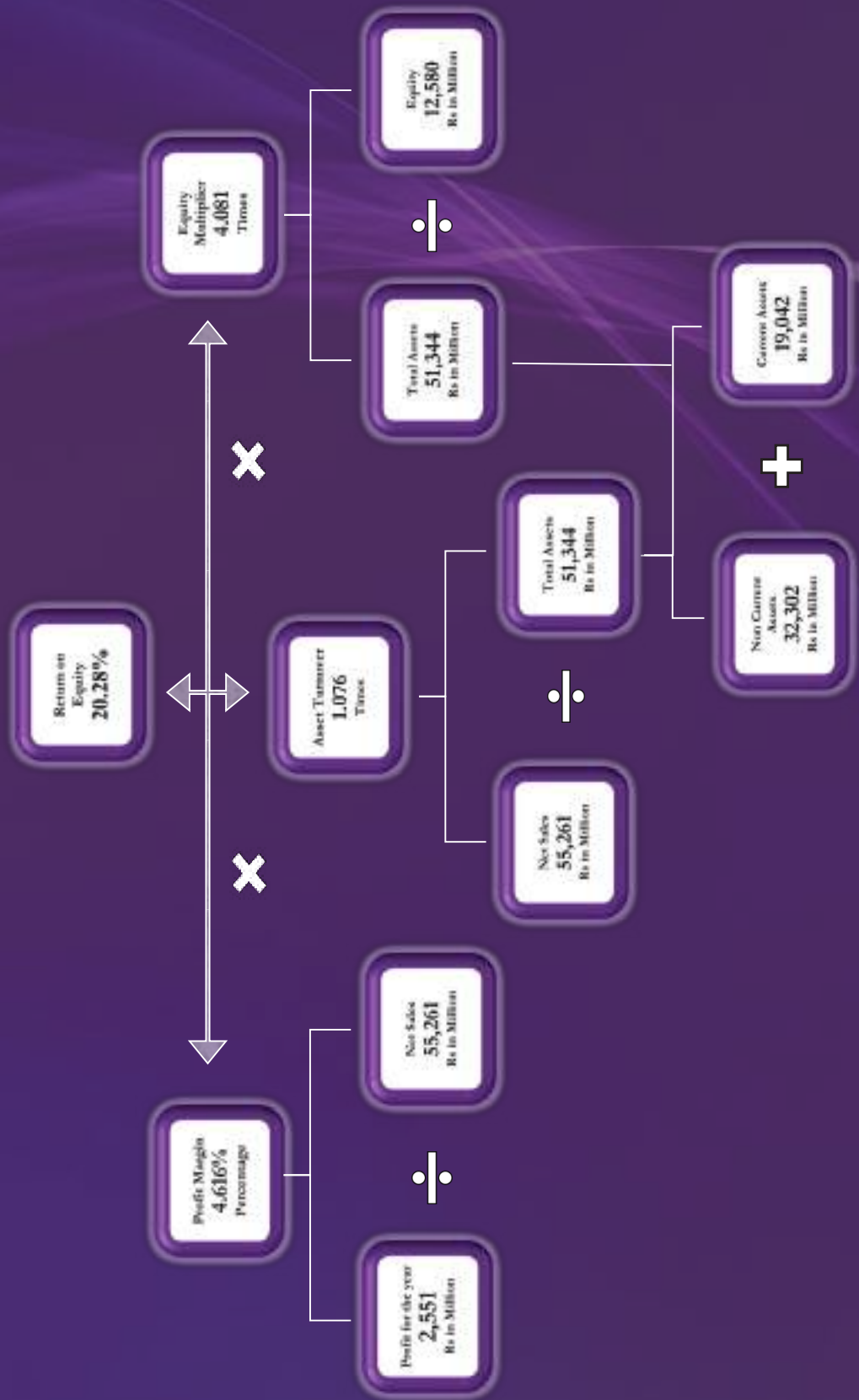


## GRAPHICAL PRESENTATION YEAR ENDED JUNE 30, 2022





## DUPONT ANALYSIS



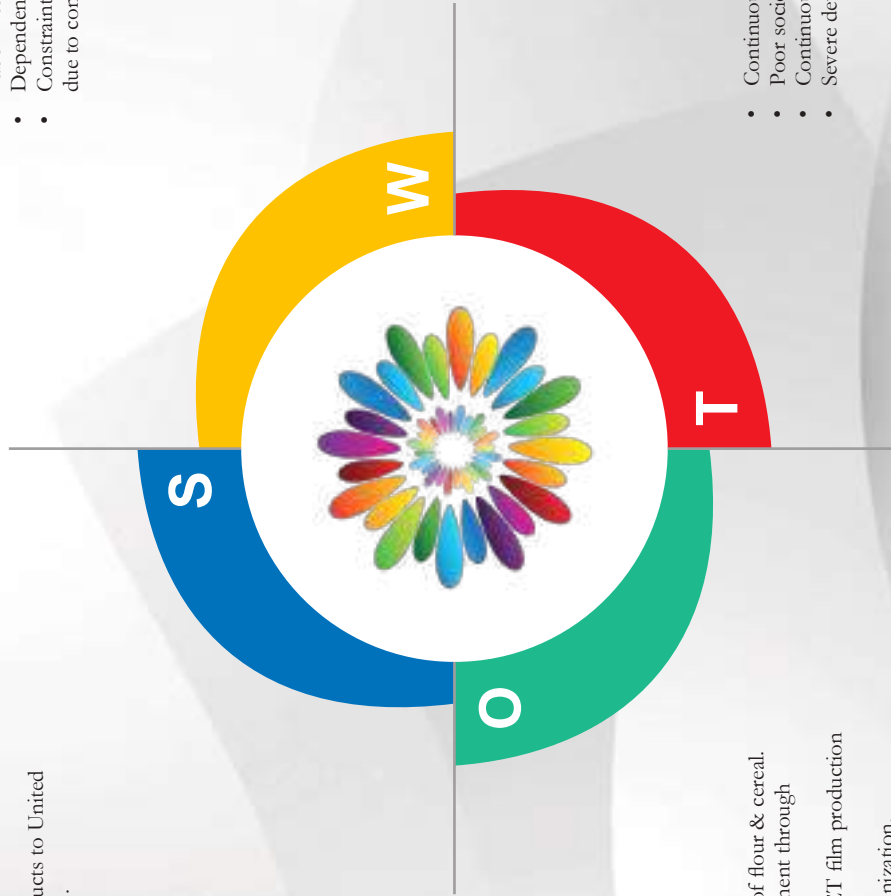
## STRENGTHS

- Leaders of confectionery and plastic business.
- In-house power generation.
- Economies of scale.
- Approved supplier of nutritional products to United Nations Agencies (WFP and UNICEF).
- State-of-the-art production facilities.
- Strong organizational structure.
- Huge variety of products.

## SWOT

## WEAKNESSES

- Mature market with a number of product substitute.
- Labor-intensive operations.
- Dependence on imported market for material supply.
- Constraints in passing on cost increase to end consumer due to competitive market.



- Streamlining export operations.
- Entering into new market segments of flour & cereal.
- Backward integration for plastic Segment through Ismail Resin.
- Expansion in Ismail nutrition and PET film production facility.
- Cost saving initiatives across the organization.



## OPPORTUNITIES



## THREATS

- Continuous pressure on operating cost.
- Poor socio-economical indicators.
- Continuous hike in fuel & power cost.
- Severe devaluation of PKR.



## CHAIRMAN'S REVIEW

On behalf of the Board, I am pleased to present the review report to our valued shareholders on the Annual Report of Ismail Industries Limited for the year ended June 30, 2022.

The year in review has been successful for the Company and it has delivered consistent healthy results and held position as market leader in its different business ventures. Even though the country's economic and business climate was too difficult owing to unprecedented inflationary headwinds, supply chain disruption, devaluing currency and high interest rates. The Board of Directors and its sub-committees worked with marked level of diligence and proficiency to best advice and guide the Company towards achieving its objectives. The Company's gross revenue grew by 45% and operating profit by 84%. The focus of the Board of Directors and senior management remains on sound business plans and delivery of quality products for the success of the organization. The Company continuously strives to enhance its production capacities and intending on integrating various verticals to increase margins and secure its supply chain both in food and plastic segments for maximum market penetration and growing demand of its products.

The Company has devised the mechanism that has been put in place for annual evaluation and self-assessment of the Board of Directors. The main objective of this exercise is to evaluate the performance of the Board and its Committees to facilitate the management and play an effective role for the success of the Company.

The above overall assessment is based on an evaluation of integral components including vision, mission, and values; engagement in strategic planning; formulation of policies; monitoring organization business activities; monitor financial resource management; effective physical oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

The Directors are of the opinion that the Independent Directors are equally involved in all decision making of the Company. The Board's overall performance benchmarked, and effectiveness criteria set for the financial year 2022, remained Satisfactory.

The Company's Board having seven Directors including two Independent Directors. These Board members having very vast and rich experience in the fields of business, finance, information technology and regulations. The Board shall continue to play its leading role in setting-up the business course of the Company, promoting its success, and performance and guiding the senior management to conduct the operations efficiently and diligently in accordance with the Board's approved strategies while upholding the principles of good corporate governance. The Board has constituted two committees, the Audit Committee and Human Resource & Remuneration Committee, that comprises of suitably qualified persons having relevant experience and competencies. These Committees perform their functions in line with the Terms of Reference assigned to the respective Committee.

I wish to thank all stakeholders for the sustained trust and confidence place in the Company. I would like to acknowledge and express my appreciation for the contribution of the Board, senior management and workforce for the dedication displayed by them in steering the Company during these troubled times. The Company's focus will be continued on delivering the exceptional results with the endeavor to create long term values for shareholders in times to come.



**Muhammad M. Ismail**  
Chairman

Dated: September 16, 2022





## چیئر مین کا جائزہ

میں حصص یافتگان کو اسماعیل انڈسٹریز لمیٹڈ کی سالانہ رپورٹ برائے مختتمہ مدت 30 جون 2022 پیش کرتے ہوئے اظہار مسرت کرتا ہوں۔ زیر جائزہ سال کمپنی کے لئے کامیاب رہا اور اس نے مستحکم نتائج فراہم کئے اور مختلف کاروباری شعبوں میں مارکیٹ میں قائد کی پوزیشن برقرار رکھی۔ اگرچہ کہ ملک کی معاشی اور کاروباری فضا افراط زر کے غیر معمولی جھکوں، طلب و رسد میں رکاوٹ، روپے کی قدر میں کمی اور بلند شرح سود کی وجہ سے دشوار گزار رہا۔ بورڈ آف ڈائریکٹرز اور اس کی ذیلی کمیٹیوں نے بہترین مشوروں اور کمپنی کے مقاصد کے حصول میں اس رہنمائی کرتے ہوئے شائستگی اور کارکردگی کی سطح کو برقرار رکھا۔ کمپنی کی خالص فروخت میں 45 فیصد اضافہ اور کاروباری منافع میں 84 فیصد اضافہ رہا۔ بورڈ آف ڈائریکٹرز اور اعلیٰ انتظامیہ نے مضبوط کاروباری منصوبوں اور معیاری مصنوعات کی ترسیل پر توجہ مرکوز رکھی جس سے ادارے کو کامیابی ملی۔ کمپنی تسلسل کے ساتھ اپنی پیداواری گنجائش بڑھانے کے لئے کوشاں ہے اور منافع میں اضافہ اور غذا اور پلاسٹک کے شعبوں میں مزید قدم جمانے اور اس کی مصنوعات کی بڑھتی ہوئی طلب کے تحفظ کے لئے نئے شعبوں میں داخل ہو رہی ہے۔

کمپنی نے ایک نظام وضع کیا ہے جس سے بورڈ آف ڈائریکٹرز کا سالانہ تجزیہ اور از خود تشخیص کی جاتی ہے۔ اس مشق کا بنیادی مقصد انتظامی بورڈ اور اس کی کمیٹیوں کی کارکردگی کی تشخیص کرنا ہے تاکہ انتظامیہ کو سہولت ملے اور کمپنی کی کامیابی میں اپنا موثر کردار انجام دے سکے۔ مجموعی تشخیص میں انفرادی اجزاء جیسے نصب العین، مشن، واقعات، کلیدی منصوبہ بندی، پالیسیوں کی تشکیل، ادارے کی کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر طبعی نگرانی، تمام ملازمین کے ساتھ یکساں سلوک اور بورڈ کی اپنے فرائض کی ادائیگی کی صلاحیت شامل ہے۔ آزاد ڈائریکٹران کی آراء کو کمپنی کی فیصلہ سازی میں یکساں شامل کیا جاتا ہے۔ مالیاتی سال 2022 میں طے کردہ معیار اہلیت کے اصول کے مطابق بورڈ کی مجموعی کارکردگی اور اثر پذیری تسلی بخش پائی گئی۔

کمپنی کے بورڈ میں سات ڈائریکٹران ہیں جس میں دو آزاد ڈائریکٹرز ہیں۔ بورڈ کے یہ ممبران کاروبار، مالیات، انفارمیشن ٹیکنالوجی اور ضوابط میں بہت وسیع اور گہرے تجربہ کے حامل ہیں۔ بورڈ تسلسل کے ساتھ کمپنی کے کاروباری عمل میں قائدانہ کردار ادا کرتا رہے گا جو کہ اعلیٰ انتظامیہ کو بورڈ کی منظور شدہ حکمت عملیوں کے مطابق اچھے نظم و ضبط کے اصولوں کو برقرار رکھتے ہوئے کاروباری افعال کو مستعدی اور دانشمندی سے بورڈ کی منظور شدہ حکمت عملیوں کے مطابق انجام دینے میں رہنمائی فراہم کرے گا۔ بورڈ نے دو کمیٹیاں یعنی آڈٹ کمیٹی اور انسانی وسائل معاوضہ کمیٹی تشکیل دی ہیں جو کہ متعلقہ تجربے اور قابلیت کے حامل تعلیم یافتہ افراد پر مشتمل ہیں۔ متعلقہ کمیٹیاں سوچنے گئے فرائض کے تحت اپنے افعال انجام دیتی ہیں۔

میں تمام متعلقین کے کمپنی پر مسلسل بھروسے اور اعتماد پران کا مشکور ہوں۔ میں بورڈ، اعلیٰ انتظامیہ اور مزدوروں کے عزم کا اعتراف کرتا ہوں اور انہیں تہنیت پیش کرتا ہوں جس سے کمپنی کو ان مشکل اوقات میں سمت بندی ہوئی۔ کمپنی کی توجہ تسلسل کے ساتھ غیر معمولی نتائج فراہم کرنے پر مرکوز ہے اس عزم کے ساتھ آنے والے دنوں میں حصص یافتگان کے لئے طویل مدتی قدر پیدا کریں گے۔



محمد اسیم

چیئر مین

کراچی، 16 ستمبر 2022



## DIRECTOR'S REVIEW REPORT

The Directors are pleased to present brief performance review of the Company together with the annual audited financial statements both, stand-alone and consolidated for the year ended June 30, 2022.

### ECONOMIC & BUSINESS OUTLOOK

At an international level, businesses during the year under review faces tough challenges owing to global and local economies recovery post pandemic, instability in international commodity prices, Russia-Ukraine war and supply chain disruptions continue to hamper energy and food supply, fueling worldwide inflation. To control rising inflation, central banks around the globe continue to tighten monetary policy aggressively. On the domestic level, the ongoing political instability has deteriorated economic position of the country and is still on the path of its struggling to the recovery despite the current account deficit, sever depreciating currency, hikes in SBP policy rates, reduction in foreign exchange reserves, and rising inflation.

Keeping all these challenging factors in mind, the Company is adamant to ensure a progressive growth irrespective of any hurdles it faces. Nevertheless, our management team has introduced product differentiation and new marketing strategies to help nurture the Company's growth.



## BUSINESS AND FINANCIAL OVERVIEW

The Company continued to have a leading position in the confectionaries, biscuits, snacks, nutritional products, and plastic films industries and posted 45% growth in top-line sales of Rs. 65.26 billion compared to Rs. 44.95 billion in corresponding year. Our ability to maintain the growth momentum is owing to timely capacity expansions, active marketing initiatives, and the introduction of new products. Below is the summary of our achievements throughout the year:

Description	Jun-22	Jun-21	Change in %
	Rs in Millions		
Sales	65,256	44,949	45%
Gross Profit	9,845	7,194	37%
Operating Profit	4,244	2,306	84%
Profit after tax	2,551	1,777	44%
Earning per share Rs	38.44	26.77	44%

Business has been successful in analyzing marketing shifts, consumer demand and providing services in accordance with those findings. We have been able to invest in a way that has allowed us to determine which products will succeed and which will need further enhancements to stay up with this ongoing transformation.

The Company maintains a strong financial profile, through efficient working capital management and strengthening innovation / renovation, portfolio management, driving visibility and availability, working effectively with customers and distributors for adequate coverages.





Segment wise analysis is hereunder:



### FOOD SEGMENT OPERATIONS

Our confectionary, biscuits, snacks, and nutrition divisions of the food segment offers wide range of products. These best-selling patents that fall under this segment are Candyland, Bisconni, Snackcity and Ismail Nutrition.



Since its emergence in 1988, CandyLand has been one of the top players in Pakistan's confectionary industry. In addition to being the largest division within the food industry, it also consistently develops, produces, and redesigns items in response to the demands of its devoted customers.

CandyLand has been successful in its long-term growth objective by selling wide varieties of products including jellies, chocolates, marshmallows, candies, toffees, chews, lollipops, gum, milk chocolates, spreads, brittles, and truffles with the aid of a highly skilled team.

Consistently introducing innovative products, expanding state-of-the-art facilities with latest technology and using cutting-edge

manufacturing techniques, has earned the reputation of being the industry's torch bearer. To increase customer satisfaction, the Company concentrated on improving the channel management, sales and distribution structure, and ROI-based marketing.



Bisconni has always succeeded in providing scrumptious cookies, wafers, and biscuits, despite the competition it faces, which match the taste buds of the consumers. The consumers have not been only loyal to Bisconni, but also love and have made it a part of their daily lives.

Our vision is to keep innovating the current product portfolio by introducing new and value-added products for consumers. Bisconni's presence with renowned brands and large distribution nationwide includes Cocomo, Chocolatto, Chocolate Chip, Rite, Novita, Chaiwala Biskut, Craving, and Flo Cake.

Bisconni continues to create a powerful image by innovating and introducing new value-added products, aiming to reach greater heights. This year mark the phenomenal success for launching of new exciting brands which includes Zabar Rusk, Triple Decker, Day Dream, Yuppie Biscuit and Rollics Cake.



SnackCity has always placed a high priority on customer satisfaction, which is why the

Company has invested in the best equipment of the world, hired the best food technicians and experts, and adopted the international standards of industry to make sure that customers can taste the quality of Snacks products in every bite. Since its launching, SnackCity's Kurleez brand has expanded to take the top spot on the crinkle chips market. Further diversification carried out in form of Chillz, brand of potato sticks, has also grown to become the market leader in its category, while Nimko is included in Peanuts category.



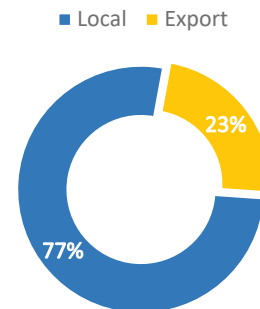
Since 2010, the Company's Nutrition Division has been authorized to provide liquid nutritional food supplements to the United Nations World Food Program. The Company keeps making food supplements that prevent malnutrition by giving children the precise nutrition they need for their better growth. These ready-to-use food supplements are expanding steadily and strongly in both international and domestic markets. The Company's Nutrition Division is the only Pakistani company on the list of permitted UNICEF suppliers. To meet the needs of the consumers, the Company consistently demonstrates commitment to quality and effectiveness.

To combat acute malnutrition in nations where it is a problem, the Company is currently expanding its Nutrition production facility to produce the new product 'Super Cereal' for these institutions. Super Cereal is designed for adults and kids older than five years. This substance is mostly utilized in Africa and in some parts of Asia. The Company by taking the advantage of having

large distribution network all over the Pakistan, is going to launch Breakfast Cereal which is a traditional breakfast food made from processed cereal grains. This product's annual production capacity would be around 44,000 tonnes.

## EXPORT MARKET

### Local & Export



With the never-ending efforts of management, market segmentation, niche marketing, diversified product portfolio goal to strengthen and expand the global foothold, this year's export sales have shown an incredible growth of 128% over the previous year, amounting to Rs. 15.1 billion.

The Company's whole export business has shown upward trend during the year under review, contributing 23% to gross sales as opposed to 15 % in the comparable year. Our key source of motivation and most important factor is our ambition to represent the cherished Pakistan around the world through our vast range of products. Our most valuable asset is the faith of local customers on us, and we aim to recreate the same in the global market.

## NEW ADDITION – FLOUR MILL

The Company intending on integrating various verticals to increase margins and secure its supply chain and has now moved into new segment of flour milling and procured plant and machineries from Buhler (Wuxi) Commercial Co., Ltd., China for this project. This





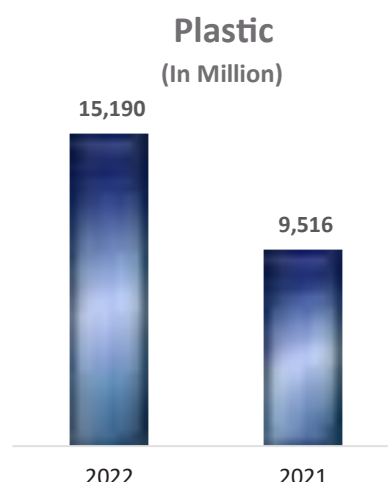
production facility is establishing on existing land situated at Port Qasim Authority, Karachi. The annual production capacity of flour mill is around 88,000 tonnes per annum. The production process of flour is mainly subjected to machine/method used particular to the desired output product. However, the general operations in any production line can be Cleaning & Storing, Washing & Sorting, Conditioning, Milling, Packaging & Dispatching. This manufacturing facility is expected to be commercially operational by April 2023.



## PLASTIC SEGMENT OPERATIONS

As one of the largest producers of BOPET and CPP Films in Pakistan and the origin of a fully integrated one-window solution for the Packaging & Printing Industries is the Company's plastic films segment leads the industry.

The pandemic restricted the Company from achieving the planned sales revenue at the start of its second new BOPET Film Plant commercial operations, but it has made every effort during the year under review year to get back on track. However, the Company was able to report a 60% growth in revenue compared to corresponding year because of its focused efforts on R&D and the management's prompt decision to increase local market share as well as export its goods to USA, Europe, Middle East, South-East Asia, and African markets.



The Company stands triumphant in increasing its market share through concentrated efforts and we are hopeful that with the aid of vertical integration to insource our major raw material, full year commercial production from extended facility and rigorous endeavor in research and development will result in expanding our local as well as export market share.



## SUBSIDIARY

Another year of achievement for Hudson Pharma (Private) Limited (HPPL) as it pursues and realizes its ambition to find safe and effective solutions for patients' unmet needs worldwide. The achievement of this objective resulted in topline growth of 113% for the financial year ended June 30, 2022 closed with net sales of Rs. 464 million. Through persistent managerial efforts, aggressive market penetration, innovation, and product mix diversification, the HPPL is also successful in



reducing its cost of production, selling, and distribution expenses.

Ismail Industries Limited having shareholders' approval for equity investment of Rs.800 million and cross corporate guarantee of Rs.700 million in HPPL. Additionally, the Board of Directors of the Company has approved in its meeting held on September 16, 2022 further enhancement in equity investment by Rs.400 million and cross corporate guarantee by Rs.300 million specifically to meet the current operational expenses / working capital requirements.



## SUBSIDIARY

Ismail Resin (Private) Limited (IRPL) is a subsidiary company of Ismail Industries Limited setting-up a 108,000 tonnes per annum PET Resin Plant.

Polyethylene terephthalate (PET) is the most common thermoplastic polymer resin of the polyester family. Plastic Material is made from PET Resin due to its excellent water and moisture barrier quality that are used by soft drinks, still water, edible oil industry and pharmaceutical sector. The convenience attached with plastic packaging is paramount in increasing the consumption of PET in Pakistan.

The management of the IRPL believes that this venture to be a great success story due to advance and novel manufacturing facility and huge market with high demand for the PET around the globe.

Ismail Industries Limited having shareholders' approval for equity investment of Rs. 2,500 million which is 75% of IRPL paid-up capital. Additionally, the Board of Directors of the Company has approved in its meeting held on September 16, 2022 further equity investment of Rs. 500 million to meet the estimated cost overrun arose in which main reasons are high inflation and massive devaluation of PKR, and financial assistance by of creation of lien / charge / hypothecation / mortgage / pledge, (ranking / pari passu) over fixed assets of Ismail Industries Limited to the extent of Rs. 7,000 million in favor of Banks/Financial Institutions to secure the banking facilities extended to IRPL.



## THE ASSOCIATED COMPANY

During the year, there was a slight dip in the revenues and earnings of the Bank of Khyber, resulting share of profit of the Company reduced to Rs. 217 million compared to Rs. 601 million in corresponding year.

## CORPORATE BRIEFING SESSION

The Company held its annual Corporate Briefing Session (CBS) on Nov 24, 2021 at Ramada Karachi Creek. Transmuting this interaction into prime opportunity, the Company apprised the existing and potential investors / stakeholders about the business environment and economic indicators of the country, explained its financial performance, competitive environment in which the Company operates, investment decisions, challenges faced as well as business outlook. Participants were informed about the upcoming projects and products of the Company and were presented with its goal for sustainable operations, future expansions, and diversifications.





## CREDIT RATING

Ismail Industries Limited successfully maintained its Credit Rating both in the Long Run (“A”) and the Short Run (“A-1”) as per the rating report issued by Pakistan Credit Rating Agency. A high credit rating means that the Company would be able to enjoy several perks when it comes to avail the credit as well as it represents how the Company makes timely payments.

## CORPORATE SOCIAL RESPONSIBILITY

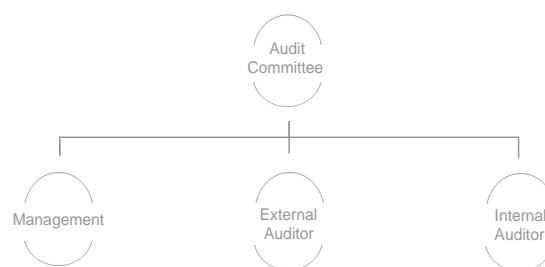
Apart from focusing on its stakeholders, the Company also believe in contributing to the society and considers itself as a responsible element in this regard.



The Company has worked on improving its “Child Education Program”, side by side it has also helped to educate underprivileged students in Karachi by fully sponsoring “Khadija Girls College” and “Ismail Academy” and various schools in Hub industrial area Baluchistan. Our CSR has helped families, who are burdened with financial constraints, educate their kids with little or no cost. The Company also engaged in blood donation drives and other medical activities in collaboration with several hospitals, NGOs, and welfare organizations. The Company also tried to uplift backward and underprivileged areas by installing water filtration and Reverse Osmosis Plants so that people could get access to clean water to carry out their daily domestic activities with ease. The Company invests in innovation because we know it works. Our dedicated team and research

engineers are focused on developing the next generation of low-carbon renewable fuels. The prevalence of regular sunshine and wind, ample space, and great steps forward in hydrogen production and waste-to-energy, give the region the opportunity to dramatically reduce its carbon footprint. The Company has launched several exciting new projects of Solar energy that will accelerate its transition to cleaner energy.

## INTERNAL CONTROL FRAMEWORK



Internal Control playing a vital role in running the business. The Board is entrusted with the responsibility of ensuring that all external/internal rules and regulations are implemented, financial statements are transparent and that all operations are carried out with efficiency and effectiveness.

This well-defined structure for internal control assisting the Company to conduct its operations very smoothly especially through vividly defined policies, procedures, authority limits, accountability, and review processes.

With the help of External Auditor, Internal Audit and the Management, written reports on System of Internal Control and Risk Management are provided to the Audit Committee.

The Audit Committee provides recommendations to the Board on how to strengthen the framework. It is vital for the Company to carry out such processes to ensure that business operations are being carried out efficiently and effectively as well as that the financial statements are reliable with all

transparent records thus displaying the sincerity to our shareholders.

## INTERNAL AUDIT

To make our records more transparent and accurate, we have set up an Internal Audit department who reports to the audit committee. The Internal Audit covers all aspects of business and minimizes the risk of any potential loss/harm to our stake holders.

The presence of an Internal Audit has helped the Company in bringing a much more systematic and disciplined approach when evaluating its activities and their respective consequences. The Internal Audit makes sure to take actions as soon as possible to evade any threat to the organization since prevention is better than cure.

## RISK MANAGEMENT

Risk Management makes it possible for the business to identify possible risks so that the business is equipped with the adequate tools and strategies to deal with them.

The Company has implemented the Enterprise Risk Management methodology through which it seizes any upcoming opportunities and suppresses the chances of risks. The Enterprise Risk Management is under the Supervision of Board Audit Committee whereas it is the responsibility of the Board of Directors to look after for any potential risks.

The Company identifies any possible risks and then evaluates it. If they notice any risk which has a potential to harm the Business, then steps are taken to mitigate its effects. After taking the necessary actions, the Company keeps a close watch on the outcomes of their actions and later

conducts are view about the effectiveness of their steps in contolling risks.



Identification of potential hazards is the responsibility of the Board of Directors. As a result, they provide the senior management team the task of risk detection, who are under its supervision. The Board Audit Committee has the duty to oversee the organization-wide application of the enterprise risk management methodology that the Board has adopted. The significant risks for the department are noted, evaluated, and assigned to each functional area. The most effective way to reduce these risks is to upgrade SOPs, restructure, and revamp the procedure for that pertinent function.

## CORPORATE GOVERNANCE

The development and application of the highest standards of corporate governance at all levels of the organization are essential to the Company's survival and long-term performance. Our governance structure specifies the organizational culture, behavior, and conduct with an emphasis on facilitating efficient, entrepreneurial, and responsible management that can ensure the Company's long-term success.

Along with the Code of Conduct and Control Framework, the Company assures that it adheres to all applicable statutory and regulatory requirements. This governance structure's guiding principles of accountability and integrity





enable the Board to steer the Company in right direction.

## **GENDER DIVERSITY**

We place a strong focus on the value of gender equality and diversity throughout all divisions of the Company and ensures gender diversity in all areas of operation, including the composition of the Board. Our goal is to establish a working environment in which diversity and gender equality are actively leveraged to further meet the Company's strategic goals effectively. By creating fair working conditions, salaries, benefits, and other employment terms, we strive to provide equal opportunity for all our employees.

## **HUMAN RESOURCE**

Our team's dedication, enthusiasm, and unwavering efficiency have been key drivers of the Company's development and performance over the years. Our employees embody the values of the business, ensuring that its long-term organizational objectives are met. The Company's HR department works to recruit, retain, and develop the most talented human capital. It focuses employees' growth and engagement, strategic policies, effective defined contribution, and medical plans, alluring compensation packages, and the incorporation of a healthy environment that can increase productivity.

HR successfully run a variety of internship and management trainee programs throughout the year. We need our employees to have faith in us, therefore we evaluate our performance using an employee engagement survey that gauges their degree of happiness with working for the Company.

The Company's HR ensure consistent flow in leadership pipeline, offers the opportunity to enrich the job scope of our team by providing job rotation opportunities, cross functional

projects thus creating the high-performance work culture. This strategy provides a comprehensive competency table to identify the best talent available in the Company and to train them for important strategic positions in the future.

## **INFORMATION TECHNOLOGY**

Today, information technology (IT) is a critical component of every industry, assisting businesses in streamlining operations, cutting costs, boosting sales, and maintaining a competitive edge. For enterprise governance, risk management, resource efficiency and benefit realization, IT is a crucial component of the business. To successfully accomplish the Company's long-term and short-term goals, we have placed a strong emphasis on the alignment of IT strategy with long-term business strategy.

The improvement of value delivery, risk avoidance, resource optimization, and effective information flowing across the Company are the goals of investments in IT infrastructure.

The presence of IT in the Company makes the work less tiring and reduces the chances of errors. Information Systems also make it easier for us to keep a record of our purchases, payments, and other monetary transactions. These records assist in data management, enabling the Company to make better and more accurate decisions in the long run.

Benefits from our IT infrastructure include timely compliance with legal and regulatory requirements, effective and efficient decision-making, stronger internal controls, and a proper governance mechanism. Previously, we were using the SAP ECC6 software for our day-to-day business activities now we have switched to SAP S/4 Hana software. This will further enable us to have more control over the business activities and aid in extending our Company's long-term initiatives.



## TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties during the year were carried out at arm's length and were placed before the Board Audit Committee and the Board, for review and approval. These transactions were made and disclosed in compliance with Code of Corporate Governance.

## COMPOSITION OF THE BOARD

The Board of Directors of the Company consists of:

Total Number of Directors	
Male	5
Female	2

Categories	Name
CEO	Mr. Munsarim Saifullah
Executive	Mr. Ahmed Muhammad
Independent	Mr. Muhammad Zubair Motiwala
	Ms. Tasneem Yusuf
Non-Executive	Mr. Muhammad M. Ismail
	Mr. Maqsood Ismail Ahmed
	Ms. Mehvish Ahmed Karim
Female	Ms. Tasneem Yusuf
	Ms. Mehvish Ahmed Karim

## MEMBERS OF THE BOARD & ATTENDANCE

During the year, there was no change among the Board Members whose names are given here under along with the number of meetings they have attended except for those who have resigned from the Board:

Name of Directors	Meetings Attended
Mr. Muhammad M. Ismail*	09/11
Mr. Maqsood Ismail Ahmed*	09/11
Mr. Munsarim Saifullah	11/11
Mr. Hamid Maqsood Ismail**	5/6
Mr. Ahmed Muhammad	11/11
Mr. Muhammad Zubair Motiwala*	08/11
Ms. Tasneem Yusuf*	09/11
Ms. Mehvish Ahmed Karim**	2/2

\* Leave of absences were granted to those Directors who could not attend some of the Board Meetings.

\*\* During the year Mr. Hamid Maqsood Ismail has resigned from the Board and casual vacancy occurred was filled by Ms. Mehvish Ahmed Karim.

## AUDIT COMMITTEE

Board Audit Committee	
Ms. Tasneem Yusuf	Chairperson
Mr. Muhammad M. Ismail	Member
Mr. Maqsood Ismail Ahmed	Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Board Human Resource and Remuneration Committee	
Mr. Muhammad Zubair Motiwala	Chairman
Mr. Maqsood Ismail Ahmed	Member
Ms. Mehvish Ahmed Karim	Member





## DIRECTORS' REMUNERATION

Detail of remuneration and other benefits paid to Directors are disclosed in the note 36 to the financial statements. These remunerations are duly approved by the Board of Directors. The remuneration of the Directors is based on prevailing industry trend and are in accordance with the Listed Companies (Code of Corporate Governance) Regulation 2019. It is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors are not paid any remuneration in accordance with the remuneration policy of the Company.

## PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2022, required under Section 227 (2) (f) of the Companies Act, 2017 is annexed to this report.

## COMPLIANCE WITH CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company complies with financial reporting and corporate governance framework under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Companies Act, 2017. It states:

- The financial statements prepared by the management of the Company are presented, according to the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Consistent accounting policies following IFRS are applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- The system of internal control is efficient and has been effectively implemented and monitored.

- There are no doubts with Company continuing on the principle of going concern.

- There has been no material departure from the best practices of corporate governance.

## EARNINGS PER SHARE

The Earnings Per Share (EPS) for the year ended June 30, 2022 is Rs. 38.44 compared to corresponding year of Rs. 26.77.

## DIVIDEND

The Company remains committed to increasing its shareholders wealth and keeping in view of the results, the Board of Directors are pleased to propose a cash dividend @ 40% (Rs. 4/- per share) for the year ended June 30, 2022 which will be paid to the shareholders whose names appear on the shareholders register at the start of "Closed Period" for the forth coming Annual General Meeting.

## STATUTORY AUDITORS

The auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants retired and offered themselves for reappointment. The audit Committee has recommended reappointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants as auditors of the Company for the financial year ending on June 30, 2023 on such terms and conditions and remuneration to be mutually decided. The Board has recommended the same for approval of the shareholders in the forth coming Annual General Meeting.

## FUTURE OUTLOOK

Economies around the globe are buffeted by economic headwinds from multiple quarters, pressure on weak health systems, loss of trade and tourism, dwindling remittances, subdued

capital flows, supply demand disruption, and tight financial conditions amid mounting debt. However, the decline in Covid 19 has assisted in stimulating growth which could be perceived as a sign of higher employment and easier chances of survival for businesses.

Business environment of the Pakistan become very challenging because of political and economic instability, massive PKR devaluation, spiraling inflation and high interest rate. Margin protection remains a serious challenge for the business. Rising inflation has affected the disposable income of the masses and their spending is expected to remain under check.

However, the Company has done its climax to provide consumers with the lowest possible prices without compromising on its quality. We are optimistic about the sustained long-term growth of the business. With our strong presence in food and plastic films manufacturing capabilities through established brands coupled with timely capacity enhancements, we are committed to significant growth in revenues and profitability of the Company in upcoming year.

## ACKNOWLEDGEMENT

The Board take this opportunity to acknowledge the trust and continued support of all stakeholders and would like to place on record their appreciation to management and all workforce of the Company for their untiring efforts, dedication, diligence, commitment, and hard work.



**Munsarim Saifullah**  
Chief Executive



**Maqsood Ismail Ahmed**  
Director

Karachi: September 16, 2022





## اعتراف

بورڈ اس موقع پر تمام مستفیدان کی اعتماد اور مسلسل مدد کا اعتراف کرتا ہے اور انتظامیہ اور کمپنی کے تمام مزدوروں کی انتھک محنت، خلوص، شائستگی، عزم اور سخت محنت پر ان کے تہنیت ریکارڈ پر لانا چاہتا ہے۔



مقصود اسماعیل  
ڈائریکٹر



منصرم سیف اللہ  
چیف ایگزیکٹو آفیسر

کراچی: 16 ستمبر 2022

تجویز کو منظور کر لیا ہے۔ بورڈ نے آنے والے اجلاس عام میں اس کی حصص یافتگان کی منظوری کے لئے سفارش کی ہے۔

## مستقبل کی پیش بینی

دنیا بھر کی معیشتوں کو مختلف وجوہات، صحت کے کمزور نظام، تجارت اور سیاحت میں کمی، متزلزل ترسیلات زر، سرمائے کے بہاؤ میں کمی، طلب و رسد کی رکاوٹ اور سخت مالیاتی حالات کے درمیان بڑھتے ہوئے قرضوں کی وجہ سے معاشی اتار چڑھاؤ کا سامنا کرنا پڑا۔ تاہم COVID-19 میں کمی سے نمو میں بحالی آئی جس سے بلند روزگار کے مواقع کی علامت اور کاروبار کے احیاء کے لئے آسان مواقع پیدا ہوئے ہیں۔

سیاسی اور معاشی عدم استحکام، پاکستانی روپے کی قدر میں کمی، بڑھتے ہوئے افراط زر اور بلند شرح سود کی وجہ سے پاکستان کا کاروباری ماحول انتہائی دشوار گزار ہو گیا ہے۔ کاروبار کے لئے منافع کو برقرار رکھنا انتہائی دشوار بن گیا ہے۔ بڑھتے ہوئے افراط زر سے عوام الناس کی آمدنی میں بچت پر اثرات پڑے ہیں اور توقع کے ان کے خرچے نیچے رہیں گے۔

تاہم کمپنی نے صارفین کو ممکنہ حد تک کم قیمتوں کے ساتھ معیار پر تصفیہ کئے بغیر درجہ کمال فراہم کیا ہے۔ ہم پر امید ہیں کہ کاروبار کو پائیدار طویل مدتی نمو حاصل ہوگی۔ غذا اور پلاسٹک فلموں کی پیداواری صلاحیتوں میں ہمارے برانڈز کی مضبوط موجودگی کے ساتھ پیداواری گنجائش بڑھانے کی بروقت صلاحیت سے ہم آنے والے سال میں فروخت اور منافع میں قابل ذکر اضافے کے لئے پر عزم ہیں۔



## انسانی وسائل و معاوضہ کمیٹی

ممبران	حیثیت
جناب ایم زیر موتی والا	چیئر مین
جناب مقصود اسماعیل	ممبر
مس مہوش احمد کریم	ممبر

### ڈائریکٹران کا معاوضہ

ڈائریکٹران کو ادا شدہ معاوضہ اور دیگر مراعات سے متعلق منکشفات مالیاتی گوشواروں کے نوٹ 36 میں فراہم کئے گئے ہیں۔ ان معاوضوں کو بورڈ آف ڈائریکٹرز نے باضابطہ منظور کیا۔ معاوضہ کا تعین جاری صنعتی رجحان اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق کیا گیا۔ اس بات کو یقینی بنایا گیا کہ کوئی بھی ڈائریکٹر اپنے معاوضہ کے فیصلے میں شریک نہ ہو۔ نان ایگزیکٹو ڈائریکٹران کو کمپنی کے معاوضہ کی پالیسی کے تحت کوئی معاوضہ ادا نہیں کیا جاتا۔

### حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی دفعہ (f)(2)227 کے تحت 30 جون 2022 کو حصص داری کی ساخت پر مشتمل گوشوارہ اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔

### ادارتی نظم و ضبط کے ضابطہ کی پاسداری

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنیز ایکٹ 2017 کے تحت کمپنی ادارتی نظم و ضبط اور مالیاتی رپورٹنگ کی پاسداری کرتی ہے۔ یہ بیان کیا جاتا ہے کہ:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- کمپنی میں حسابات کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔

- مالیاتی گوشواروں کی تیاری کے دوران IFRS کو ملحوظ خاطر رکھتے ہوئے یکساں حسابات پالیسیاں لاگو کی گئی ہیں اور تخمینوں کی بنیاد معقول اور محتاط فیصلوں پر ہے۔

- اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔

- کمپنی کے چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک و شبہ نہیں ہے۔

- ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی بھی قابل ذکر انحراف نہیں کیا گیا ہے۔

### فی حصص آمدن

سال ختمہ 30 جون 2022 کو اسماعیل انڈسٹریز لمیٹڈ کی فی حصص آمدن 38.44 روپے رہی جو کہ گزشتہ سال 26.77 روپے تھی۔

### منافع منقسمہ

کمپنی اپنے حصص یافتگان کی آمدنی میں اضافہ کے لئے کوشاں ہے اور نتائج کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز مسرت کے ساتھ منافع منقسمہ بشرح 40 فیصد (4 روپے فی حصص) برائے سال 30 جون 2022 کے حساب کی تجویز دی ہے جسے ان حصص یافتگان کو ادا کیا جائے گا جن کے نام سالانہ اجلاس عام کے لئے ”بندش کی مدت“ کے آغاز میں رجسٹر میں موجود ہونگے۔

### آئینی آڈیٹرز

موجودہ آڈیٹرز میسرز گرانٹ تھورنٹن انجمن رحمان چارٹرڈ اکاؤنٹنٹس سبکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے باہمی طے شدہ معاوضہ اور شرائط و ضوابط پر میسرز گرانٹ تھورنٹن انجمن رحمان چارٹرڈ اکاؤنٹنٹس کی سال 30 جون 2023 کے لئے کمپنی کے آئینی آڈیٹرز کی حیثیت سے تقرری کی





### بورڈ کے ممبران اور ان کی حاضری

### ملحقہ پارٹیوں کے ساتھ سودے

سال کے دوران بورڈ کے ممبران میں کوئی تبدیلی نہیں ہوئی جن کے نام اجلاسوں کی تعداد کے ساتھ دیئے گئے ہیں سوائے ان کے جو بورڈ کے اجلاس 25 اکتوبر 2019 کو سبکدوش ہو گئے تھے:

سال کے دوران ملحقہ پارٹیوں کے ساتھ سودے عمومی طریقہ کار کے مطابق انجام پائے اور بورڈ کی آڈٹ کمیٹی کے روبرو اور بورڈ کے جائزے اور منظوری کیلئے پیش کئے گئے۔ یہ سودے ادارتی نظم و ضبط کے ضابطے کے تحت انجام پائے اور انہیں منکشف کیا گیا ہے۔

حاضر اجلاس	ڈائریکٹران کے نام
09/11	جناب محمد ایم اسماعیل *
09/11	جناب مقصود اسماعیل احمد *
11/11	جناب منصریم سیف اللہ *
5/6	جناب حامد مقصود اسماعیل **
11/11	جناب احمد محمد
08/11	جناب محمد زبیر موتی والا *
09/11	مس تسنیم یوسف *
2/2	مس مہوش احمد کریم

### بورڈ کی تشکیل بندی:

بورڈ آف ڈائریکٹرز مندرجہ ذیل پر مشتمل ہے:

### ڈائریکٹران کی کل تعداد:

مرد	5
خاتون	2

\*\* جو ڈائریکٹران حاضر نہ ہو سکے ان کی رخصت منظور کر لی گئی۔

\*\* سال کے دوران حامد مقصود نے بورڈ سے استعفیٰ دے دیا اور اتفاقی آسامی پر مس مہوش احمد کریم مقرر ہوئیں۔

### آڈٹ کمیٹی

ممبران	حیثیت
مس تسنیم یوسف	چیئر پرسن
جناب محمد ایم اسماعیل	ممبر
جناب مقصود اسماعیل	ممبر

اقسام	نام
CEO	جناب منصریم سیف اللہ
ایگزیکٹو	جناب احمد محمد
آزاد	جناب محمد زبیر موتی والا
	مس تسنیم یوسف
نان ایگزیکٹو	جناب محمد ایم اسماعیل
	جناب مقصود اسماعیل
	مس مہوش احمد کریم
خاتون	مس تسنیم یوسف
	مس مہوش احمد کریم

کے لئے کام میں تبدیلی، منفرد انفعالی پروجیکٹس کے مواقع فراہم کئے جاتے ہیں جس سے کام کی بلند کارکردگی حاصل ہوتی ہے۔ یہ حکمت عملی جامع قابلیت کا ٹیبل فراہم کرتی ہے جو کہ کمپنی میں بہترین صلاحیت کی شناخت کرتا ہے اور مستقبل کے اہم کلیدی عہدوں کے لئے تربیت فراہم کرتا ہے۔

### انفارمیشن ٹیکنالوجی

انفارمیشن ٹیکنالوجی ہر صنعت کا امتیازی حصہ ہے جس سے کاروبار کے آپریشنز کو درست سمت میں کرنے، لاگتوں میں کٹوتی، فروخت میں اضافہ اور مارکیٹ میں مسابقت پذیر رہنے میں مدد ملتی ہے۔ ادارتی نظم و ضبط، خطرات کے انتظام، وسائل سے بہتر استفادہ اور مراعاتی حصول پذیری کے لئے انفارمیشن ٹیکنالوجی کاروبار میں بنیادی حیثیت رکھتی ہے۔ کمپنی کے طویل مدتی اور قلیل مدتی اہداف کے حصول کے لئے ہم کاروباری کی طویل مدتی انفارمیشن ٹیکنالوجی حکمت عملی پر زور دیا ہے۔

ترسیل میں بہتری، خطرات سے بچاؤ، وسائل کے بہتر استعمال اور کمپنی بھر میں معلومات کا موثر بہاؤ ہماری انفارمیشن ٹیکنالوجی ساخت کی سرمایہ کاریوں کے اہداف ہیں۔

کمپنی میں انفارمیشن ٹیکنالوجی کی موجودگی کام میں کم تھکاوٹ پیدا کرتی ہے اور غلطیوں کے مواقع کو کم کرتی ہے۔ انفارمیشن سسٹم ہماری خریداریوں، ادائیگیوں اور دیگر مالیاتی سودوں کا ریکارڈ مرتب کرنے میں آسانی فراہم کرتی ہے۔ یہ ریکارڈ ڈیٹا کے انتظام میں مدد کرتا ہے جس سے کمپنی بہتر اور مزید دوسرے درست فیصلے کرنے کے قابل ہو جاتی ہے۔

ہمارے انفارمیشن ٹیکنالوجی اسٹریکچر کی فوائد میں قانونی اور انضباطی تقاضوں کی بروقت پاسداری، موثر اور مستعد فیصلہ سازی، مستحکم اندرونی گرفتیں اور نظم و ضبط کا مناسب انتظام شامل ہیں۔ ماضی میں ہم اپنے روزمرہ کاروبار کے لئے SAP ECC6 سافٹ ویئر استعمال کر رہے تھے لیکن اب ہم SAP S/4Hana سافٹ ویئر پر منتقل ہو گئے ہیں۔ اس سے ہم مزید کاروباری سرگرمیوں پر گرفت رکھنے کے قابل ہو جائیں گے اور کمپنی کی طویل مدتی پیشقدمیوں میں مدد ملے گی۔

کوڈ آف کنڈکٹ اور کنٹرول فریم ورک کے ساتھ کمپنی یقینی بناتی ہے کہ تمام لاگو آئینی اور ضابطے کے تقاضوں کی پاسداری ہو۔ یہ ادارتی نظم و ضبط احتساب اور دیانت داری کے اصولوں کی رہنمائی کرتی ہے جس سے بورڈ کی سمت بندی درست سمت میں ہوتی ہے۔

### جنسی تنوع

کمپنی کے تمام شعبہ جات میں جنسی مساوات اور تنوع کی اہمیت پر خصوصی توجہ دی جاتی ہے اور ہر شعبہ بورڈ کی تشکیل بندی میں جنسی تنوع کو یقینی بنایا جاتا ہے۔ ہمارا ہدف کام کا ایک ایسا ماحول قائم کرنا ہے جس میں تنوع اور جنسی مساوات کو متحرک نہ طور پر نافذ ہو سکے تاکہ کمپنی کے کلیدی مقاصد موثر انداز میں حاصل کئے جاسکیں۔ کام کا شفاف ماحول، تنخواہیں، مراعات اور دیگر ملازمتی فوائد کے ذریعے ہم تمام ملازمین کے لئے یکساں مواقع فراہم کرنے کے لئے کوشاں ہیں۔

### انسانی وسائل

ہماری ٹیم کا عزم، جوش اور غیر متزلزل استعداد کمپنی کی ترقی اور کارکردگی میں سالہا سال سے بنیادی محرک ہیں۔ ہمارے ملازمین کاروباری اقدار کو اپناتے ہیں جس سے ادارے کے مقاصد کے حصول کو یقینی بنایا جاتا ہے۔ کمپنی کا انسانی وسائل ڈپارٹمنٹ انتہائی قابل انسانی سرمائے کی بھرتی، ملازمت اور ترقی پر کام کر رہا ہے۔ یہ ملازمین کی ترقی اور مشغولیت، کلیدی پالیسیوں، موثر وضاحت شدہ معاونت اور طبی منصوبے، پرکشش معاوضہ کے پیکیج اور صحت مند ماحول کی تشکیل جس سے ان کی کارکردگی میں اضافہ ہو۔

انسانی وسائل کامیابی کے ساتھ کئی اقسام کی انٹرنل شپ اور مینجمنٹ ٹرینی پروگرام سال بھر چلاتی ہے۔ ملازمین کا اعتماد ہماری ضرورت ہے، لہذا ہم ایمپلائز انیجمنٹ سروے کے ذریعے اپنی کارکردگی کا تجزیہ کرتے ہوئے پیمائش کرتے ہیں کہ ہماری کمپنی میں کام کا ماحول کتنا خوشگوار ہے۔

کمپنی کی انسانی وسائل یقینی بناتی ہے کہ تسلسل کے ساتھ قیادت پائپ لائن میں موجود رہے، جس میں ہماری ٹیم کو کام کے دائرہ کار سے مالا مال کرنے





خطرہ کو نوٹ کیا جاتا ہے جو کہ کاروبار کو ممکنہ طور پر نقصان پہنچا سکتا ہے تو پھر اس کے اثرات کو کم کرنے کیلئے اقدامات کئے جاتے ہیں۔ ضروری کارروائی کے بعد کمپنی ان کارروائیوں کے نتائج پر باریک بینی سے نگاہ رکھتی ہے اور بعد ازاں خطرات کو قابو کرنے میں ان اقدامات کی اثر پذیری سے متعلق جائزہ لیا جاتا ہے۔



امکانی خطرات کی شناخت بورڈ آف ڈائریکٹرز کی ذمہ داری ہے۔ جس کے نتیجے میں اعلیٰ انتظامی ٹیم کو خطرات کا سراغ لگانے کا کام سونپا جاتا ہے جو کہ اس کے ماتحت ہوتی ہے۔ بورڈ کی آڈٹ کمیٹی کی ذمہ داری ہے کہ وہ ادارے بھر میں انٹرپرائز رسک مینجمنٹ کے طریقہ کار کو نافذ کرے جسے بورڈ نے اختیار کیا ہے۔ ڈپارٹمنٹ کے لئے قابل ذکر خطرات ہر شعبہ کو نوٹ کرنے اور تجزیے کے لئے سونپے جاتے ہیں۔ ان خطرات کو کم کرنے کا موثر طریقہ SOPs کو اپ گریڈ کرنا، ازسرنو ساخت بندی اور قابل ذکر فعال کے طریقہ کار کی ازسرنو ترتیب بندی ہے۔

#### ادارتی نظم و ضبط

ادارے میں ہر سطح پر ادارتی نظم و ضبط کے اعلیٰ معیارات کا نفاذ کمپنی کے اہلیاء اور طویل مدتی کارکردگی کے لئے ضروری ہیں۔ ہمارے نظم و ضبط کی ساخت میں ادارتی ثقافت، رویہ اور مستعد، ادارتی اور ذمہ دار انتظامیہ پر زور دینا تاکہ کمپنی کی طویل مدتی کامیابی کو یقینی بنایا جاسکے۔

بیرونی آڈیٹر کی مدد سے اندرونی آڈٹ اور انتظام، اندرونی گرفت اور خطرات کے انتظام پر تحریری رپورٹیں آڈٹ کمیٹی کو پیش کی جاتی ہیں۔

آڈٹ کمیٹی بورڈ کو نظام کو مضبوط کرنے کے لئے سفارشت فراہم کرتا ہے۔ کمپنی کے لئے یہ ضروری ہے کہ ایسے طریق عمل کو یقینی بنائے تاکہ کاروباری افعال مستعد اور موثر انداز میں انجام پانے کے ساتھ ساتھ مالیاتی گوشوارے قابل اعتماد ہونے کے ساتھ شفاف ریکارڈ ہو سکیں تاکہ حصص یافتگان کی خلوص کو برقرار رکھا جاسکے۔

#### اندرونی آڈٹ

ہمارے ریکارڈوں کو مزید شفاف اور بالکل درست بنانے کے لئے ہم نے اندرونی آڈٹ ڈپارٹمنٹ قائم کیا ہے جو کہ آڈٹ کمیٹی کے ماتحت ہے۔ انٹرئل آڈٹ کاروبار کے تمام پہلوؤں کا احاطہ کرتا ہے اور ہمارے متعلقین کے تمام امکانی خساروں/نقصانات کو کم کرتا ہے۔

انٹرئل آڈٹ کی موجودگی سے کمپنی کو سرگرمیوں اور اپنے نتائج کو تجزیہ کرنے میں موثر اور منضبط انداز رسائی حاصل ہوتی ہے۔ اندرونی آڈٹ جتنا جلد ممکن ہو سکے کارروائی کو یقینی بناتا ہے تاکہ جتنا جلد ممکن ہو سکے ادارے کو لاحق کسی خطرے سے بچایا جاسکے کیونکہ پرہیز علاج سے بہتر ہے۔

#### خطرات کا انتظام

خطرات کا انتظام اس بات کو ممکن بناتا ہے کہ کاروبار کے لئے ممکنہ خطرات کی شناخت کی جائے تاکہ کاروبار ان سے نمٹنے کے لئے مناسب اوزار اور حکمت عملیوں سے لیس ہو۔

کمپنی نے انٹرپرائز رسک مینجمنٹ کا طریقہ کار نافذ کیا ہے جس سے یہ آنے والے مواقعوں سے استفادہ کرتا ہے اور خطرات کے مواقع کو بد دیتا ہے۔ انٹرپرائز رسک مینجمنٹ بورڈ آڈٹ کمیٹی کے زیر نگرانی میں ہے جبکہ یہ بورڈ آف ڈائریکٹرز کی ذمہ داری ہے کہ کسی امکانی خطرات کو دیکھ بھال کرے۔

کمپنی ممکنہ خطرات کی نشاندہی کرتی ہے اور پھر ان کا تجزیہ کرتی ہے۔ اگر کسی



کی مدد کی ہے جو کہ مالی بوجھ کے تلے دبے ہوئے ہیں، ان کو بچوں کو انتہائی معمولی قیمت یا بغیر لاگت تعلیم دی ہے۔ مختلف ہسپتالوں، NGOs اور سماجی اداروں کے تعاون سے کمپنی خون کے عطیات کی مہم اور دیگر طبی سرگرمیوں میں حصہ لیا ہے۔ کمپنی نے پسماندہ اور غریب علاقوں میں پانی کے فلٹریشن پلانٹ اور ریورس اوسموس پلانٹ نصب کئے ہیں تاکہ لوگ اپنے روزمرہ گھریلو کاموں کے لئے آسانی کے ساتھ صاف پانی تک رسائی حاصل کر سکیں۔



اندرونی گرفت کا نظام



اندرونی گرفت کا رو بار کو چلانے میں ایک بنیادی کردار ادا کرتا ہے۔ بورڈ کی بنیادی ذمہ داری ہے کہ اندرونی و بیرونی ضوابط نافذ کرے، مالیاتی گوشوارے شفاف ہوں اور تمام آپریشنز مستعد اور موثر طریقے سے انجام پائیں۔

اندرونی گرفت کا یہ بہترین ترتیب شدہ کا نظام خاص طور پر بہترین مسلمہ تیار کردہ پالیسیوں، طریقہ کار، اختیارات کی حدود، احتساب اور طریق عمل کے جائزہ کے ذریعے آپریشنز کو انتہائی ہموار طریقے سے انجام دیتا ہے۔

## لمحظہ کمپنی

سال کے دوران بینک آف خیبر کی محاصل اور آمدنیوں میں معمولی سے کمی ہوئی جس کے نتیجے میں منافع میں کمپنی کا حصہ گزشتہ سال کے 601 ملین روپے کی بنسبت کم ہو کر 217 ملین روپے رہ گیا۔

## ادارتی اختصاری نشست

کمپنی نے 24 نومبر 2021 کو راجا کراچی کریک میں ایک سالانہ ادارتی اختصاری نشست (CBS) کا انعقاد کیا۔ اس باہمی ربط کے ذریعہ کمپنی اس موقع پر موجودہ اور سرمایہ کاروں/مستفیدان کو کاروباری ماحول اور ملک کے معاشی اشاریوں سے آگاہ کرتی ہے اور اس کی مالیاتی کارکردگی، مسابقتی ماحول جس میں کمپنی کام کر رہی ہے، سرمایہ کاری فیصلوں، درپیش چیلنجز کے ساتھ کاروباری منظر نامہ کی وضاحت کی گئی۔ شرکاء کو کمپنی کے آنے والے پروجیکٹس اور مصنوعات سے آگاہ کیا جاتا ہے اور انہیں پائیدار افعال، مستقبل میں توسیع اور تنوع کے ہدف بتائے گئے۔

## کریڈٹ ریٹنگ

اسماعیل انڈسٹریز نے کامیابی سے طویل مدتی کریڈٹ ریٹنگ A اور قلیل مدتی A-1 برقرار رکھی ہے جس کا جائزہ پاکستان کریڈٹ ریٹنگ ایجنسی نے جائزہ سال کے دوران لیا۔ اس بلند قرضہ جاتی ریٹنگ سے مراد یہ ہے کہ کمپنی جب قرضہ لے تو کہ ان خصوصیات سے استفادہ کر سکے اس کے ساتھ ساتھ اس کی عکاسی ہوتی ہے کہ کمپنی ان کی بروقت ادائیگیاں کس طرح کر سکتی ہے۔

## ادارتی سماجی ذمہ داری

اپنے متعلقین پر مرکوز کرنے کے علاوہ کمپنی معاشرے کی معاونت پر یقین رکھتی ہے اور اس سلسلے میں اپنے آپ کو ایک ذمہ دار عنصر سمجھتی ہے۔

کمپنی نے ”بچوں کے تعلیمی پروگرام“ میں بہتری کے لئے کام کیا ہے، اس کے ساتھ ساتھ پسماندہ طلباء کی تعلیم میں مدد کی ہے جس میں ”خدیجہ گرلز کالج“ کی اور اسماعیل اکیڈمی کی مکمل سرپرستی شامل ہے۔ ہمارے CSR نے خاندانوں





## ذیلی کمپنی

### اسماعیل ریزن (پرائیویٹ) لمیٹڈ - ذیلی کمپنی

اسماعیل ریزن (پرائیویٹ) لمیٹڈ اسماعیل انڈسٹریز لمیٹڈ کی ایک ذیلی کمپنی ہے جس کی سالانہ پیداوار 108,000 ٹن سالانہ پالیسٹر ریزن (PET ریزن) ہے۔

پولی اسٹھالکین ٹیریفٹھالیٹ (PET) پولیمر فیملی کا ایک انتہائی عام تھرموپلاسٹک پولیمر ریزن ہے۔ پانی اور نمی سے بچاؤ کی بہترین صلاحیت کا حامل ہونے کی وجہ سے ریزن کو مشروبات، کھڑے پانی، کھانے کے تیل کی صنعت اور دواسازی کے شعبہ میں استعمال کیا جاتا ہے۔ پلاسٹک کی پیکنگ کے ساتھ وابستہ سہولت تیزی سے پاکستان میں PET کے صارفین میں مقبول ہو رہی ہے۔

IRPL کی انتظامیہ کو یقین ہے کہ جدید اور اختراعی پیداواری سہولت اور وسیع مارکیٹ کے ساتھ دنیا بھر میں PET کی بلند طلب سے اس شعبہ کو کامیابی ملے گی۔

اسماعیل انڈسٹریز لمیٹڈ نے 2,500 ملین روپے کی حصصی سرمایہ کاری کی منظوری حصص یافتگان سے حاصل کر لی ہے جو کہ IRPL کے ادا شدہ سرمائے کا 75 فیصد ہے۔ اس کے علاوہ کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 16 ستمبر 2022 میں مزید 500 ملین روپے کی حصصی سرمایہ کاری کی منظوری حاصل کر لی ہے تاکہ بلند افراط زر اور بڑے پیمانے پر پاکستانی روپے کی قدر میں کمی کی تخمیناً لاگت کو پورا کیا جاسکے اور مالیاتی اداروں سے بار/ باز کفالت/ رہن/ وغیرہ کے ذریعے بینکوں/ مالیاتی اداروں سے IRPL کے لئے 7000 ملین روپے کے قرضوں کی سہولیات حاصل کی جاسکیں۔

کمپنی مربوط کوششوں کے ذریعے مارکیٹ میں اپنا حصہ بڑھانے میں کامیاب رہی اور ہم پر امید ہیں کہ دوسروں شعبوں میں داخلے، اہم خام مال کے ذرائع، توسیع شدہ سہولیات سے تجارتی پیداوار اور تحقیق و ترقی میں انتھک کوششوں کے نتیجے میں ہم مقامی کے ساتھ برآمدی مارکیٹ میں اپنا حصہ بڑھانے میں کامیاب ہو جائیں گے۔

## ذیلی کمپنی

### ہڈسن فارما (پرائیویٹ) لمیٹڈ - ذیلی کمپنی

یہ ہڈسن فارما کا ایک اور کامیاب سال تھا اور اپنے نصب العین کے تحت محفوظ اور موثر علاج کی نشاندہی کرنا ہے تاکہ دنیا بھر میں مریضوں کی نہ ختم ہونے والی ضروریات کا ازالہ کیا جاسکے۔ اس مقصد کی تکمیل کی عکاسی فروخت میں گزشتہ سال کی نسبت 133 فیصد اضافے سے ہوتی ہے اور مالیاتی سال مختتمہ 30 جون 22 کے اختتام پر مالیت کے لحاظ سے خالص فروخت 464 ملین روپے رہیں۔ فروخت میں اضافہ کے علاوہ انتظامیہ کی متحرک نہ تشہیر، تخلیق اور مصنوعات کے مرکب میں تنوع کی انتھک کوششوں کے ذریعے کمپنی اپنی پیداواری لاگت، فروخت اور تقسیمی اخراجات میں کمی کرنے میں بھی کامیاب رہی ہے۔

اسماعیل انڈسٹریز لمیٹڈ نے حصص یافتگان سے 800 ملین روپے کی حصصی سرمایہ کاری اور HPPL میں 700 ملین روپے کی مخالف ادارتی ضمانت کی منظوری لے لی ہے۔ اس کے علاوہ کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 16 ستمبر 2022 میں مزید 400 ملین روپے کی حصصی سرمایہ کاری اور 300 ملین روپے کی مخالف ادارتی ضمانت کی منظوری دے دی ہے جسے سے خاص طور پر موجودہ کاروباری اخراجات/ جاری سرمائے کی ضروریات کو پورا کیا جائے گا۔

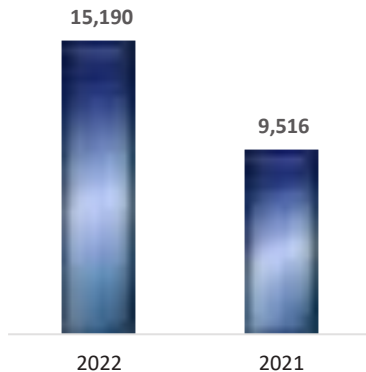
### نیا اضافہ - فلورمل

کمپنی منافع میں اضافہ اور اپنی رسد کی زنجیر کو محفوظ کرنے کے لئے مختلف شعبوں میں قدم بڑھانے کا ارادہ رکھتی ہے اور اب فلورمل کے ایک نئے شعبے میں داخل ہوگئی ہے اور اس مصنوعہ کے لئے پلانٹ و مشینری بوہلر (Wuxi) کمرشل کولمینڈ چائنہ سے خریدی گئی ہے۔ یہ پیداواری سہولت پورٹ قاسم اتھارٹی کراچی میں واقع موجودہ زمین پر قائم کی جا رہی ہے۔ فلورمل کی سالانہ گنجائش تقریباً 88,000 ٹن ہے۔ آٹے کا پیداواری عمل ایسی مشین/ طریقہ کار کے ذریعے ہوتا ہے جو کہ مصنوعات کی مطلوبہ فراہم کر سکے۔ تاہم کسی بھی پیداواری سہولت میں عمومی پیداواری آپریشنز میں صفائی و ذخیرہ، دھلائی و چھٹائی، ماحول برقرار رکھنا، پسائی، پیکنگ اور ترسیل شامل ہیں۔ یہ پیداواری سہولت توقع ہے کہ اپریل 2023 تک تجارتی پیداوار کا آغاز کر دے گی۔

### پلاسٹک کے شعبے کے افعال

کمپنی کا پلاسٹک فلموں کا شعبہ پاکستان میں BOPET اور CPP پیکیجنگ فلموں کا سب سے بڑا تیار کنندہ اور ایک چھت کے نیچے پیکیجنگ اور پرنٹنگ صنعت کے تمام حل پیش کرنے میں صنعتی قائد کی حیثیت رکھتا ہے۔ وباء کی وجہ سے دوسرے نئے BOPET فلم پلانٹ کے تجارتی آپریشنز کا آغاز منصوبہ شدہ فروخت محدود ہو گئیں، لیکن زیر جائزہ سال کے دوران اس شعبہ نے درست سمت میں واپس آنے کے لئے ہر ممکنہ کوشش کی۔ تاہم کمپنی کے فروخت میں گزشتہ سال کی بہ نسبت 60 فیصد اضافہ ہوا جس کی وجہ R&D مرکوز کوششیں اور انتظامیہ کی مقامی مارکیٹ کے ساتھ ساتھ یو ایس اے، یورپ، مشرق وسطیٰ، جنوب مشرقی ایشیاء اور افریقی مارکیٹوں میں اپنا حصہ بڑھانے کے لئے فوری فیصلے ہیں۔

### Plastic (In Million)



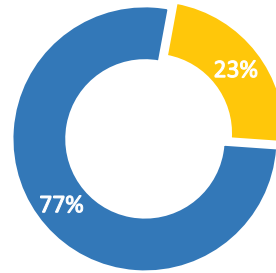
میں شامل ہے۔ کمپنی نے صارفین کی ضروریات کو پورا کرنے کے لئے تسلسل کے ساتھ معیار اور کارکردگی کا مظاہرہ کیا ہے۔

جن ممالک میں ناقص خوراک ایک مسئلہ ہے اس سے ٹمنے کے لئے اس وقت کمپنی نئی مصنوعات ”سپرسیرل“ کی پیداوار کے لئے اپنی نیوٹریشن کی موجودہ پیداواری سہولت میں توسیع کر رہی ہے۔ اس مصنوعات کی سالانہ پیداوار 44,000 ٹن ہوگی۔

### برآمدی مارکیٹ

### Local & Export

Local Export



انتظامیہ کی انتھک کوششوں، مارکیٹ میں شعبہ جات، متنوع پورٹ فولیو کا مقصد استحکام عالمی سطح پر قدم جمانا ہے، اس سال برآمدی فروخت میں گزشتہ سال کی بہ نسبت 128 فیصد کا غیر معمولی اضافہ ہوا جو کہ 15.1 بلین روپے رہیں

زیر جائزہ سال کے دوران کمپنی کی مکمل برآمدی مارکیٹ میں اضافہ کا رجحان رہا، جس سے خام فروخت میں 23 فیصد معاونت رہی جو کہ گزشتہ سال 15 فیصد تھی۔ ہماری ترغیب کا بنیادی پہلو اور انتہائی اہم عنصر وسیع اقسام کی مصنوعات کے ذریعے پاکستان کی دنیا بھر میں نمائندگی کرنے کی شدید خواہش ہے۔ ہمارے انتہائی قابل قدر اثاثہ مقامی گاہکوں کو ہم پر اعتماد ہے اور ہم پر عزم ہیں کہ ایسا ہی عالمی مارکیٹ میں بھی ہوگا ہے۔





## غذائی شعبے کے افعال

ہمارا نصب العین تسلسل کے ساتھ موجودہ مشتمل پورٹ فولیو جدت پیدا کر کے صارفین کے لئے نئی اور بہترین اشیاء کو متعارف کروانا ہے۔ بسکونی کے وسیع تقسیمی نیٹ ورک کے ذریعے مشہور زمانہ برانڈز میں کوکومو، چوکولیٹو، چاکلیٹ چپ، رائٹ، نووٹا، چائے والا بسکٹ، کریونگ اور فلو ملک بھر میں دستیاب ہیں۔

بسکونی تسلسل کے ساتھ جدت اور نئی مصنوعات کو متعارف کروا کر ایک مستحکم ساکھ پیدا کر رہی ہے جس کا مقصد نئی بلندیوں تک پہنچنا ہے۔ اس سال نئے پرکشش برانڈز بشمول زبار رسک، ٹریل ڈیکر، ڈے ڈریم، پی بسکٹ اور رولز ایک متعارف کروا کر غیر معمولی کامیابی حاصل ہوئی ہے۔

### اسنیک سٹی

صارفین کی طمانیت ہمیشہ ہماری ترجیح رہی ہے جس کے لئے کمپنی نے دنیا کی بہترین مشینری میں سرمایہ کاری کی ہے، غذا کے بہترین اہل فن اور ماہرین کو بھرتی کیا ہے اور صنعت کے بہترین عالمی طور طریقوں کو اختیار کیا ہے جس سے صارفین اسنیک سٹی کی مصنوعات کے ہر لقمہ سے ذائقہ کی لذت کو محسوس کرتے ہیں۔ اسنیک سٹی کا کرلیز برانڈ اپنے آغاز ہی سے کر کرے چسپ کی اقسام میں مارکیٹ میں سرفہرست بن گیا ہے۔ چلر کی شکل میں مزید تنوع لائی گئی جو کہ ہمارے پوٹینٹو اسٹیکس کا برانڈ ہے جو کہ اپنی قسم میں ترقی پا کر مارکیٹ کا بھی قائد بن گیا ہے جبکہ نمکوبھلی کی قسم میں شامل ہے۔

### اسماعیل نیوٹریشن

نیوٹریشن ڈویژن کو سن 2010 سے اقوام متحدہ کے ورلڈ فوڈ پروگرام میں مانع غذائی سپلیمنٹس کے سپلائے کے طور پر منظور کیا گیا ہے۔ کمپنی تسلسل کے ساتھ ناقص خوراک کے خاتمہ کے لئے درست نیوٹریشن کی حامل غذا میں پیدا کر رہی ہے جو کہ بچوں کی بہتر نشوونما کے لئے ضروری ہیں۔ یو ڈی سپلیمنٹس استعمال کے لئے تیار حالت میں دستیاب ہیں اور تسلسل کے ساتھ برآمدی اور مقامی مارکیٹ دونوں میں مستحکم نمونہ حاصل کر رہے ہیں۔ کمپنی کا نیوٹریشن ڈویژن واحد پاکستانی کمپنی ہے جو UNICEF کی منظور شدہ سپلائرز کی فہرست

غذائی شعبے میں ہماری ٹافیوں، بسکٹوں، اسنیکس اور نیوٹریشن کے ذیلی شعبے وسیع اقسام کی مصنوعات پیش کرتے ہیں اس شعبے میں بہترین فروخت ہونے والے برانڈ کینڈی لینڈ، بسکونی، اسنیک سٹی اور اسماعیل نیوٹریشن ہیں۔

### کینڈی لینڈ

1988 سے یہ برانڈ پاکستان میں کئی عشروں سے کنفییکشری تیار کرنے والی صنعت میں سرفہرست حیثیت کا حامل ہے۔ یہ نہ صرف غذائی شعبے کا سب سے بڑا ڈویژن ہے بلکہ یہ ہمارے قابل قدر صارفین کی ضروریات کے مطابق مسلسل جدتی، تخلیقی اور نئی ڈیزائن شدہ مصنوعات متعارف کروا رہا ہے۔

کینڈی لینڈ اعلیٰ تعلیم یافتہ ٹیم کی مدد سے ذائقہ سے بھرپور مصنوعات میں مختلف اقسام کی جلیاں، چاکلیٹیں، مارش میلووز، کینڈیاں، ٹافیاں، چیونگم، لالی پاپ، گم، دودھ کی چاکلیٹس، برٹلز اور ٹرفلز نمونہ کے طویل مدتی مقاصد کے حصول میں کامیاب رہی ہے۔

### مسلسل تخلیق اور نئی مصنوعات کے متعارف کروانے اور اپنی جدید ترین

سہولیات کو جدید ٹیکنالوجی اور پیداواری طریقہ سے ہم آہنگ کرنے کی وجہ سے یہ صنعت کے لئے روشن مینارہ بن گئی ہے۔ گاہکوں کی طمانیت میں اضافے کے لئے کمپنی نے ترسیلی انتظام، فروخت اور تقسیم کی ساخت اور ROI کی بنیاد پر مارکیٹنگ پر توجہ مرکوز کی۔

### بسکونی

مسابقت کے باوجود بسکونی ذائقہ دار کوکیز، ویلیرز اور بسکٹ متعارف کروانے میں کامیاب رہی ہے جو کہ صارفین کے معیار ذائقہ سے مطابقت رکھتے ہیں۔ صارفین نہ صرف بسکونی کے دلدادہ ہیں بلکہ اس کے شائقین بھی ہیں اور اسے انہوں نے اسے اپنی روزمرہ زندگی کا حصہ بنا لیا ہے۔



## ڈائریکٹران کی جائزہ رپورٹ

### کاروباری اور مالیاتی جائزہ

کمپنی تسلسل کے ساتھ ٹافیوں، بسکٹوں، اسٹیکس، غذائی مصنوعات اور پلاسٹک فلم کی صنعتوں میں قائدانہ حیثیت رکھتی ہے اور اس کی فروخت 45 فیصد اضافہ کے ساتھ 65.26 بلین روپے رہیں جو کہ گزشتہ سال 44.95 بلین روپے تھیں۔ معیار حرکت کو برقرار رکھنے کی ہماری صلاحیت پیداواری گنجائش میں توسیع، متحرک مارکیٹنگ اقدامات اور نئی مصنوعات کے تعارف کی وجہ سے ہے۔

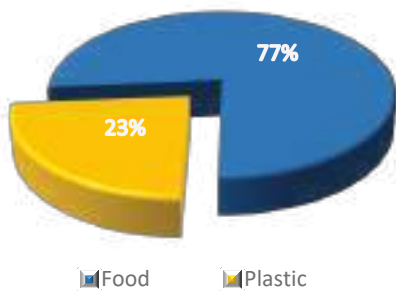
Description	Jun-22	Jun-21	Change
	Rs in Millions		in %
Sales	65,256	44,949	45%
Gross Profit	9,845	7,194	37%
Operating Profit	4,244	2,306	84%
Profit after tax	2,551	1,777	44%
Earning per share Rs	38.44	26.77	44%

کاروبار مارکیٹ کے اتار چڑھاؤ، صارفین کی طلب کا تجزیہ کرنے میں کامیاب رہا اور ان نتائج کے مطابق خدمات فراہم کی گئیں۔ ہم اس طرح سرمایہ کاری کرنے میں کامیاب ہوئے جس سے ہم تعین کر سکے کہ کوئی مصنوعات کامیاب ہوگی اور کن میں مزید بہتری کی ضرورت ہے تاکہ ہم جاری تقاضوں سے ہم آہنگ رہ سکیں۔

رواں سرمائے کے مستعد انتظام اور جدت/تنوع، پورٹ فولیو کے انتظام، بصیرت اور دستیابی کو آگے بڑھانے، کسٹمرز اور ڈسٹری بیوٹرز کے مستعد انداز میں کام کر کے مناسب ترسیل کے ذریعے کمپنی نے مالیاتی پروفائل کو مستحکم رکھا ہے۔

شعبہ جاتی جائزہ درج ذیل ہے:

### Annual Turnover



ڈائریکٹران کمپنی کے آڈٹ شدہ مالیاتی نتائج (انفرادی اور مجموعی) مالیاتی گوشوارے برائے مختتمہ مدت 30 جون 2022 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

### معاشی منظر نامہ

زیر جائزہ سال کے دوران عالمی سطح پر کئی چیلنجز کا سامنا رہا جس میں وباء کے بعد عالمی اور مقامی معیشتوں میں بحالی، عالمی اشیائے صرف میں عدم استحکام، روس-یوکرین جنگ اور طلب و رسد کی رکاوٹیں شامل ہیں جن کے نتیجے میں توانائی اور غذائی فراہمی میں رکاوٹ آئی جس سے دنیا بھر میں افراط زر بڑھا۔ بڑھتے ہوئے افراط زر کو قابو کرنے کے لئے دنیا بھر میں مرکزی بینکوں نے متحرک طور پر مالیاتی سختی شروع کر دی۔ مقامی سطح پر جاری سیاسی صورتحال نے ملک کی معاشی صورتحال کو ابتر کر دیا ہے اور کرنٹ اکاؤنٹ خسارہ، کرنسی کی قدر میں شدید کمی، اسٹیٹ بینک آف پاکستان کے پالیسی نرخوں میں اضافہ، زرمبادلہ کے ذخائر میں کمی اور بڑھتے ہوئے افراط زر کے باوجود معیشت ابھی تک بحالی کے راستے پر آنے کے لئے جدوجہد کر رہی ہے۔

تمام دشوار گزار عوامل کو ذہن میں رکھتے ہوئے کمپنی تمام رکاوٹوں کی پرواہ کئے بغیر متحرک انداز میں بنانے کے لئے کوشاں ہے۔ تاہم ہماری انتظامی ٹیم مصنوعات میں تنوع اور نئی مارکیٹنگ حکمت عملیوں کو متعارف کروا کر کمپنی کی نمو کو بڑھانے کے لئے پرعزم ہے۔





## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Ismail Industries Limited (the “Company”)

Year ended: June 30, 2022

1. The total number of directors are seven as per the following:

- a. Male: Five
- b. Female: Two

2. The composition of the Board is as follows:

Category	Names
Independent Directors*	Mr. Muhammad Zubair Motiwala Ms. Tasneem Yusuf
Non-Executive Directors	Mr. Muhammad M. Ismail Mr. Maqsood Ismail Ahmed Ms. Mehvish Ahmed Karim
Executive Directors	Mr. Munsarim Saifullah Mr. Ahmed Muhammad
Female Directors	Ms. Tasneem Yusuf Ms. Mehvish Ahmed Karim

\* Regulation 6(1) of the Regulations stipulates that it is mandatory for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 members, one-third works out to 2.33, since the fraction is below half (0.5) the fraction contained in such one-third is not rounded up to one, because the existing independent directors have the requisite skills, knowledge, and diversified work experience to take independent decision in the interest of the Company.

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Majority of the Directors of the Company have completed or are exempted from the requirement of the Directors' Training program.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
  - a) Audit Committee
    - Ms. Tasneem Yusuf - Chairperson
    - Mr. Muhammad M. Ismail - Member
    - Mr. Maqsood Ismail Ahmed - Member
  - b) Human Resource and Remuneration Committee
    - Mr. Muhammad Zubair Motiwala - Chairman
    - Mr. Maqsood Ismail Ahmed - Member
    - Ms. Mehvish Ahmed Karim - Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
  - a) Audit Committee quarterly
  - b) Human Resource and Remuneration Committee on required basis
15. The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firms involved in the audit are not a close relative (spouse, parent, dependent, and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary, or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other





regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.

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**MUHAMMAD M. ISMAIL**  
Chairman

Karachi: September 16, 2022





## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

### Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ismail Industries Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

**Grant Thornton Anjum Rahman**  
Chartered Accountants

Karachi

Dated: September 23, 2022

UDIN: CR2022101546qUwP4BKJ



**UNCONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**



## INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

### Report on the Audit of the Unconsolidated Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of Ismail Industries Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2022, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Following is the key audit matter:

S.No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p><b>Valuation of Stock-in-trade</b></p> <p>As at June 30, 2022 the Company's total stock-in-trade balance amounting to Rs. 8.33 billion as disclosed in note 11 represents 43.79% of the total current assets of the Company. The value of stock-in-trade is based on the weighted average cost method for raw materials, packing materials and work in process and lower of weighted average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit.</p> <p>The Company is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.</p>	<p>In response to this matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock in trade.</li> <li>Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade.</li> <li>Tested the valuation method used by the management in valuation of stock in trade.</li> <li>Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade, tested the accuracy of the aging analysis of stock-in-trade on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the board and management level to identify any indicators of obsolescence.</li> <li>Tested the NRV of the stock-in-trade held by performing a review of sales close to and subsequent to reporting date and compared with the cost for a sample of products.</li> <li>Assessed the adequacy of the disclosures on stock-in-trade in these unconsolidated financial statements.</li> </ul>

### Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report





to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Khalid Aziz.

*Grant Thornton Anjum Rahman*

**Grant Thornton Anjum Rahman**  
Chartered Accountants

Karachi

Date: September 23, 2022

UDIN: AR202210154VYJnK9jzG



## UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	25,100,648,537	20,797,301,134
Right-of-use assets	6.1	26,661,774	82,762,838
Intangible assets	7	5,995,440	33,730,783
Long term investments	8	7,145,568,786	5,277,725,078
Long term deposits	9	23,550,568	26,838,890
<b>Total non-current assets</b>		<b>32,302,425,105</b>	<b>26,218,358,723</b>
<b>Current assets</b>			
Stores and spares	10	509,098,029	459,511,285
Stock-in-trade	11	8,337,857,789	7,570,435,262
Trade debts	12	5,746,087,378	3,345,669,807
Loans and advances	13	1,963,345,154	1,529,096,136
Trade deposits and short term prepayments	14	37,312,320	30,581,266
Short term investments	15	965,120,059	318,381,590
Other receivables	16	117,740,491	117,644,543
Taxation - net	17	1,122,685,139	1,256,736,585
Cash and bank balances	18	242,333,100	143,565,665
<b>Total current assets</b>		<b>19,041,579,459</b>	<b>14,771,622,139</b>
<b>Total assets</b>		<b>51,344,004,564</b>	<b>40,989,980,862</b>

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.





# UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 250,000,000 (2021: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital	19	663,569,400	663,569,400
Reserves	20	11,916,011,853	10,611,167,244
<b>Total shareholders' equity</b>		<b>12,579,581,253</b>	<b>11,274,736,644</b>
<b>Non-current liabilities</b>			
Long term finances - secured	21	19,689,292,674	12,890,753,566
Lease liabilities	22	2,657,700	19,401,180
Deferred liabilities	23	2,358,751,602	2,291,284,075
<b>Total non-current liabilities</b>		<b>22,050,701,976</b>	<b>15,201,438,821</b>
<b>Current liabilities</b>			
Trade and other payables	24	3,474,859,492	3,993,579,951
Accrued mark-up	25	374,333,248	162,665,518
Short term finances - secured	26	9,088,758,920	6,063,068,547
Current portion of:			
- long term finances - secured	21	3,380,756,599	3,672,098,318
- lease liabilities	22	4,829,319	42,765,702
Unclaimed dividend		4,044,553	2,902,597
Advances from customers - unsecured		386,139,204	576,724,764
<b>Total current liabilities</b>		<b>16,713,721,335</b>	<b>14,513,805,397</b>
<b>Total liabilities</b>		<b>38,764,423,311</b>	<b>29,715,244,218</b>
<b>Total equity and liabilities</b>		<b>51,344,004,564</b>	<b>40,989,980,862</b>


## Contingencies and commitments

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The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer



## UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
Sales	28	65,255,748,409	44,948,732,102
Sales returns, discounts and direct expense		(2,475,750,755)	(1,959,203,601)
Export rebate		25,289,225	55,790,351
		(2,450,461,530)	(1,903,413,250)
		62,805,286,879	43,045,318,852
Sales tax		(7,544,587,684)	(5,737,558,980)
<b>Sales - net</b>		<b>55,260,699,195</b>	<b>37,307,759,872</b>
Cost of sales	30	(45,415,201,624)	(30,113,980,222)
<b>Gross profit</b>		<b>9,845,497,571</b>	<b>7,193,779,650</b>
Selling and distribution expenses	31	(4,784,661,261)	(4,235,501,771)
Administrative expenses	32	(816,535,268)	(651,886,237)
<b>Operating profit</b>		<b>4,244,301,042</b>	<b>2,306,391,642</b>
Other operating expenses	33	(422,789,237)	(393,717,058)
Other income	34	762,853,691	392,804,811
		4,584,365,496	2,305,479,395
Finance cost	35	(1,413,989,787)	(693,703,984)
		3,170,375,709	1,611,775,411
Share of profit from associated companies - net	8.3	216,582,895	601,470,332
<b>Profit before taxation</b>		<b>3,386,958,604</b>	<b>2,213,245,743</b>
Taxation	38	(835,938,376)	(436,580,434)
<b>Profit for the year</b>		<b>2,551,020,228</b>	<b>1,776,665,309</b>
<b>Earnings per share - basic and diluted</b>	39	<b>38.44</b>	<b>26.77</b>

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.



**Munsarim Saifullah**  
Chief Executive Officer



**Maqsood Ismail Ahmed**  
Director



**Ahmed Raza Parekh**  
Chief Financial Officer





## UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
Profit for the year		2,551,020,228	1,776,665,309
<b>Other comprehensive loss:</b>			
<i>Items that may be reclassified to unconsolidated statement of profit or loss in subsequent periods</i>			
<i>Items that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods:</i>			
(Loss) / income on remeasurements of post employment benefit obligation - net of tax	23.2.7	(32,832,701)	34,674,791
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(3,787,384)	(3,857,616)
Share of other comprehensive loss from associate - net of tax		(214,201,434)	(233,459,617)
<b>Other comprehensive loss</b>		<b>(250,821,519)</b>	<b>(202,642,442)</b>
<b>Total comprehensive income for the year</b>		<b>2,300,198,709</b>	<b>1,574,022,867</b>

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer



## UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

Issued, subscribed and paid-up share capital	Total Reserves					Total reserves	Total shareholders' equity	
	Capital reserve		Revenue reserve					
	Share premium	Amalgamation reserves	Remeasurement of investment in associate	Remeasurement of investments at fair value through OCI	Unappropriated profit			
----- Rupees -----								
Balance as at July 01, 2020	663,569,400	1,472,531,500	916,862,067	41,535,172	-	6,805,286,458	9,236,215,197	9,899,784,597
Profit for the year	-	-	-	-	-	1,776,665,309	1,776,665,309	1,776,665,309
Remeasurement of defined benefit obligation - net of tax - note 23.2.7	-	-	-	-	-	34,674,791	34,674,791	34,674,791
Unrealized appreciation on remeasurement of investment - net of tax	-	-	-	-	(3,857,616)	-	(3,857,616)	(3,857,616)
Share of other comprehensive loss from associate - net of tax	-	-	-	(233,459,617)	-	-	(233,459,617)	(233,459,617)
Other comprehensive loss	-	-	-	(233,459,617)	(3,857,616)	34,674,791	(202,642,442)	(202,642,442)
Total comprehensive income	-	-	-	(233,459,617)	(3,857,616)	1,811,340,100	1,574,022,867	1,574,022,867
Final dividend for the year ended June 30, 2020 @ Rs. 3 per share	-	-	-	-	-	(199,070,820)	(199,070,820)	(199,070,820)
<b>Balance as at June 30, 2021</b>	<b>663,569,400</b>	<b>1,472,531,500</b>	<b>916,862,067</b>	<b>(191,924,445)</b>	<b>(3,857,616)</b>	<b>8,417,555,738</b>	<b>10,611,167,244</b>	<b>11,274,736,644</b>
Profit for the year	-	-	-	-	-	2,551,020,228	2,551,020,228	2,551,020,228
Remeasurement of defined benefit obligation - net of tax - note 23.2.7	-	-	-	-	-	(32,832,701)	(32,832,701)	(32,832,701)
Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	(3,787,384)	-	(3,787,384)	(3,787,384)
Share of other comprehensive loss from associate-net of tax	-	-	-	(214,201,434)	-	-	(214,201,434)	(214,201,434)
Other comprehensive loss	-	-	-	(214,201,434)	(3,787,384)	(32,832,701)	(250,821,519)	(250,821,519)
Total comprehensive income	-	-	-	(214,201,434)	(3,787,384)	2,518,187,527	2,300,198,709	2,300,198,709
Final cash dividend for the year ended June 30, 2021 @ Rs.15 per share	-	-	-	-	-	(995,354,100)	(995,354,100)	(995,354,100)
<b>Balance as at June 30, 2022</b>	<b>663,569,400</b>	<b>1,472,531,500</b>	<b>916,862,067</b>	<b>(406,125,879)</b>	<b>(7,645,000)</b>	<b>9,940,389,165</b>	<b>11,916,011,853</b>	<b>12,579,581,253</b>

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer





## UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	41	5,328,044,668	2,418,541,651
Gratuity paid	23.2.3	(43,948,262)	(56,151,439)
Income tax paid - net		(703,643,893)	(178,055,152)
Long term deposits - net		3,288,322	10,166,691
<b>Net cash generated from operating activities</b>		<b>4,583,740,835</b>	<b>2,194,501,751</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)		(6,617,572,848)	(3,355,480,700)
Intangible assets		(1,000,000)	(10,306,201)
Investment in subsidiaries	8.1 & 8.2	(1,903,262,500)	-
Investment in associated company		-	(491,737,500)
Proceed from dissolution of associated company		-	188,107,892
Dividend received		-	629,020,362
Short-term investments	15	(651,578,469)	(123,541,590)
Proceeds from disposal of property, plant and equipment	6.6	551,940,577	585,328,439
<b>Net cash used in investing activities</b>		<b>(8,621,473,240)</b>	<b>(2,578,609,298)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from long term financing - net		6,438,931,069	2,014,170,153
Lease repayments		(54,679,863)	(106,360,035)
Interest / mark-up paid		(1,202,322,057)	(727,004,937)
Dividend paid		(994,212,144)	(198,813,008)
<b>Net cash generated from financing activities</b>		<b>4,187,717,005</b>	<b>981,992,173</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>149,984,600</b>	<b>597,884,626</b>
Cash and cash equivalents at the beginning of the year		(1,065,726,882)	(1,663,611,508)
<b>Cash and cash equivalents at the end of the year</b>		<b>(915,742,282)</b>	<b>(1,065,726,882)</b>
<b>Cash and cash equivalents at the end of the year comprise of:</b>			
Cash and bank balances	18	242,333,100	143,565,665
Running finance utilized under mark-up arrangements	26.5	(1,158,075,382)	(1,209,292,547)
		<b>(915,742,282)</b>	<b>(1,065,726,882)</b>

The annexed notes from 1 to 48 form an integral part of these unconsolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer



## NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 1 LEGAL STATUS AND OPERATIONS

- 1.1** Ismail Industries Limited (the Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office / head office of the Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Previously the shares of the Company were listed on the Karachi and Lahore Stock Exchanges. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange Limited effective from January 11, 2016 the shares of the Company are now quoted on Pakistan Stock Exchange Limited. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, nutritional products, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'Candyland', 'Bisconni', 'Snackcity', 'Ismail nutrition' and 'Astro films' respectively.

These are the separate unconsolidated financial statements of the Company in which investment in subsidiaries are stated at cost less any impairment costs, if any and investment in associates are carried under equity method of accounting.

In addition to the above registered office, geographical location and addresses of business units including manufacturing units of the Company are as under:

#### Factories:

Unit-1	Unit-6
C-230, Hub H.I.T.E., Balochistan.	D-91, D-92 & D-94 North Western Zone, Port Qasim.
Unit-2	Unit-7
B-140, Hub H.I.T.E., Balochistan.	E164-168, North Western Zone, Port Qasim.
Unit-3	Unit-8
G-1, Hub H.I.T.E., Balochistan.	E154-157, North Western Zone, Port Qasim.
Unit-4	Unit-9
G-22, Hub H.I.T.E., Balochistan.	G-1A, Hub H.I.T.E., Balochistan.
Unit-5	
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	

Further the Company's liaison offices and warehouses are situated in Karachi, Hyderabad, Sukkur, Multan, Lahore, Islamabad, Faisalabad and Peshawar.

### 2 SIGNIFICANT EVENTS AND TRANSACTIONS

- 2.1** During the year, the Company has made an investment amounting to Rs. 520 million and Rs. 1,383 million in its subsidiaries i.e. Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited respectively for the purpose of expansion of business.

### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies.

#### 3.3 Functional and presentation currency

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. The figures have been rounded off to the nearest Pakistani Rupee.





### 3.4 Standard, Amendments and Interpretations to Approved Accounting Standards

#### 3.4.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

#### 3.4.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

## 4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to the unconsolidated financial statements:

	Note
a) Property, plant and equipment	4.1
b) Right-of-use assets	5.1.2
c) Intangible assets	5.2
d) Stock-in-trade, stores and spares	4.2
e) Trade debts and other receivables	4.3
f) Taxation	4.4
g) Staff retirement benefits	4.5
h) Leases liabilities	5.14
i) Provisions	5.16
j) Impairment of non-financial assets	5.3
k) Contingent liabilities	5.24
l) Impairment of financial assets	5.26.5

#### 4.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

#### 4.2 Stock-in-trade, stores and spares

The Company's management reviews the net realizable value (NRV) of stock-in-trade, stores and spares to assess any diminution in the respective carrying values and wherever required, provision for impairment is made.

#### 4.3 Trade debts and other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.26.5 of these unconsolidated financial statements.

#### 4.4 Taxation

In making the estimate for taxation by the Company, the management refers to the current income tax laws and the decisions of appellate authorities on certain issues in the past.

#### 4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 23.1 to these unconsolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect the amounts recognized in those years.

### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

#### 5.1 Property, plant and equipment

##### 5.1.1 Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the unconsolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note no. 6 to the unconsolidated financial statements. Depreciation on leasehold land is charged to the unconsolidated statement of profit or loss, applying the straight-line method at rates given in note no. 6 to these unconsolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

##### 5.1.2 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance method as given in note no. 6.1 of these unconsolidated financial statements of June 30, 2022. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

##### 5.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses, if any, are recorded on the basis as defined in note 5.3.





## 5.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying straight line method and impairment losses if any are recorded on the basis as defined in note 5.3.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

## 5.3 Impairment of non-financial assets

Assets that are subject to depreciation/amortization including capital work-in-progress are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable (cash-generating units).

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 amortization, if no impairment loss had been recognized.

## 5.4 Investments in subsidiaries

Investment in subsidiaries are recognized and carried at cost in these unconsolidated financial statements. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in the unconsolidated statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss in the period in which they are occurred.

## 5.5 Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulations prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income / loss of the associate after the date of acquisition.

## 5.6 Long term deposits

These are stated at amortized cost which represents the fair value of consideration given.

## 5.7 Stores and spares

All stores, spares and loose tools either imported or purchased locally are charged to the unconsolidated statement of profit or loss when consumed and are valued at lower of weighted moving average cost or estimated NRV except for items-in-transit which are stated at invoice value plus other incidental charges paid thereon up to the reporting date. Provision is made for obsolete and slow moving items where necessary and is recognized in the unconsolidated statement of profit or loss.

## 5.8 Stock-in-trade

These are valued at the lower of cost or net realizable value. Cost is determined as follows:

Types of stock	Valuation method
a) Raw and packing materials	weighted average cost method
b) Work-in-process	weighted average cost method
c) Finished goods	lower of weighted average cost or net realizable value
d) Goods in-transit	invoice value plus other charges incurred thereon
e) Trading goods	lower of weighted average cost or net realizable value



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

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

#### **5.9 Trade debts and other receivables**

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

#### **5.10 Cash and cash equivalents**

For the purposes of the unconsolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

#### **5.11 Interest / Mark-up bearing loans and borrowings**

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the unconsolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

#### **5.12 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the unconsolidated statement of profit or loss in the period in which they are incurred.

#### **5.13 Staff retirement benefits - gratuity**

The Company operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the Company. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note no. 23.1 using the projected unit credit method.

#### **5.14 Lease liabilities**

Leases are recognized as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

#### **5.15 Taxation**

##### **5.15.1 Current**

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the Ordinance, whichever is higher.





#### **5.15.2 Deferred**

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

#### **5.16 Provisions**

Provisions are recognized in these unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

#### **5.17 Trade and other payables**

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

#### **5.18 Foreign currency translation**

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Pakistani Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the unconsolidated statement of profit or loss.

#### **5.19 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food and plastic division.

#### **5.20 Dividend distribution**

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

#### **5.21 Related parties transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

#### **5.22 Share Capital**

Ordinarily shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **5.23 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

#### **5.24 Contingent liabilities**

Contingent liability is disclosed when:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

- b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

## **5.25 Operating, administrative and selling expenses**

These expenses are recognized in the unconsolidated statement of profit or loss upon utilization of the services or as incurred except as specifically stated in these unconsolidated financial statements.

## **5.26 Financial Instruments - Initial Recognition and subsequent measurement**

### **5.26.1 Initial recognition**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

### **5.26.2 Classification of financial assets**

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

### **5.26.3 Classification of financial liabilities**

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost

Financial liabilities are measured at amortized cost using effective yield method, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Company has opted to measure them at FVTPL.

### **5.26.4 Subsequent measurement**

#### **i) Financial assets at FVTOCI**

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

#### **ii) Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

#### **iii) Financial assets and liabilities at FVTPL**

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss in the period in which they arise.





Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

#### **5.26.5 Impairment of financial assets**

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determined to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

#### **5.26.6 Derecognition**

##### **i) Financial assets**

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable, is recognized in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the consolidated statement of profit or loss, but is transferred to retained earnings.

##### **ii) Financial liabilities**

The Company derecognizes its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of profit or loss.

#### **5.26.7 Off-setting of financial assets and liabilities**

Financial assets and liabilities are off set and the net amount is reported in these consolidated statement of financial position if the Company has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### **5.27 Revenue from Contracts with Customers**

The Company is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods net of discount and sales related indirect taxes. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.



The following are the specific recognition criteria that must be met before revenue is recognized:

- a) Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.
- b) Processing income is recognized when services are rendered.
- c) Gain or loss on sale of investments is taken to income in the period in which it arises.
- d) Interest income is recognized on an accrual basis using the effective interest method.
- e) Dividend is recognized when the right to receive is established.
- f) Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

#### 5.28 Contract Assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

#### 5.29 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.



## 6 PROPERTY, PLANT AND EQUIPMENT

Operating assets

Capital work in progress - at cost

2021

Rupees -

### Note

Operating assets

Capital work in progress - at cost

21,337,873,957	19,820,929,398
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3,762,774,580 976,371,736

25,100,648,537	20,797,301,134
----------------	----------------

25,100,648,537	20,797,301,134
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### 6.1 Right-of-use assets

26,661,774	82,762,838
------------	------------

26,661,774	82,762,838
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26,661,774	82,762,838
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### 6.2 Detailed movement of operating assets and right-of-use assets are as follows;

Year ended June 30, 2022		Rupees										Right-of-use assets			Grand total
		Operating assets					Cooling tower & chillers					Plant and machinery	Vehicles		
		Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles						
As at June 30, 2021															
Cost		646,963,055	88,688,580	5,285,554,544	21,961,507,112	111,609,001	349,478,728	78,317,729	590,827,982	-	29,112,946,731	-	132,040,372	132,040,372	
Accumulated depreciation		(57,268,751)	-	(1,653,596,728)	(7,140,138,938)	(46,860,687)	(123,536,819)	(33,792,628)	(216,822,782)	-	(9,292,017,333)	-	(49,277,534)	(49,277,534)	
Net book value		589,694,304	88,688,580	3,631,957,816	14,801,368,174	64,748,314	225,941,909	44,525,101	374,005,200	-	19,820,929,398	-	82,762,838	82,762,838	
July 01, 2021															
Opening net book value		589,694,304	88,688,580	3,631,957,816	14,801,368,174	64,748,314	225,941,909	44,525,101	374,005,200	-	19,820,929,398	-	82,762,838	82,762,838	
Additions / Transfers from CWIP		17,818,190	-	802,984,502	2,480,375,247	13,991,024	25,197,614	67,026,846	394,376,581	29,400,000	3,831,170,004	-	-	-	
Transfer from right-of-use assets to owned assets		-	-	-	-	-	-	-	-	-	-	-	-	-	
Cost		-	-	-	-	-	-	-	82,034,109	-	82,034,109	-	(82,034,109)	(82,034,109)	
Accumulated depreciation		-	-	-	-	-	-	-	(37,255,535)	-	(37,255,535)	-	37,255,533	37,255,533	
Disposal		-	-	-	-	-	-	-	44,778,574	-	44,778,574	-	(44,778,576)	(44,778,576)	
Cost		(126,712,000)	-	-	(4,319,839)	(2,709,211)	(2,361,180)	(11,751,344)	(162,024,377)	-	(309,877,951)	-	-	-	
Accumulated depreciation		7,035,445	-	-	3,901,360	2,177,562	1,999,286	9,989,286	80,538,084	-	105,640,768	-	-	-	
Depreciation charge for the year		(119,676,555)	-	-	(418,479)	(531,849)	(361,949)	(1,762,058)	(81,486,293)	-	(204,237,183)	-	-	-	
Closing net book value		482,140,916	88,688,580	4,038,778,987	15,687,204,239	70,853,615	226,833,675	95,669,591	619,937,686	27,766,668	21,337,873,957	-	26,661,774	26,661,774	
As at June 30, 2022															
Cost		538,069,245	88,688,580	6,088,539,046	24,437,562,520	122,890,814	372,313,162	133,593,231	905,214,295	29,400,000	32,716,272,893	-	50,006,263	50,006,263	
Accumulated depreciation		(55,928,329)	-	(2,049,760,059)	(8,750,358,281)	(52,037,199)	(145,481,487)	(37,923,640)	(285,276,609)	(1,633,332)	(11,378,398,936)	-	(23,344,489)	(23,344,489)	
Net book value		482,140,916	88,688,580	4,038,778,987	15,687,204,239	70,853,615	226,833,675	95,669,591	619,937,686	27,766,668	21,337,873,957	-	26,661,774	26,661,774	
Depreciation rate (%)		1		10	10 to 15	10	10	20	20	33	10	10	20	20	



	Operating assets										Right-of-use assets			Grand total
	Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipment	Computers	Vehicles	Cooling tower & chillers	Grand total	Plant and machinery	Vehicles		
Rupees														
As at June 30, 2020														
Cost	945,110,009	88,688,580	3,612,488,846	15,592,720,517	91,000,668	303,056,120	55,408,578	269,870,643	-	20,958,343,961	165,527,276	324,580,872	490,108,148	
Accumulated depreciation	(53,996,525)	-	(1,348,164,531)	(5,835,334,691)	(41,005,320)	(100,134,480)	(26,246,795)	(129,665,527)	-	(7,534,547,669)	(73,104,510)	(110,048,163)	(183,152,673)	
Net book value	891,113,684	88,688,580	2,264,324,315	9,757,385,826	49,995,348	202,921,640	29,161,783	140,205,116	-	13,423,796,292	92,422,766	214,532,709	306,955,475	
July 01, 2020														
Opening net book value	891,113,684	88,688,580	2,264,324,315	9,757,385,826	49,995,348	202,921,640	29,161,783	140,205,116	-	13,423,796,292	92,422,766	214,532,709	306,955,475	
Additions / Transfers from CWIP	-	-	1,673,065,698	6,203,462,532	20,608,333	46,942,608	24,016,441	253,247,744	-	8,221,343,356	-	817,992	817,992	
Transfer From leased assets to owned assets														
Cost	-	-	-	165,527,276	-	-	-	193,358,492	-	358,885,768	(165,527,276)	(193,358,492)	(358,885,768)	
Accumulated depreciation	-	-	-	(80,218,792)	-	-	-	(94,407,808)	-	(174,626,600)	80,218,792	94,407,808	174,626,600	
Disposal	-	-	-	85,308,484	-	-	-	98,950,684	-	184,259,168	(85,308,484)	(98,950,684)	(184,259,168)	
Cost	(298,146,954)	-	-	(203,213)	-	(520,000)	(1,107,290)	(125,648,897)	-	(425,626,354)	-	-	-	
Accumulated depreciation	4,768,339	-	-	157,129	-	94,900	549,310	62,796,705	-	68,366,383	-	-	-	
Depreciation charge for the year	(293,378,415)	-	-	(46,084)	-	(423,100)	(557,980)	(62,852,192)	-	(357,259,971)	-	-	-	
Closing net book value	589,694,304	88,688,580	3,631,957,816	14,801,368,174	64,748,314	225,941,909	44,525,101	374,005,200	-	19,820,929,398	-	82,762,838	82,762,838	
As at June 30, 2021														
Cost	646,963,055	88,688,580	5,285,554,544	21,961,507,112	111,609,001	349,478,728	78,317,729	590,827,982	-	29,112,946,731	-	132,040,372	132,040,372	
Accumulated depreciation	(57,268,751)	-	(1,653,596,728)	(7,160,138,938)	(46,860,687)	(123,536,819)	(33,792,628)	(216,822,782)	-	(9,292,017,333)	-	(49,277,534)	(49,277,534)	
Net book value	589,694,304	88,688,580	3,631,957,816	14,801,368,174	64,748,314	225,941,909	44,525,101	374,005,200	-	19,820,929,398	-	82,762,838	82,762,838	
Depreciation rate (%)	1	10	10 to 15	10	10	10	20	20	33	10	10	20		

6.3 Property plant and equipment of the Company is under charge against long term finances as mentioned in note no. 21.

6.4 The expenses have been allocated to the unconsolidated statement of profit or loss as follows:

6.4.1 Depreciation charge of operating assets

Cost of sales	30	2,018,962,268	1,576,523,631
Selling and distribution expenses	31	51,492,204	26,789,834
Administrative expenses	32	84,312,366	47,895,982
		2,154,766,837	1,651,209,447

6.4.2 Depreciation charge of right-of-use-assets

Cost of sales	30	3,516,485	15,918,472
Selling and distribution expenses	31	4,984,531	15,558,748
Administrative expenses	32	2,821,473	9,274,241
		11,322,488	40,751,461



**6.5 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:**

Locations	Usage of immovable	* Total area
17 - Bangalore Town, Shahrah-e-Faisal, Karachi.	Registered office / Head office	1000 sq. yd
C-230, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 1	7.54 acres
B-140, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 2	4.59 acres
G-1, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 3	3.486 acres
G-22, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 4	9.00 acres
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	Manufacturing facility - Unit 5	4.02 acres
D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 6	7.50 acres
E164-168, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 7	6.24 acres
E154-157, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 8	5.04 acres
G-1A, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 9	3.185 acres
D-101/M, D-101/N, S.I.T.E area, Nooriabad, District Jamshoro, Sindh.	For future expansion	20.50 acres
PT2-24-2402, Pearl Tower, Plot # 7 (R9) Crescent Bay, Karachi.	Administrative purpose	2,209.57 sq. ft
Sabzi mandi road, Chak no. 241 Dist. Faisalabad.	For future expansion	0.88 acres
39-B, Sundar Industrial Estate, Raiwind Road, Lahore.	For future expansion	1.138 acres

\* The covered area includes multi-storey buildings.

**6.6 Following are the particulars of the disposed assets having a book value exceed five hundred thousand rupees.**

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees .....							
<b>Leasehold Land</b>							
126,712,000	7,035,445	119,676,555	446,500,000	326,823,445	Ismail Resin (Pvt) Limited	Subsidiary	Negotiation
<b>126,712,000</b>	<b>7,035,445</b>	<b>119,676,555</b>	<b>446,500,000</b>	<b>326,823,445</b>			
<b>Vehicles</b>							
<b>Audi</b>							
8,000,000	5,582,854	2,417,146	9,000,000	6,582,854	Ali Raza Kazmi	Independent party	Negotiation
<b>8,000,000</b>	<b>5,582,854</b>	<b>2,417,146</b>	<b>9,000,000</b>	<b>6,582,854</b>			
<b>Toyota Fortuner</b>							
6,136,850	3,645,732	2,491,118	3,178,656.00	687,538	Fawaz Ahmed	Employee	Company Policy
<b>6,136,850</b>	<b>3,645,732</b>	<b>2,491,118</b>	<b>3,178,656</b>	<b>687,538</b>			
<b>Suzuki Cultus</b>							
1,512,853	294,166	1,218,687	1,642,008	423,321	Amjad Sohail	Employee	Company Policy
1,265,000	698,967	566,033	505,820	(60,213)	Reehmat Ilahi	Employee	Company Policy
1,274,060	720,496	553,564	784,585	231,021	Ali Mumtaz Khan	Employee	Company Policy
1,428,750	615,797	812,953	998,305	185,352	Fahad Habib	Employee	Company Policy
1,271,100	727,709	543,391	1,350,000	806,609	Naveed Ahmed	Employee	Company Policy
1,265,000	718,485	546,515	505,860	(40,655)	Irfan Nazir	Employee	Company Policy
1,767,350	621,105	1,146,245	1,341,590	195,345	M Asadullah	Employee	Company Policy
1,256,100	692,196	563,904	758,730	194,826	Muhammad Umair	Employee	Company Policy
1,786,650	584,090	1,202,560	1,447,505	244,945	Muzammil Khan	Employee	Company Policy
1,542,567	269,949	1,272,618	1,676,780	404,162	Hassan Raza	Employee	Company Policy
1,765,250	621,368	1,143,882	706,100	(437,782)	Faisal Shamshad	Employee	Company Policy
1,765,250	621,368	1,143,882	706,100	(437,782)	Yasir Qureshi	Employee	Company Policy
1,512,053	548,628	963,425	795,939	(167,486)	Mohsin Raza	Employee	Company Policy
1,543,117	384,065	1,159,052	1,561,720	402,668	Syed Aun Abbas	Employee	Company Policy
1,765,250	663,734	1,101,516	706,100	(395,416)	Syed Maaz Uddin	Employee	Company Policy
1,491,111	124,259	1,366,852	1,655,000	288,148	Jublee Insurance	Insurance claim	As per contract
1,521,367	249,758	1,271,609	1,744,800	473,191	Farrukh Khan	Employee	Company Policy
1,512,053	568,081	943,972	1,307,136	363,164	Ahsan Bhutto	Employee	Company Policy
1,781,400	671,287	1,110,113	1,324,800	214,687	Khalid	Employee	Company Policy
1,398,200	738,346	659,854	1,295,491	635,637	Abdul Rasheed	Employee	Company Policy
1,511,678	621,215	890,463	1,330,569	440,106	Masroor Ahmed	Employee	Company Policy
1,265,000	698,967	566,033	498,697	(67,336)	Muhammad Asad	Employee	Company Policy
1,521,367	320,332	1,201,035	2,090,000	888,965	Waqar Hussain	Employee	Company Policy
<b>34,722,526</b>	<b>12,774,368</b>	<b>21,948,158</b>	<b>26,733,635</b>	<b>4,785,477</b>			



Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees .....							
<b>Suzuki Alto</b>							
1,207,641	265,681	941,960	1,167,923	225,963	Zeeshan Maqsood	Employee	Company Policy
1,203,267	80,217	1,123,050	1,284,780	161,730	Muhammad Zaheer	Employee	Company Policy
1,207,641	300,904	906,737	1,166,829	260,092	Ali Shabbir	Employee	Company Policy
<b>3,618,549</b>	<b>646,802</b>	<b>2,971,747</b>	<b>3,619,532</b>	<b>647,785</b>			
<b>Toyota Corolla</b>							
1,791,500	1,234,639	556,861	715,774	158,913	Haris Khan	Employee	Company Policy
1,771,500	1,213,284	558,216	715,774	157,558	Aamir Khan	Employee	Company Policy
1,792,000	1,202,592	589,408	723,854	134,446	Muhammad Ashraf	Employee	Company Policy
3,290,250	913,398	2,376,852	2,321,282	(55,570)	Zunair Ahmed	Employee	Company Policy
2,331,290	1,074,321	1,256,969	2,027,804	770,835	Faisal Bashir	Employee	Company Policy
1,923,500	1,116,721	806,779	1,016,116	209,337	Qaiser Siddiqi	Employee	Company Policy
2,179,800	1,009,102	1,170,698	871,920	(298,778)	Aqeel Kamal	Employee	Company Policy
2,057,410	1,382,526	674,884	2,450,000	1,775,116	Muhammad Azam Iqbal	Employee	Company Policy
1,852,785	1,317,426	535,359	740,014	204,655	Naveed Ahmed	Employee	Company Policy
2,792,813	949,556	1,843,257	1,117,125	(726,132)	Muhammad Sheeraz	Employee	Company Policy
2,813,063	956,441	1,856,622	1,444,002	(412,620)	Muhammad Saeed	Employee	Company Policy
1,814,935	1,207,076	607,859	724,200	116,341	Fareed Ahmed	Employee	Company Policy
2,331,290	1,164,104	1,167,186	2,304,000	1,136,814	Jublee Insurance	Insurance claim	As per contract
1,794,500	1,154,766	639,734	815,018	175,284	Fazal Karim	Employee	Company Policy
2,331,290	1,186,550	1,144,740	1,096,132	(48,608)	Shafiq Abdullah	Employee	Company Policy
1,958,625	1,210,468	748,157	920,256	172,099	Shahzad Iqbal	Employee	Company Policy
1,794,500	1,154,765	639,735	796,906	157,171	Tahir Mehmood	Employee	Company Policy
2,035,125	1,302,578	732,547	727,250	(5,297)	Aamir Sultan	Employee	Company Policy
1,926,750	1,178,118	748,632	1,097,150	348,518	Humayon Iqbal	Employee	Company Policy
1,794,500	1,154,766	639,734	815,018	175,284	Syed Ali Shah	Employee	Company Policy
1,792,000	1,194,752	597,248	724,456	127,208	Waqas Afzal	Employee	Company Policy
1,926,750	1,178,118	748,632	1,022,506	273,874	Syed Waqar Azeem	Employee	Company Policy
2,792,813	1,117,125	1,675,688	1,117,125	(558,563)	Kamran Ahmed	Employee	Company Policy
2,331,290	1,231,441	1,099,849	931,866	(167,983)	Najmus Saqib	Employee	Company Policy
2,794,440	1,120,770	1,673,670	1,117,125	(556,545)	Waseem Hussain	Employee	Company Policy
<b>54,014,719</b>	<b>28,925,403</b>	<b>25,089,316</b>	<b>28,352,673</b>	<b>3,263,357</b>			
<b>Toyota Yaris</b>							
2,243,590	254,274	1,989,316	2,575,000	585,684	EFU General Inc	Insurance claim	As per contract
2,273,401	432,578	1,840,823	2,600,000	759,177	Haider Nawab Akhtar	Independent party	Negotiation
2,308,439	509,780	1,798,659	2,315,421	516,762	Mahira Zaidi	Employee	Company Policy
2,273,401	598,662	1,674,739	2,200,745	526,006	Saad Ullah	Employee	Company Policy
<b>9,098,831</b>	<b>1,795,294</b>	<b>7,303,537</b>	<b>9,691,166</b>	<b>2,387,629</b>			
<b>Honda civic</b>							
2,725,015	1,559,661	1,165,354	1,253,647	88,293	Abdul Qadir	Employee	Company Policy
3,180,260	1,430,766	1,749,494	2,614,197	864,703	Shah Abdulla Raza	Employee	Company Policy
<b>5,905,275</b>	<b>2,990,427</b>	<b>2,914,848</b>	<b>3,867,844</b>	<b>952,996</b>			
<b>Suzuki Swift</b>							
1,550,100	701,885	848,215	1,061,889	213,674	Shah Bano	Employee	Company Policy
<b>1,550,100</b>	<b>701,885</b>	<b>848,215</b>	<b>1,061,889</b>	<b>213,674</b>			
<b>123,046,850</b>	<b>57,062,765</b>	<b>65,984,085</b>	<b>85,505,395</b>	<b>19,521,310</b>			
<b>249,758,850</b>	<b>64,098,210</b>	<b>185,660,640</b>	<b>532,005,395</b>	<b>346,344,755</b>			





### Aggregate of assets disposed off having net book value not exceeding Rs. 500,000

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)
Plant and Machinery	4,319,839	3,901,360	418,479	-	(418,479)
Furniture & Fixtures	2,709,211	2,177,362	531,849	-	(531,849)
Computers	11,751,347	9,989,281	1,762,066	453,436	(1,308,630)
Equipments	2,361,180	1,999,231	361,949	-	(361,949)
Vehicles	38,977,524	23,475,324	15,502,200	19,481,746	3,979,546
<b>Sub-total</b>	<b>60,119,101</b>	<b>41,542,558</b>	<b>18,576,543</b>	<b>19,935,182</b>	<b>1,358,639</b>
<b>2022 - total</b>	<b>309,877,951</b>	<b>105,640,768</b>	<b>204,237,183</b>	<b>551,940,577</b>	<b>347,703,394</b>
2021 - total	425,626,354	68,366,384	357,259,970	585,328,439	228,068,469

6.6.1 All disposal are made through negotiation or otherwise specified in 6.6 of these unconsolidated financial statements.

	Note	2022 -----Rupees-----	2021 -----Rupees-----
<b>6.7 Capital work-in-progress</b>			
Civil works		1,062,030,391	177,900,924
Plant and machinery		2,693,906,789	798,470,812
Equipment and fittings		6,837,400	-
	6.7.1	3,762,774,580	976,371,736

#### 6.7.1 Movement of capital work in progress:

	Civil works	Plant and machinery	Equipment and fittings	Total
	-----Rupees-----			
Balance as at July 1, 2020	669,748,425	5,173,303,957	-	5,843,052,382
Capital expenditure incurred during the year	1,181,218,197	1,669,285,906	8,817,804	2,859,321,907
Trial production cost incurred - net	-	159,343,481	-	159,343,481
Transferred to operating fixed assets	(1,673,065,698)	(6,203,462,532)	(8,817,804)	(7,885,346,034)
<b>Balance as at June 30, 2021</b>	<b>177,900,924</b>	<b>798,470,812</b>	<b>-</b>	<b>976,371,736</b>
Capital expenditure incurred during the year	1,687,113,969	4,375,805,925	23,813,162	6,086,733,056
Transferred to operating fixed assets	(802,984,502)	(2,480,369,948)	(16,975,762)	(3,300,330,212)
<b>Balance as at June 30, 2022</b>	<b>1,062,030,391</b>	<b>2,693,906,789</b>	<b>6,837,400</b>	<b>3,762,774,580</b>

	Note	2022 -----Rupees-----	2021 -----Rupees-----
<b>7 INTANGIBLE ASSETS</b>			
As at July 1			
Cost	7.1	98,973,357	88,667,156
Accumulated amortization		(65,242,574)	(33,373,946)
<b>Opening net book value</b>		<b>33,730,783</b>	<b>55,293,210</b>
Addition for the year		1,000,000	10,306,201
Amortization charge for the year		(28,735,343)	(31,868,628)
<b>Closing net book value</b>		<b>5,995,440</b>	<b>33,730,783</b>
As at June 30			
Cost		99,973,357	98,973,357
Accumulated amortization		(93,977,917)	(65,242,574)
<b>Closing net book value</b>		<b>5,995,440</b>	<b>33,730,783</b>
<b>Amortization rate</b>		<b>33.33%</b>	<b>33.33%</b>

7.1 Software includes licenses which are amortized on straight line basis over a period of 36 months.

		2022	2021
		-----Rupees-----	
7.2	The amortization charge has been allocated as follows:		
	Cost of sales	30	12,631,650
	Selling and distribution expenses	31	6,974,312
	Administrative expenses	32	9,129,381
			28,735,343
8	<b>LONG TERM INVESTMENTS</b>		
	<b>Investment in subsidiary companies - unquoted shares</b>		
	Hudson Pharma (Private) Limited	8.1	2,125,984,000
	Ismail Resin (Private) Limited	8.2	1,875,000,000
			4,000,984,000
	<b>Investment in associated companies</b>		
	Ismail Resin (Private) Limited	8.2	-
	The Bank of Khyber	8.3	3,144,584,786
			3,144,584,786
			7,145,568,786
			5,277,725,078

	2022	2021
	-----Rupees-----	
8.1	<b>Hudson Pharma (Private) Limited</b>	
	Balance as at July 1	1,605,984,000
	Increase during the year	520,000,000
	Balance as at June 30	2,125,984,000

The Company has acquired 212,598,400 (2021: 160,598,400) shares of Hudson Pharma (Private) Limited (HPPL), which is equivalent to 78.26% (2021: 77.71%) of total paid up capital. HPPL is incorporated under Companies Act, 2017 as a private company limited by shares. The registered office of HPPL is located at 17 Bangalore town, main Shahrah-e-Faisal Karachi. Principal activities of HPPL are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical drugs, medicines and derma products. The shares of subsidiary are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of subsidiary is June 30.

The fair value of equity has been worked out at Rs. 14/- per share (2021: Rs. 14/- per share), as determined by M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using discounted cash flow method and thus there is no indication of any impairment in the value of this investment.

	2022	2021
	-----Rupees-----	
8.2	<b>Ismail Resin (Private) Limited</b>	
	Balance as at July 1	491,737,500
	Increase during the year / Share deposit money	1,383,262,500
	Balance as at June 30	1,875,000,000

As on reporting date, the Company holds 187,500,000 (June 2021: nil) shares of Ismail Resin (Private) Limited (IRPL), which is equivalent to 75% of total paid up capital of the IRPL. The IRPL was incorporated in Karachi, Pakistan as a private limited company. The registered office of the IRPL is situated at 17 - Bangalore Town, main Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of the IRPL are manufacturing and selling of Polyester Resin. The shares of IRPL are not publicly listed on stock exchange, hence published price quotes are not available. The financial reporting date of IRPL is June 30.

The fair value of equity has been worked out at Rs. 19.21/- per share (2021: Rs. 19.21/- per share), as determined by M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using discounted cash flow method and thus there is no indication of any impairment in the value of this investment.





### 8.3 The Bank of Khyber

2022	2021
-----Rupees-----	
<b>3,144,584,786</b>	<b>3,180,003,578</b>

The total shareholding of the Company in the Bank of Khyber (the Bank) is 269,383,781 (June 30, 2021: 256,555,982) shares which represents 24.43% of paid-up capital of the Bank (June 2021: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these unconsolidated financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2021 and unaudited interim financial statement for the six months period ended June 30, 2022. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as at June 30, 2022 was Rs. 4,040.756 million (June 30, 2021: Rs. 4,156.206 million).

	The Bank of Khyber		Novelty Enterprises (Pvt) Limited	
	2022	2021	2022	2021
	-----Rupees-----		-----Rupees-----	
Balance as at July 1	<b>3,180,003,578</b>	3,441,616,096	-	228,703,777
Share of profit	<b>216,582,895</b>	379,554,402	-	221,915,930
Proceed from dissolution	-	-	-	(188,107,892)
Dividend received	-	(366,508,547)	-	(262,511,815)
Share of other comprehensive loss	<b>(252,001,687)</b>	(274,658,373)	-	-
Balance as at June 30	<b>3,144,584,786</b>	3,180,003,578	-	-

Summarized financial information in respect of the Company's associate as at June 30 is set out below:

	The Bank of Khyber		Novelty Enterprises (Pvt) Limited	
	2022	2021	2022	2021
	Un-audited	Un-audited	Audited	Audited
	-----Rupees-----		-----Rupees-----	
Total assets	<b>394,240,287,000</b>	328,776,835,000	-	-
Total liabilities	<b>377,685,898,000</b>	312,089,306,000	-	-
Revenue	<b>7,065,905,000</b>	6,774,926,000	-	-
Profit for the period	<b>886,632,000</b>	1,553,788,000	-	790,627,192
Other comprehensive loss for the period	<b>(1,029,987,000)</b>	(1,124,372,000)	-	-
Total comprehensive (loss) / income for the period	<b>(143,355,000)</b>	429,416,000	-	790,627,192

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associate. During the year, 5% (2021: 5%) bonus shares have been received from the Bank of Khyber.

	Note	2022	2021
		-----Rupees-----	
<b>9 LONG TERM DEPOSITS</b>			
Lease - Conventional		<b>436,100</b>	3,482,300
Lease - Islamic		<b>2,221,600</b>	9,287,190
Less: Current maturity - Islamic	14	<b>(2,221,600)</b>	(1,580,900)
Less: Current maturity - Conventional	14	<b>(436,100)</b>	(3,901,690)
		-	7,286,900
Utilities		<b>13,228,520</b>	12,074,393
Others		<b>10,322,048</b>	7,477,597
		<b>23,550,568</b>	26,838,890
<b>10 STORES AND SPARES</b>			
Stores	10.1	<b>111,835,789</b>	120,539,268
Spare parts	10.1	<b>373,491,888</b>	321,347,478
Others	10.1	<b>23,770,352</b>	17,624,539
		<b>509,098,029</b>	459,511,285

**10.1 Reconciliation for stores and spares**

		2022		
	Stores	Spare parts	Others	Total
	----- Rupees -----			
Stores and spares	120,427,209	373,491,888	23,770,352	517,689,449
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	111,835,789	373,491,888	23,770,352	509,098,029
		2021		
	Stores	Spare parts	Others	Total
	----- Rupees -----			
Stores and spares	129,130,688	321,347,478	17,624,539	468,102,705
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	120,539,268	321,347,478	17,624,539	459,511,285

**11 STOCK-IN-TRADE**

	Note	2022	2021
		Rupees	
Raw materials	11.2 & 11.3	4,073,577,604	3,869,985,980
Packing materials	11.2	1,393,150,814	827,608,134
Work-in-process	30	414,667,383	232,913,398
Finished goods	11.2	2,456,461,988	2,639,927,750
		8,337,857,789	7,570,435,262

11.1 Stock-in-trade of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.

		2022		
		Raw materials	Packing materials	Finished goods
		----- Rupees -----		
11.2	Reconciliation for stock-in-trade	4,121,316,438	1,520,447,999	2,456,461,988
	Stock-in-trade			
	Provision for slow moving			
	- opening	(13,576,856)	(152,848,549)	-
	- charge	(57,425,947)	(34,666,750)	-
	- Write-off	23,263,969	60,218,114	-
	- closing	(47,738,834)	(127,297,185)	-
	Stock-in-trade-net	4,073,577,604	1,393,150,814	2,456,461,988
		2021		
		Raw materials	Packing materials	Finished goods
		----- Rupees -----		
	Stock-in-trade	3,883,562,836	980,456,683	2,639,927,750
	Provision for slow moving			
	- opening	(12,959,090)	(109,848,549)	-
	- charge for the year	(617,766)	(43,000,000)	-
	- closing	(13,576,856)	(152,848,549)	-
	Stock-in-trade-net	3,869,985,980	827,608,134	2,639,927,750

11.3 This includes raw materials in transit amounting to Rs. Nil (June 30, 2021: Rs. 1,130,732,151).

**12 TRADE DEBTS**

	Note	2022	2021
		Rupees	
Considered good			
- export - secured	12.2	1,430,204,301	542,466,672
- local - unsecured	12.2	4,423,853,717	2,904,173,775
Trade debts		5,854,058,018	3,446,640,447
Allowance for expected credit loss	12.3	(107,970,640)	(100,970,640)
Trade debts - net		5,746,087,378	3,345,669,807







- 12.1 Trade debts of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.
- 12.2 There is no receivable from related party at reporting date (2021: Rs. nil). Further it does not include defaulter parties in export customers.

		2022	2021
		-----Rupees-----	
<b>12.3 Allowance for expected credit loss</b>	<b>Note</b>		
Balance at the beginning of the year		(100,970,640)	(95,970,640)
Charge during the year	31	(7,000,000)	(5,000,000)
Balance at the end of the year		(107,970,640)	(100,970,640)
<b>12.4 Age analysis trade debts</b>			
Not Due		5,239,963,864	2,066,509,262
More than 45 days but not more than 3 months		247,431,639	481,295,742
More than 3 months but not more than 6 months		147,754,398	509,262,009
More than 6 months but not more than 1 year		134,999,001	324,727,891
More than 1 year		83,909,116	64,845,543
		<b>5,854,058,018</b>	<b>3,446,640,447</b>

		2022	2021
		-----Rupees-----	
<b>13 LOANS AND ADVANCES</b>	<b>Note</b>		
Loans - secured - employees	13.1	58,525,902	42,502,645
Advances - unsecured			
- suppliers		1,849,628,605	1,349,066,861
- LC margins	13.2	55,190,647	137,526,630
		<b>1,963,345,154</b>	<b>1,529,096,136</b>

- 13.1 These represent interest free loans that are to be repaid within a period of one year in equal monthly installments as per policy. Any outstanding loan due from an employee at the time of leaving the service of the Company is adjustable against the final settlement of staff.

		2022	2021
		-----Rupees-----	
<b>13.2 Allied Bank Limited</b>	<b>Note</b>	<b>38,165,941</b>	<b>75,112,954</b>
Bank Alfalah Limited		-	31,315,236
Meezan Bank Limited		4,068,500	31,098,440
Dubai Islamic Bank Pakistan		1,716,442	-
Habib Bank Limited		11,239,764	-
		<b>55,190,647</b>	<b>137,526,630</b>

#### 14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - unsecured		24,043,579	17,958,740
Short term prepayments		10,611,041	7,139,936
Current maturity of lease deposits- Islamic	9	2,221,600	1,580,900
Current maturity of lease deposits- Conventional	9	436,100	3,901,690
		<b>37,312,320</b>	<b>30,581,266</b>

#### 15 SHORT TERM INVESTMENTS

Term finance certificates - HBL	15.1	190,000,000	194,840,000
Pakistan investment bonds	15.2	123,137,867	123,541,590
Term finance certificates - BOP	15.3	501,982,192	-
Term deposit receipt	15.4	150,000,000	-
		<b>965,120,059</b>	<b>318,381,590</b>

- 15.1 The Company has made an investment of Rs. 200 million (2021: 200 million) in listed Term Finance Certificates (TFC) of Habib Bank Limited having face value of Rs. 100,000 per certificate. This investment is classified at fair value through other comprehensive income and unrealized loss or gain is recognized in other comprehensive income. The investment carries mark-up at the rate of three months KIBOR + 160 bps (2021: KIBOR + 160). The market price of each certificate as at June 30, 2022 is Rs. 95,000 (2021: 97,420).

- 15.2** The Company has made investment in Pakistan Investment Bonds having face value of Rs. 120 million (2021: Rs. 120 million). This carries markup of 9% (2021: 9%) per annum and will mature in 2022. This investment is classified at amortized cost.
- 15.3** The Company has made an investment of Rs. 500 million (2021: nil) Term Finance Certificates (TFC) in Bank of Punjab having face value of Rs. 100,000 per certificate. This investment is classified at amortized cost.
- 15.4** During the year, the Company has made an investment in Term Deposit Receipt of Habib Metropolitan Bank limited having face value of Rs. 150 million. This carries markup of 14.25% (2021: nil) per annum and will mature in 2022. This investment is classified at amortized cost.

		2022	2021
	Note	-----Rupees-----	
<b>16 OTHER RECEIVABLES</b>			
Export rebate		17,338,462	17,242,514
Other receivables	16.1	100,402,029	100,402,029
		<b>117,740,491</b>	<b>117,644,543</b>

- 16.1** This amount includes Rs. 100.217 million (2021; Rs. 100.217 million) due from Nazir of the Sindh High Court as referred in note 27.1.2.

		2022	2021
	Note	-----Rupees-----	
<b>17 TAXATION - net</b>			
Advance income tax		1,954,656,680	1,435,051,450
Provision for taxation	38	(831,971,541)	(178,314,865)
		<b>1,122,685,139</b>	<b>1,256,736,585</b>

**18 CASH AND BANK BALANCES**

Cash in hand		4,583,253	4,830,605
Cash at banks:			
- current accounts - conventional		87,507,426	71,083,473
- current accounts - Islamic		150,242,421	67,651,587
		<b>242,333,100</b>	<b>143,565,665</b>

**19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

Number of Shares			
2022	2021		
53,072,940	53,072,940	Ordinary shares of Rs. 10 each fully paid in cash	530,729,400
13,284,000	13,284,000	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation	132,840,000
<b>66,356,940</b>	<b>66,356,940</b>		<b>663,569,400</b>

<b>20 RESERVES</b>	Note		
Capital reserve			
- Share premium	20.1	1,472,531,500	1,472,531,500
- Reserve arising due to amalgamation	20.2	916,862,067	916,862,067
Revenue Reserve			
- Remeasurement of investment in associate		(406,125,879)	(191,924,445)
- Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(7,645,000)	(3,857,616)
- Unappropriated profit		9,940,389,165	8,417,555,738
<b>Total reserves</b>		<b>11,916,011,853</b>	<b>10,611,167,244</b>

- 20.1** This represents share premium amount pertains to issue of shares at premium. This reserve can be utilized by the Company for the purpose specified in section 81(2) of the Companies Act, 2017.

- 20.2** This represents reserve created under scheme of arrangement for amalgamation of an Astro Plastics (Private) Limited with the Company.

- 20.3** Movement of the total reserves have been reflected in the unconsolidated statement of changes in equity.





21	LONG TERM FINANCES - secured	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
	Long term finances - secured - conventional	21.1	12,717,909,568	10,622,303,391
	Long term finances - secured - islamic	21.2	6,971,383,106	2,268,450,175
			<u>19,689,292,674</u>	<u>12,890,753,566</u>

#### 21.1 CONVENTIONAL

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Habib Bank Limited</b>						
- Term Finance - FCY	Monthly	2021-2024	1 month EURIBOR + 1.75%	36	385,011,855	562,972,212
- SBP-LTFF	Quarterly	2018-2030	SBP + 0.25%	36	313,616,859	369,167,351
- Term finance	Monthly	2017-2023	1 month KIBOR + 0.25%	60	83,333,341	183,333,346
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.25%	34	1,370,077,235	1,483,128,671
- SBP-TERF	Quarterly	2022-2031	SBP + 1.25%	36	234,533,253	242,349,300
<b>Bank Al-Habib Limited</b>						
- Term finance	Monthly	2018-2022	3 months KIBOR + 0.25%	42	-	32,142,843
- SBP-LTFF	Quarterly	2019-2029	SBP + 0.75%	32	289,118,690	339,118,000
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.50%	32	44,503,000	51,591,000
<b>MCB Bank Limited</b>						
- SBP-LTFF	Quarterly	2018-2028	SBP + 0.75%	36	207,422,020	241,454,570
- SBP-LTFF	Quarterly	2020-2030	SBP + 0.25%	36	406,545,634	460,789,006
- SBP-TERF	Quarterly	2024-2031	SBP + 1%	32	258,840,000	21,200,000
<b>Allied Bank Limited</b>						
- SBP-LTFF	Semi-annual	2022-2031	SBP +0.25%/0.75 %	18	1,652,227,500	1,749,413,000
- Term finance	Monthly	2021-2024	3 months KIBOR + 0.25%	48	200,000,001	300,000,004
- Term finance	Monthly	2018-2022	3 months KIBOR + 0.25%	36	-	75,000,009
<b>Balance carried forward</b>					<u>5,445,229,388</u>	<u>6,111,659,312</u>

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021 -----
<b>Balance brought forward</b>					<b>5,445,229,388</b>	<b>6,111,659,312</b>
- Term finance	Monthly	2016-2022	3 months KIBOR + 0.25%	60	-	63,960,000
- Term finance	Quarterly	2024-2027	3 months KIBOR + 1%	16	<b>245,000,000</b>	-
<b>Pak Brunei Investment Company Limited</b>						
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.5%	32	<b>430,499,000</b>	490,445,000
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.5%	32	<b>175,436,900</b>	193,574,000
<b>Pak Oman Investment Company Limited</b>						
- Term finance	Monthly	2016-2022	1 month KIBOR + 0.5%	60	-	35,000,000
- SBP-LTFF	Quarterly	2022-2030	SBP + 1.5%	32	<b>418,205,342</b>	474,566,000
- SBP-LTFF	Quarterly	2025-2032	SBP + 1.5%	32	<b>264,884,000</b>	-
<b>Bank Al falah Limited</b>						
- Term finance	Quarterly	2022-2025	6 month KIBOR + 0.75%	16	<b>375,000,000</b>	500,000,000
- Term finance	Quarterly	2023-2026	3 month KIBOR + 0.75%	16	<b>600,000,000</b>	600,000,000
- SBP-LTFF	Quarterly	2017-2029	SBP+0.5%	40/36	<b>291,512,404</b>	345,355,085
<b>JS Bank Limited</b>						
-SBP Payroll finance	Quarterly	2021-2023	SBP+3%	8	<b>161,966,566</b>	485,899,719
- SBP-LTFF	Quarterly	2022-2030	SBP+0.30%	32	<b>117,594,093</b>	129,759,000
<b>Habib Metropolitan Bank Ltd</b>						
- SBP-TERF	Semi Annual	2024-2031	SBP+1.50%	16	<b>1,079,177,000</b>	198,931,000
<b>The Bank of Punjab</b>						
- SBP-TERF	Quarterly	2023-2031	SBP + 1.25%	32	<b>1,499,997,368</b>	130,681,254
- Term finance	Monthly	2022-2027	1 month KIBOR + 0.75%	60	<b>491,666,667</b>	-
<b>Faysal Bank Limited</b>						
- Term finance	Monthly	2017-2022	3 months KIBOR + 0.25%	48	-	62,500,000
<b>Balance carried forward</b>					<b>11,596,168,728</b>	<b>9,822,330,370</b>





Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Balance brought forward</b>					11,596,168,728	9,822,330,370
<b>National Bank of Pakistan</b>						
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.25%	48	100,000,011	200,000,008
- SBP-LTFE	Quarterly	2021-2030	SBP+0.65%	36	858,921,136	967,132,500
- SBP-TERF	Quarterly	2022-2031	SBP+1%	36	467,668,749	442,074,000
- SBP-FFSAP	Quarterly	2023-2030	SBP+0.75%	28	139,714,000	-
<b>Askari Bank Limited</b>						
- SBP-LTFE	Quarterly	2021-2031	SBP+0.50%	40	190,036,275	213,070,975
- Term finance	Monthly	2019-2024	1 month KIBOR + 0.50%	48	191,666,675	291,666,671
-SBP Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	243,000,845	567,000,168
- Term finance	Monthly	2023-2027	1 month KIBOR + 0.75%	48	500,000,000	-
<b>Soneri Bank Limited</b>						
- Term finance	Monthly	2019-2025	1 month KIBOR + 0.75%	60	291,666,675	391,666,671
- Term finance	Monthly	2023-2028	1 month KIBOR + 0.75%	60	500,000,000	-
<b>PAIR Investment Company Limited</b>						
- Term finance	Quarterly	2021-2025	3 month KIBOR + 0.75%	16	206,250,000	281,250,000
- SBP-REFF	Quarterly	2023-2033	SBP+0.50%	40	130,568,973	21,694,074
Total long term loan - secured					15,415,662,067	13,197,885,437
Less: Current portion of long term finances shown under current liabilities					(2,697,752,499)	(2,575,582,046)
					12,717,909,568	10,622,303,391

## 21.2 ISLAMIC

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Habib Bank Limited</b>						
- Islamic financing	Monthly	2016-2022	1 month KIBOR + 0.25%	60	-	100,000,016
<b>MCB Islamic Bank Limited</b>						
- Islamic financing	Quarterly	2018-2023	3 months KIBOR + 0.25%	20	70,000,000	140,000,000
<b>Balance carried forward</b>					70,000,000	240,000,016



Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021
<b>Balance brought forward</b>					<b>70,000,000</b>	240,000,016
- SBP ITERF	Quarterly	2023-2030	SBP+0.75%	32	<b>349,987,639</b>	42,859,000
- Islamic financing	Quarterly	2023-2028	3 months KIBOR + 0.75%	20	<b>300,000,000</b>	-
<b>Dubai Islamic Bank Pakistan Limited</b>						
- SBP ILTFF	Quarterly	2022-2027	SBP+1%	20	<b>247,455,881</b>	294,831,035
- Islamic financing	Quarterly	2017-2022	3 months KIBOR + 0.25%	16	-	37,500,000
- SBP ILTFF	Quarterly	2024-2030	SBP+1%	20	<b>270,475,059</b>	-
<b>Meezan Bank Limited</b>						
- Islamic financing	Monthly	2023-2029	1 months KIBOR + 0.75%	78	<b>600,000,000</b>	600,000,000
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	<b>687,500,005</b>	937,500,001
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	<b>308,333,337</b>	400,000,000
- Islamic financing	Monthly	2019-2022	3 month KIBOR + 0.25%	36	-	133,333,336
- Islamic financing	Monthly	2020-2023	3 month KIBOR + 0.25%	24	<b>62,500,007</b>	312,500,003
- Syndicated	Monthly	2024-2028	3 month KIBOR + 0.80%	72	<b>4,000,000,000</b>	-
<b>Faysal Bank Limited</b>						
- Islamic financing	Quarterly	2018-2022	3 months KIBOR + 0.25%	16	-	75,000,000
- SBP-ILTFF	Quarterly	2021-2030	SBP+1%	36	<b>258,135,278</b>	291,443,056
<b>Bank Islami Pakistan Limited</b>						
- Islamic financing	Quarterly	2023-2028	3 month KIBOR + 0.65%	20	<b>500,000,000</b>	-
Total long term loan - secured					<b>7,654,387,206</b>	3,364,966,447
Less: Current portion of long term finances shown under current liabilities					<b>(683,004,100)</b>	(1,096,516,272)
					<b>6,971,383,106</b>	2,268,450,175

**21.3** These represent financings for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of sponsors.

**21.4** The Company's total limit for long term loan amounting to Rs. 29,310 million. (June 2021: Rs. 24,835 million)

**21.5** The Company entered into a long-term loan agreement with JS Bank Limited and Askari Bank Limited- conventional amounting to Rs. 648 million (2021: Rs. 648 million) from each Bank under the Refinance Scheme for Payment of Wages





and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, starting from January 2021 and April 2021 respectively. This long term financing facility is secured by way of equitable mortgage and first pari-passu over present and future fixed assets of the Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate at zero percent plus bank's spread of 3% (2021: 3%) and 1.50% (2021: 1.50%) per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

- 21.6** The long-term financing has been obtained for plant and equipment under temporary economic refinance facility scheme of State Bank of Pakistan for a term of 10 years with grace period of 12 months from disbursement and carry markup at the rate ranging from 1.75% to 2.50% (2021: 1.75% to 2.50%) per annum payable quarterly in arrears. The principal repayment will take place in 36 quarterly installments which shall commence from December 2021.
- 21.7** During the year, the Company has entered into long term loan agreement with National Bank of Pakistan for import of Silos and related ancillary machineries for the storage of agriculture produce under SBP FFSAP facility. The Loan is repayable in twenty eight quarterly installments with grace period of six months. This Facility carried markup rate at SBP+0.75% to be paid on quarterly basis in arrears

## 22 LEASE LIABILITIES

Under the agreements, lease rentals are payable in 36 equal monthly and 6 equal biannually installments. Taxes, repairs, replacement and insurance costs, if any, are borne by the Company. The financings from conventional banks carry mark-up at rates ranging from 7.96% to 13.73% (2021: 7.76% to 7.96%) per annum and financing from Islamic banks carry mark-up at rates ranging from 8.14% to 12.07% (2021: 7.28% to 8.48%) approximately which have been used as a discounting factor. The Company has the option to purchase the asset upon completion of the lease period.

The net carrying amount of right-of-use assets held under lease arrangement is Rs. 26.66 million (2021: Rs. 82.76 million) (refer note 6.1).

These are secured against deposits of Rs. 2.66 million (2021: Rs 10.41 million), title of ownership of right-of-use assets and personal guarantees of the directors of the Company.

Maturity analysis of lease repayments for which the Company has committed to pay in future under the lease agreements are as follows:

	Note	2022	2021
		----- Rupees -----	
Lease liability	22.1	7,487,019	62,166,882
Less: Current portion		(4,829,319)	(42,765,702)
		2,657,700	19,401,180
<b>22.1 As at July 1</b>		62,166,882	168,526,916
Additions		-	817,992
Interest expense relating to lease liabilities		3,321,861	12,581,444
Payments (Lease & interest)		(58,001,724)	(119,759,470)
As at June 30		7,487,019	62,166,882

	2022			2021		
	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments
<b>Conventional</b>	(Rupees)					
Up to one year	940,205	42,651	897,554	5,651,908	562,545	5,089,363
Later than one year but not later than five years	436,100	-	436,100	4,503,624	90,583	4,413,041
	1,376,305	42,651	1,333,654	10,155,532	653,128	9,502,404
<b>Islamic</b>						
Up to one year	4,212,337	280,572	3,931,765	41,088,675	3,412,336	37,676,339
Later than one year but not later than five years	2,221,600	-	2,221,600	15,490,989	502,850	14,988,139
	6,433,937	280,572	6,153,365	56,579,664	3,915,186	52,664,478
	7,810,242	323,223	7,487,019	66,735,196	4,568,314	62,166,882

The Company has lease contract for vehicles, which generally have lease term of 3 years. The Company's obligation under its leases are secured by the lessor's title to the lease assets. There are several lease contracts that include extension and termination options.

		2022	2021
	Note	----- Rupees -----	
<b>23 DEFERRED LIABILITIES</b>			
Provision for staff gratuity scheme - unfunded	23.1	565,497,677	447,306,385
Deferred tax liability	23.3	1,793,253,925	1,843,977,690
		<b>2,358,751,602</b>	<b>2,291,284,075</b>
<b>23.1 Provision for staff gratuity scheme - unfunded</b>			
In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2022 using the "Projected Unit Credit Method". Provision has been made in these unconsolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as follows:			
<b>23.1.1 Risk on account of staff gratuity scheme - unfunded</b>			
The Company faces the following risk on account of staff gratuity scheme.			
<b>23.1.2 Final salary risk (linked to inflation risk)</b>			
The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.			
<b>23.1.3 Mortality risk</b>			
The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.			
<b>23.1.4 Withdrawal risk</b>			
The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.			
<b>23.2 Significant actuarial assumptions</b>		2022	2021
<i>Financial assumptions</i>			
Discount rate (per annum)		13.25%	10.00%
Expected rate of increase in salaries (per annum)		13.25%	10.00%
<i>Demographic assumptions</i>			
Mortality rates (for death in service)		Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Retirement assumption		60 years	60 years
<b>23.2.1 Statement of Financial Position reconciliation</b>	Note	----- Rupees -----	
Present value of defined benefit obligation	23.2.3	565,497,677	447,306,385
Net liability in statement of financial position	23.2.4	565,497,677	447,306,385
<b>23.2.2 Maturity profile</b>			
1-5 Years		403,572,578	279,426,874
6-10 Years		561,634,802	391,972,739
10 Years onwards		11,015,391,507	4,641,086,841
Weighted average duration		8 Years	8 Years





		2022	2021
		----- Rupees -----	
<b>23.2.3 Movement in the defined benefit obligation</b>	<b>Note</b>		
Present value of defined benefit obligation as at July 1		447,306,385	436,910,015
Current service cost		83,902,911	78,818,098
Past service cost		2,899,021	4,631,686
Interest cost		42,050,262	37,448,601
Remeasurement on obligation	23.2.7	42,946,633	(46,381,475)
Payments during the year		(43,948,262)	(56,151,439)
Benefits payable transferred to short term liability		(9,659,273)	(7,969,101)
Present value of defined benefit obligation as at June 30		565,497,677	447,306,385
<b>23.2.4 Movement in the net liability at reporting date is as follows:</b>			
Opening balance of net liability		447,306,385	436,910,015
Charge for the year	23.2.5	128,852,194	120,898,385
Re-measurements recognized in 'OCI'	23.2.7	42,946,633	(46,381,475)
Payments during the year		(43,948,262)	(56,151,439)
Benefits payable transferred to short term liability		(9,659,273)	(7,969,101)
Closing balance of net liability		565,497,677	447,306,385
<b>23.2.5 The amounts recognized in the unconsolidated statement of profit or loss account against defined benefit scheme are as follows:</b>			
Current service cost		83,902,911	78,818,098
Past service cost		2,899,021	4,631,686
Interest cost		42,050,262	37,448,601
Charge for the year		128,852,194	120,898,385

**23.2.6** For the year ended June 30, 2023, expected provisions to the staff retirement benefit scheme is Rs. 177.435 million.

	2022	2021
	----- Rupees -----	
<b>23.2.7 Remeasurement recognized in 'other comprehensive income'</b>		
Experience losses / (gains)	42,946,633	(46,381,475)
Related deferred tax	(10,113,932)	11,706,684
	32,832,701	(34,674,791)

**23.2.8** Amounts for the current and previous four years are as follows:

Comparison for five years	2022	2021	2020	2019	2018
	----- Rupees -----				
Present value of the defined benefit obligation	565,497,677	447,306,385	436,910,015	358,574,405	231,080,176

**23.2.9** The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
		-----Rupees-----	
Discount rate	1%	522,440,199	615,057,692
Salary growth rate	1%	615,847,207	520,936,537

**23.2.10** The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognized within the unconsolidated statement of financial position.

**23.2.11** The company faces the following risks on account of defined benefit plan:

#### Final salary risks

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

#### Mortality risks

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

#### Withdrawal risks

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary

### 23.3 Deferred taxation

The details of deferred tax on temporary differences are as follows:

	2022	2021
	----- Rupees -----	
- accelerated tax depreciation allowances	1,866,214,417	1,891,286,053
- provision for gratuity	(133,174,703)	(112,900,132)
- allowance for expected credit loss	(25,427,086)	(25,484,990)
- investment in associates at fair value through OCI	131,240,570	136,553,389
- STI - Term finance certificates	(2,355,000)	(1,302,384)
- provision for stores and spares	(2,023,279)	(2,168,474)
- provision for stock in trade	(41,220,994)	(42,005,772)
Deferred tax liability	1,793,253,925	1,843,977,690

**23.3.1** The movement in temporary differences is as follows:

	Balance as at July 1, 2020	Recognized in Statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2021	Recognized in Statement of profit or loss	Recognized in statement of other comprehensive income	Balance as at June 30, 2022
	----- Rupees -----						
Provision for gratuity	(126,703,904)	2,097,088	11,706,684	(112,900,132)	(10,160,639)	(10,113,932)	(133,174,703)
Allowance for expected credit loss	(27,831,486)	2,346,496	-	(25,484,990)	57,904	-	(25,427,086)
Investment in associates at fair value through OCI	175,795,267	1,956,878	(41,198,756)	136,553,389	32,487,434	(37,800,253)	131,240,570
Provision for stores & spares	(2,491,512)	323,038	-	(2,168,474)	145,195	-	(2,023,279)
Provision for stock in trade	(35,614,215)	(6,391,557)	-	(42,005,772)	784,778	-	(41,220,994)
Accelerated tax depreciation allowances	1,649,441,874	241,844,179	-	1,891,286,053	(25,071,636)	-	1,866,214,417
Term Finance Certificates-Habib Bank Limited	-	-	(1,302,384)	(1,302,384)	-	(1,052,616)	(2,355,000)
	1,632,596,024	242,176,122	(30,794,456)	1,843,977,690	(1,756,964)	(48,966,801)	1,793,253,925







		2022	2021
	Note	----- Rupees -----	
<b>24 TRADE AND OTHER PAYABLES</b>			
Trade creditors	24.1	1,665,882,890	1,869,718,370
Accrued liabilities		1,158,629,095	1,753,635,793
Gratuity payable	24.2	9,659,273	7,969,101
Workers' profit participation fund	24.3	165,092,738	106,257,803
Workers' welfare fund		69,121,605	45,446,869
Sales tax payable		392,242,715	184,747,427
Other liabilities		14,231,176	25,804,588
		<b>3,474,859,492</b>	<b>3,993,579,951</b>

**24.1** This includes payable to related party amounting to Rs. 5.71 million (2021: Rs. 1.96 million)

**24.2** This represents benefits payable transferred to short term liability (note 23.2.3).

		2022	2021
	Note	----- Rupees -----	
<b>24.3 Workers' profit participation fund</b>			
Balance at the beginning of the year		106,257,803	54,621,136
Contribution for the year	33	181,898,959	118,683,864
Interest on funds utilized in the Company's business	35	4,285,279	1,911,739
		<b>292,442,041</b>	<b>175,216,739</b>
Less: Payments made during the year		<b>(127,349,303)</b>	<b>(68,958,936)</b>
Balance at the end of the year		<b>165,092,738</b>	<b>106,257,803</b>

## **25 ACCRUED MARK-UP**

Accrued mark-up on:

Conventional

- long term finances - secured

- short term finances - secured

Islamic

- long term finances - secured

- short term finances - secured

		130,413,870	70,415,581
		165,059,977	68,711,539
		65,046,890	22,409,710
		13,812,511	1,128,688
		<b>374,333,248</b>	<b>162,665,518</b>

## **26 SHORT TERM FINANCES - secured**

**From banking companies**

Term finances - conventional

Term finances - islamic

Export refinances

Finance against discounting of export bills / receivables

Running finance utilized under

mark-up arrangements

26.1	530,000,000	-
26.2	286,170,800	-
26.3	6,215,496,502	4,853,776,000
26.4	899,016,236	-
26.5	1,158,075,382	1,209,292,547
	<b>9,088,758,920</b>	<b>6,063,068,547</b>

**26.1** These represent facilities for term finances arranged from various banks aggregating to Rs. 1,565 million (2021: Rs. 1,005 million). These are secured against pari-passu / ranking hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 7.18% to 15% per annum (2021: 7.18% to 8.96% per annum).

**26.2** These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (2021: Rs. 300 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 8.70% to 13.94% per annum (2021: 6.81% to 8.63% per annum).

- 26.3** These represent facilities for export refinance arranged from various banks aggregating to Rs. 6,265 million (2021: Rs. 4,950.70 million). These were secured against pari-passu / ranking hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (2021: 0.25% to 1% above SBP rate per annum).
- 26.4** These represent facilities for finances against discounting of export bills / receivable arranged from various banks aggregating to Rs 900 million (2021: Nil). These are secured against pari-passu/ranking hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (2021: Nil).
- 26.5** These represent facilities for running finances available from various banks aggregated to Rs. 4,355 million (2021: Rs. 3,829.30 million). These are secured against pari-passu/ ranking hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.61% to 14.81% per annum (2021: 7.35% to 8.28% per annum).

## 27 CONTINGENCIES AND COMMITMENTS

### 27.1 Contingencies

- 27.1.1** As the Ministry of Industries has declared that BOPET film manufacturing project of the Company as Pioneer Industry, after which imports of capital goods shall be duty free. The Company approached the Board of Investment (BOI) for the permission of imports who entertained the request and was in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Company imported some capital goods and as per section 81 of the Customs Act, 1969, issued postdated cheques in favor of Collector of Custom amounting to Rs. 557.403 million (2021: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The Company had filed the subject Constitutional Petition in the High Court of Sindh vide D-2666 on May 13, 2015 to refrain FBR and Pakistan Customs to encash the securities submitted against the provisional release of the plant and machineries, and also to issue formal notification to endorse the earlier decision of the Ministry of Industries dated August 15, 2012. The High Court has passed interim order in which the case has referred to the next date May 13, 2015, in favor of the Company which is still operative and last hearing was held on Dec 07, 2020. The management of the Company, based on legal counsel's opinion, is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospective.
- 27.1.2** The Company has filed Constitutional Petition 620-K of 2015 on November 27, 2015 against Federation of Pakistan, Federal Board of Revenue and Collectorate of Custom in the Supreme Court of Pakistan against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% duty on import of Poly Ethylene Terephthalate (PET Resin). In this connection the High Court vide order dated March 12, 2013 directed those custom duties at the rate of 3% to be paid by the Company to custom authorities and insofar as differential amount is concerned 2.5% shall be deposited in cash and 2.5% shall be paid through postdated cheques to the Nazir of the High Court. In this connection, the Company has deposited pay orders amounting to Rs. 100.217 million (2021: Rs. 100.217 million) and issued postdated cheques amounting to Rs. 100.217 million (2021: Rs. 100.217 million) in favor of Nazir of the High Court as directed. Further, the Company has filed petition in the High Court of Sindh for rationalization of duty structure on PET Resin. The main grievance of the Company was for classifying the Pet Resin (Film Grade) and Pet Resin (Yarn Grade) under the same PCT Heading has already been redresses in Fiscal Budget (2015-16) and from 01st July 2015, the raw material for BOPET film manufacturing i.e., PET Resin – Film Grade is being imported on the same rate as applicable to PET Resin – Yarn Grade. However, the retrospective relief on the previous consignments has been regretted by the High Court which has been challenged in the Honorable Supreme Court of Pakistan and last hearing was held on Feb 15, 2022 in which the case has been referred to the next date of hearing. As per legal Counsel, there is no immediate financial liability against the Company in the above-mentioned matter and has a good prima facie case.





- 27.1.3** The Company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and the Company is not going to pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to the Company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards, the High Court has allowed the Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above Suits / Petitions was Rs. 606.4 million. So far an amount of gurantee of Rs.119.562 million has been released by the Order of High Court, however, still Bank Guarantees of Rs. 486.832 million are lying with Collector of Customs. Few Suits / Petitions are still pending in the High Court and last hearing was held on May 03, 2021. The Company legal counsel is of the opinion that Company has a good prima facie case.
- 27.1.4** During the fiscal year 2017, Federal Board of Revenue has issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that the Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million in their sales tax returns. In response of that SCN, the Company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it was categorically mentioned that the High Court of Sindh, at Karachi, has sanctioned the petition no. J.Misc. 13/ 2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and the Company has claimed the input sales tax on that basis. However, the Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was ultimately withdrawn by the Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee which is still in process.
- 27.1.5** The Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by the Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order / Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was ultimately withdrawn by the Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee which is still in process.
- 27.1.6** The Company has filed the Constitutional Petition 2752/2011 on August 09, 2011 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. The total quantum of bank guarantees involved in above Petitions is Rs. 518 million. During the year, the case has been disposed off by the High Court in favor of Excise and Taxation Department. However, the Company along with the industry has challenged the applicability of said order in Honorable Supreme of Pakistan and the Court has granted the stay order on Sep 01, 2021 and restrained the authorities to take any coercive action against the plaintiff.
- 27.1.7** In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA , SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015 and the Company has challenged that GIDC Act 2015 and filed a

writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC Act, 2015. On October 2015, Sindh High Court (SHC) decided this suit in favor of Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where the Company was not party to such litigation. The Honorable Supreme Court of Pakistan has disposed off the case on 13 August, 2020 and instruct the gas distribution companies to recover the outstanding amount in 24 equal installments only from those consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, the Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on January 10, 2022. The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 826 millions (inclusive of Sales Tax) The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

**27.1.8** Through Finance Act, 2019, the Government has reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Company has challenged the provision of Finance Act, 2019 before the High Court of Sindh on 19 December, 2019 against the Federation of Pakistan and obtained the interim relief of claiming 10% tax credit on all investments already planned including its ancillary cost of last and current fiscal year. The last hearing was held on August 11, 2022 and the management is confident that the case will be decided in favor of the Company based on the opinion of legal counsel.

**27.1.9** The Company has filed two petition S-1803 & 1905 of 2020 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2020 dated October 23, 2020 for increase in the price of national gas and different prices for industrial and captive connection where the same is used for internal consumption by industrial undertaking. The Court vide its order dated November 11, 2020 & December 03, 2020 passed an interim stay order in favor of the Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed the Company to pay the balance amount by way of bank guarantee or cheque in favor of the Nazir of Court. The cumulative differential amount accounted for approximately Rs 114.012 million (inclusive of sales tax). The last hearing was held on April 08, 2022 and the management is confident that the case will be decided in favor of the Company based on the opinion of legal counsel.

**27.1.10** With reference to the contingency in associated company, The Bank of Khyber (BOK), please refer the note 20 of interm financial statement of June 30, 2022.

	2022	2021
	----- Rupees -----	
<b>27.2 Commitments</b>		
<b>27.2.1</b> Outstanding letters of guarantee	<b>2,509,325,740</b>	<b>2,112,978,557</b>
<b>27.2.2</b> Cross Corporate guarantees issued by the Company on behalf of Subsidiary / associates company	<b>4,163,811,644</b>	<b>4,078,811,644</b>
<b>27.2.3</b> Outstanding letters of credit for:		
- capital expenditure	<b>671,049,690</b>	<b>2,600,935,956</b>
- raw materials	<b>1,529,969,416</b>	<b>1,018,228,669</b>
<b>27.2.4</b> The Company has executed sponsors support agreement with the lenders of M/s. Ismail Resin (Private) Limited for investment in the form of equity or subordinated debts to cover the cost over-run, or to cover the funding shortfall or any other obligation that may arise under financing documentations / agreements executed with them.		
<b>27.2.5</b> The Company's share of commitments of associated company.		
- Guarantees	<b>5,582,584</b>	<b>4,874,734</b>
- Commitments	<b>22,336,415</b>	<b>158,324,352</b>



		Reportable segment				
		Food segment		Plastic segment		Total
		2022	2021	2022	2021	2021
		-----Rupees-----				
28	<b>OPERATING RESULTS</b>					
	<b>Disaggregation of revenue</b>					
	Local sales	37,068,823,819	29,892,074,849	13,041,105,764	8,463,896,546	50,109,929,583
	Export sales	12,996,489,018	5,540,716,573	2,149,329,808	1,117,602,259	15,145,818,826
	Trial production sales transferred to CWIP	-	-	-	(65,558,125)	(65,558,125)
		50,065,312,837	35,432,791,422	15,190,435,572	9,515,940,680	65,255,748,409
	Sales returns, discounts and direct expense	(2,439,977,886)	(1,947,181,829)	(35,772,869)	(12,021,772)	(2,475,750,755)
		47,625,334,951	33,485,609,593	15,154,662,703	9,503,918,908	62,779,997,654
	Add: Export rebate	24,798,153	55,014,144	491,072	776,207	25,289,225
		47,650,133,104	33,540,623,737	15,155,153,775	9,504,695,115	62,805,286,879
	Sales tax	(5,593,663,897)	(4,461,769,475)	(1,950,923,787)	(1,275,789,505)	(7,544,587,684)
		42,056,469,207	29,078,854,262	13,204,229,988	8,228,905,610	55,260,699,195
	Cost of sales	(34,302,049,720)	(23,559,227,461)	(11,113,151,904)	(6,554,752,761)	(45,415,201,624)
		7,754,419,487	5,519,626,801	2,091,078,084	1,674,152,849	9,845,497,571
	<b>Gross profit</b>					7,193,779,650
	Selling and distribution expenses	(4,277,097,833)	(3,905,792,638)	(507,563,428)	(329,709,133)	(4,784,661,261)
	Administrative expenses	(694,054,979)	(543,313,919)	(122,480,289)	(108,572,318)	(816,535,268)
		(4,971,152,812)	(4,449,106,557)	(630,043,717)	(438,281,451)	(5,601,196,529)
	<b>Operating profit</b>	2,783,266,675	1,070,520,244	1,461,034,367	1,235,871,398	4,244,301,042
						2,306,391,642
	Other operating expense					(422,789,237)
	Other income					762,853,691
	Finance cost					(1,413,989,787)
	Share of profit from associated companies - net					216,582,895
	<b>Profit before taxation</b>					3,386,958,604
	Taxation					(835,938,376)
	<b>Profit for the year</b>					2,551,020,228
						1,776,665,309

Note

## 28 OPERATING RESULTS

### Disaggregation of revenue

Local sales

Export sales

Trial production sales

transferred to CWIP

Sales returns, discounts and direct expense

Add: Export rebate

Sales tax

Cost of sales

**Gross profit**

Selling and distribution expenses

Administrative expenses

**Operating profit**

Other operating expense

Other income

Finance cost

Share of profit from associated companies - net

8.3

**Profit before taxation**

Taxation

**Profit for the year**







	Reportable segment				
	Food segment		Plastic segment		Total
	2022	2021	2022	2021	2022
	----- Rupees -----				
28.1 Segment assets	25,195,296,275	21,499,513,848	17,666,350,626	13,469,484,469	42,861,646,901
28.2 Unallocated assets	-	-	-	-	8,482,357,663
	25,195,296,275	21,499,513,848	17,666,350,626	13,469,484,469	51,344,004,564
28.3 Segment liabilities	7,990,210,635	4,053,474,176	5,903,422,459	7,192,773,585	13,893,633,094
28.4 Unallocated liabilities	-	-	-	-	24,870,790,217
	7,990,210,635	4,053,474,176	5,903,422,459	7,192,773,585	38,764,423,311
28.5 Major Non-cash items					
-depreciation and amortisation	1,395,751,320	1,304,000,345	799,073,348	419,829,191	2,194,824,668
-gratuity	75,146,345	93,391,463	53,705,849	26,877,734	128,852,194
	1,470,897,665	1,397,391,808	852,779,197	446,706,925	2,323,676,862
28.6 Capital expenditure	5,185,195,575	1,932,409,628	1,433,377,273	1,433,377,273	6,618,572,848
28.7 The Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia.					
28.8 World food program is the major customers of the Company which constituted 10 percent or more of the Company's revenue.					
29 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES				Note	
29.1 Assets					
Total assets for reportable segments				28.1	42,861,646,901
Administrative capital assets					1,336,788,877
Long-term investments				8	7,145,568,786
Total assets					51,344,004,564
29.2 Liabilities					
Total liabilities for reportable segments				28.3	13,893,633,094
Deferred liabilities				23	1,793,253,925
Long term finances - secured				21	23,070,049,273
Lease liabilities				22	7,487,019
Total liabilities					38,764,423,311
29.3 There were no inter-segment sales of the Company during the year (2021: Rs. Nil)					

### 30 COST OF SALES

Note

	Food segment		Plastic segment		Total	
	2022	2021	2022	2021	2022	2021
Raw materials consumed	21,545,710,854	13,191,614,022	9,140,196,563	5,282,192,874	30,685,907,417	18,473,806,896
Packing materials consumed	6,872,883,136	5,210,598,251	397,294,487	233,600,340	7,270,177,623	5,444,198,591
Stores and spares consumed	513,987,608	373,192,627	189,528,800	152,796,935	703,516,408	525,989,562
Salaries, wages and other benefits	2,594,852,544	2,398,608,833	274,502,056	340,272,928	2,869,354,600	2,738,881,762
Electricity, gas, fuel and lubricants	924,267,609	761,755,855	406,101,885	405,888,539	1,330,369,494	1,167,644,394
Repairs and maintenance	171,927,526	157,759,658	33,309,101	22,692,852	205,236,627	180,452,509
Cold storage - rent & maintenance	1,708,596	1,680,400	-	-	1,708,596	1,680,400
Printing and stationery	9,045,971	8,349,703	1,266,956	1,383,307	10,312,927	9,733,010
Insurance	29,803,926	28,492,959	13,883,642	12,317,030	43,687,568	40,809,989
Rent, rates and taxes	6,867,556	3,233,643	1,183,395	3,075,869	8,050,951	6,309,512
Water charges	43,731,900	36,792,800	7,431,808	10,224,149	51,163,708	47,016,949
Postage and telephone	6,376,121	4,833,089	1,569,351	1,871,649	7,945,472	6,704,738
Travelling and conveyance	10,601,113	7,909,034	444,813	144,218	11,045,926	8,053,252
Vehicle running and maintenance	23,294,153	14,011,879	13,602,592	7,982,316	36,896,745	21,994,195
Depreciation	1,247,119,061	1,200,343,600	775,359,692	392,098,503	2,022,478,753	1,592,442,103
Amortisation charge	9,643,693	11,572,432	2,987,957	3,585,548	12,631,650	15,157,980
Laboratory expenses	22,323,487	16,270,745	248,354	44,379	22,571,841	16,315,124
Fees and subscription	7,416,408	2,490,617	1,788,286	1,840,732	9,204,694	4,331,349
Legal and professional charges	132,000	-	-	-	132,000	-
Cartage inward	22,988,256	12,962,808	6,262,829	556,681	29,251,085	13,519,489
Other manufacturing expenses	14,626,117	7,281,669	5,720,862	4,496,121	20,346,979	11,777,790
	34,079,307,635	23,449,754,624	11,272,683,429	6,877,064,970	45,351,991,064	30,326,819,594
Work-in-process at the beginning of the year	82,019,341	74,101,924	150,894,057	101,399,950	232,913,398	175,501,874
Work-in-process at the end of the year	(272,168,168)	(82,019,341)	(142,499,215)	(150,894,057)	(414,667,383)	(232,913,398)
	(190,148,827)	(7,917,417)	8,394,842	(49,494,107)	(181,753,985)	(57,411,524)
Trial production cost transferred to CWIP	-	-	-	(224,901,606)	-	(224,901,606)
Cost of goods manufactured	33,889,158,808	23,441,837,207	11,281,078,271	6,602,669,257	45,170,237,079	30,044,506,464

Rupees-----





Note	Food segment		Plastic segment		Total
	2022	2021	2022	2021	
-----Rupees-----					
Stock of finished goods at the beginning of the year Purchase of finished goods Insurance claim Stock of finished goods at the end of the year	2,514,867,263 67,725,905 (182,122) (2,169,520,134)	2,584,245,910 54,436,419 (6,424,812) (2,514,867,263)	125,060,487 - (6,045,000) (286,941,854)	77,533,031 - (389,040) (125,060,487)	2,639,927,750 67,725,905 (6,227,122) (2,456,461,988)
	412,890,912	117,390,254	(167,926,367)	(47,916,496)	244,964,545
	34,302,049,720	23,559,227,462	11,113,151,904	6,554,752,761	45,415,201,624
					30,113,980,222
30.1 Raw materials consumed					
Stock of raw materials at the beginning of the year Purchases Cartage inward  Provision for the year Stock of raw materials at the end of the year	1,841,582,017 23,241,523,366 (13,412,432) 25,069,692,951 (57,425,947) (3,466,556,150) 21,545,710,854	1,666,112,177 13,358,590,015 9,111,613 15,033,813,805 (617,766) (1,841,582,017) 13,191,614,022	2,041,980,819 7,749,352,992 3,623,040 9,794,956,851 - (654,760,288) 9,140,196,563	1,099,275,919 6,224,897,774 - 7,324,173,693 - (2,041,980,819) 5,282,192,874	3,883,562,836 30,990,876,358 (9,789,392) 34,864,649,802 (57,425,947) (4,121,316,438) 30,685,907,417
30.2 Packing materials consumed					
Stock of packing materials at the beginning of the year Purchases  Provision for the year Stock of packing materials at the end of the year	958,306,449 7,436,959,009 8,395,265,458 (34,666,750) (1,487,715,572) 6,872,883,136	752,041,262 5,459,863,438 6,211,904,700 (43,000,000) (958,306,449) 5,210,598,251	22,150,235 407,876,679 430,026,914 - (32,732,427) 397,294,487	19,755,795 235,994,780 255,750,575 - (22,150,235) 233,600,340	980,456,684 7,844,835,688 8,825,292,372 (34,666,750) (1,520,447,999) 7,270,177,623



		-----Rupees-----					
Note							
30.3 Stores and spares consumed							
	Stock of stores and spares at the beginning of the year	10	277,972,342	258,748,824	190,130,363	101,689,821	468,102,705
	Purchases		571,958,972	391,346,151	179,019,315	241,213,189	750,978,287
	Cartage inward		2,111,363	1,069,994	13,502	24,288	2,124,865
		852,042,677	651,164,969	369,163,180	342,927,298	1,221,205,857	994,092,267
Stock of stores and spares at the end of the year		(338,055,069)	(277,972,342)	(179,634,380)	(190,130,363)	(517,689,449)	(468,102,705)
		513,987,608	373,192,627	189,528,800	152,796,935	703,516,408	525,989,562

**30.4** This includes expense recognised in respect of staff gratuity fund amounting to Rs. 31.09 million (2021:Rs. 51.05 million)

### 31 SELLING AND DISTRIBUTION

#### EXPENSES

Salaries and other benefits	31.1	1,398,827,312	1,049,853,798	61,656,371	43,896,348	1,460,483,683	1,093,750,146
Cartage outward		1,112,204,633	1,035,138,538	163,952,494	142,169,297	1,276,157,127	1,177,307,835
Export expenses		533,419,662	243,164,349	255,131,430	119,624,695	788,551,092	362,789,044
Advertisements		637,006,776	1,152,154,646	-	610,488	637,006,776	1,152,765,134
Entertainment		10,080,879	5,357,001	270,913	201,329	10,351,792	5,558,330
Vehicle running and maintenance		291,174,938	191,199,819	3,926,399	1,343,826	295,101,337	192,543,645
Printing and stationery		1,950,890	2,610,284	1,049,224	792,468	3,000,114	3,402,752
Postage and telephone		17,395,196	33,429,620	1,596,934	1,069,590	18,992,130	34,499,210
Conveyance and travelling		47,029,786	42,624,118	2,818,030	831,100	49,847,816	43,455,218
Utilities		2,730,370	2,773,174	1,564,948	1,314,724	4,295,318	4,087,898
Repairs and maintenance		13,427,030	620,699	1,339,363	289,013	14,766,393	909,712
Rent, rates and taxes		122,252,952	88,286,784	4,951,522	4,466,754	127,204,474	92,753,538
Depreciation	6.4	52,272,386	36,494,823	4,204,348	5,853,759	56,476,734	42,348,582
Amortisation charge	7.2	4,892,444	5,870,933	2,081,868	2,498,242	6,974,312	8,369,175
Fee and subscription		866,873	61,503	1,658,547	1,492,543	2,525,420	1,554,046
Insurance		16,278,489	10,822,918	1,237,075	2,200,004	17,515,564	13,022,922
Allowance for expected credit loss	12.3	7,000,000	4,033,407	-	966,593	7,000,000	5,000,000
Miscellaneous		8,287,217	1,296,224	123,962	88,360	8,411,179	1,384,584
		-	-	-	-	-	-
		4,277,097,833	3,905,792,638	507,563,428	329,709,133	4,784,661,261	4,235,501,771

**31.1** This includes expense recognised in respect of staff gratuity fund amounting to Rs 64.47 million (2021: Rs 50.19 million)



**32 ADMINISTRATIVE EXPENSES** Note

	Food segment		Plastic segment		Total
	2022	2021	2022	2021	
Salaries and other benefits including director's remuneration	408,637,761	361,478,294	72,112,546	60,191,994	480,750,307
Conveyance and travelling	14,070,394	11,242,753	2,483,011	1,941,076	16,553,405
Postage and telephone	19,134,413	10,826,552	3,376,661	3,272,710	22,511,074
Printing and stationery	27,952,944	16,011,750	4,932,872	4,942,272	32,885,816
Repairs and maintenance	35,265,624	13,170,516	6,223,345	3,313,734	41,488,969
Electricity and utilities	13,707,301	8,018,579	2,418,936	2,413,853	16,126,237
Insurance	7,627,882	7,213,791	1,346,097	2,402,413	8,973,979
Advertisement	-	106,396	-	25,604	-
Entertainment	8,080,101	8,685,316	1,425,900	2,157,801	9,506,001
Vehicle running and maintenance	38,463,540	25,628,825	6,787,683	6,719,415	45,251,223
Rent, rates and taxes	8,626,964	4,417,095	1,522,405	686,523	10,149,369
Fee and subscription	11,079,073	9,221,468	1,955,130	2,394,703	13,034,203
Legal and professional charges	18,441,359	15,445,663	3,254,357	1,343,637	21,695,716
Depreciation	74,063,762	43,592,891	13,070,076	13,577,333	87,133,838
Amortisation charge	7,759,974	6,125,666	1,369,407	2,215,807	9,129,381
General meeting expenses	78,793	-	13,905	-	92,698
Miscellaneous	1,065,094	2,128,364	187,958	973,443	1,253,052
	<b>694,054,979</b>	<b>543,313,919</b>	<b>122,480,289</b>	<b>108,572,318</b>	<b>816,535,268</b>
					<b>651,886,237</b>

**32.1** This includes expense recognised in respect of staff gratuity fund amounting to Rs 33,29 million (2021: Rs 19,02 million)





		2022	2021
		----- Rupees -----	
<b>33</b>	<b>OTHER OPERATING EXPENSES</b>		
	Note		
	Contribution to:		
	- workers' profits participation fund	181,898,959	118,683,864
	- workers' welfare fund	69,121,604	45,099,868
	Auditors' remuneration	4,854,650	4,548,872
	Exchange loss	-	169,069,616
	Donations	164,713,134	56,091,438
	Other	2,200,890	223,400
		<b>422,789,237</b>	<b>393,717,058</b>
<b>33.1</b>	<b>Auditor's remuneration</b>		
	Audit fee - unconsolidated	2,700,000	2,600,000
	Audit fee - consolidated	800,000	800,000
	Fee for statutory certification	304,650	200,000
	Fee for half yearly review	600,000	500,000
	Out-of-pocket expense	450,000	448,872
		<b>4,854,650</b>	<b>4,548,872</b>
<b>33.2</b>	<b>Donation to the following organizations exceed 10% of total donation</b>		
	- Shed Foundation	36,200,000	5,708,141
	- Dow University	25,488,500	-
	- Al Mustufa School	18,881,484	19,719,431
		<b>80,569,984</b>	<b>25,427,572</b>
<b>33.2.1</b>	None of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.		
		2022	2021
		----- Rupees -----	
<b>34</b>	<b>OTHER INCOME</b>		
	<b>Income from financial assets</b>		
	Exchange gain	180,196,393	-
	<b>Income from non financial assets</b>		
	Recovery from the sale of production scrap	131,009,386	95,589,381
	Gain on disposal of property, plant and equipment-net	347,703,394	228,068,469
	Processing income	37,093,010	27,145,208
	Income from Term Finance Certificates	40,605,754	18,243,890
	Income from PIB's	10,425,361	3,493,741
	Trading income	-	2,006,008
	Gain on Forward Contract	-	13,840,518
	Others	15,820,393	4,417,596
		<b>762,853,691</b>	<b>392,804,811</b>

	Note	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>35 FINANCE COST</b>			
Mark up on:			
- long term finances - conventional		405,006,360	123,207,729
- long term finances - islamic		309,673,057	211,807,044
- short term finances - conventional		484,331,457	216,712,303
- short term finances - islamic		90,563,836	42,259,105
Interest on workers' profits participation fund		4,285,279	1,911,739
Finance charge on lease liabilities		3,321,861	12,581,444
Bank charges		116,807,937	85,224,620
		<b>1,413,989,787</b>	<b>693,703,984</b>

### 36 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2022			2021		
	Chief executive officer	Director	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Managerial remuneration	16,000,000	13,600,000	546,959,806	12,800,000	10,800,000	479,113,759
Gratuity	-	-	26,971,435	-	-	24,546,002
Bonus	-	-	26,971,435	-	-	24,546,002
Leave encashment	-	-	23,072,772	-	-	19,513,073
<b>Reimbursement of expenses</b>						
Utilities	1,416,663	1,166,667	-	1,166,668	916,664	-
	<b>17,416,663</b>	<b>14,766,667</b>	<b>623,975,448</b>	<b>13,966,668</b>	<b>11,716,664</b>	<b>547,718,836</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>134</b>	<b>1</b>	<b>1</b>	<b>107</b>

In addition to the above, Company maintained cars are provided to the chief executive officer, directors and executives.

#### 36.1 The remuneration has been allocated as follows:

	2022			2021		
	Chief executive officer	Director	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Cost of goods sold	-	-	251,760,379	-	-	228,581,818
Selling and distribution expenses	-	-	215,526,863	-	-	164,786,716
Administrative expenses	17,416,663	14,766,667	156,688,206	13,966,668	11,716,664	154,350,302
	<b>17,416,663</b>	<b>14,766,667</b>	<b>623,975,448</b>	<b>13,966,668</b>	<b>11,716,664</b>	<b>547,718,836</b>
<b>Number of persons</b>	<b>1</b>	<b>1</b>	<b>134</b>	<b>1</b>	<b>1</b>	<b>107</b>

#### 36.2 Bonus is given to employees as per the Company's policy.





### 37 CLASSIFICATION OF EXPENSES

		2022		
		Local	Export	Total
		-----Rupees-----		
	Note			
Selling and distribution expenses	31	3,495,871,158	1,288,790,103	4,784,661,261
Administrative expenses	32	588,068,700	228,466,568	816,535,268
Finance cost	35	1,020,483,922	393,505,865	1,413,989,787
		2021		
		Local	Export	Total
		-----Rupees-----		
Selling and distribution expenses	31	3,673,099,906	562,401,865	4,235,501,771
Administrative expenses	32	532,004,358	119,881,879	651,886,237
Finance cost	35	566,131,821	127,572,163	693,703,984

### 38 TAXATION

		2022	2021
		----- Rupees -----	
	Note		
Current		831,971,541	178,314,865
Prior year		5,723,799	16,089,447
Deferred	23.3.1	(1,756,964)	242,176,122
		<u>835,938,376</u>	<u>436,580,434</u>

### 39 EARNINGS PER SHARE - Basic and diluted

		2022	2021
		----- Rupees -----	
Basic earnings per share			
Profit for the year		<u>2,551,020,228</u>	<u>1,776,665,309</u>
Number of shares			
Opening Number of shares at July 01, 2021		66,356,940	66,356,940
Weighted average number of ordinary shares issued during the year		-	-
Closing weighted number of shares		<u>66,356,940</u>	<u>66,356,940</u>
Weighted average number of shares outstanding as at year end		<u>66,356,940</u>	<u>66,356,940</u>
Basic earnings per share		<u>38.44</u>	<u>26.77</u>

#### Diluted earnings per share

There is no dilutive potential ordinary shares outstanding as at June 30, 2022 & June 30, 2021.

### 40 NUMBER OF EMPLOYEES

		2022	2021
		-----Numbers-----	
Number of employees as at the year end		<u>2,643</u>	<u>2,324</u>
Average number of employees during the year		<u>2,484</u>	<u>2,198</u>

41 CASH GENERATED FROM OPERATIONS	Note	2022	2021
		----- Rupees -----	
Profit before taxation		3,386,958,604	2,213,245,743
<b>Adjustments for non-cash and other items:</b>			
Depreciation	6.4	2,166,089,325	1,691,960,908
Amortisation charge	7.2	28,735,343	31,868,628
Gain on disposal of property, plant and equipment-net	34	(347,703,394)	(228,068,469)
Provision for staff gratuity scheme - unfunded	23.2.5	128,852,194	120,898,385
Finance cost	35	1,413,989,787	693,703,984
Share of profit from associated companies - net	8.3	(216,582,895)	(601,470,332)
Provision for slow moving - stock in trade		92,092,697	43,617,766
Allowance for expected credit loss		7,000,000	5,000,000
Unrealized exchange gain		(70,294,810)	-
Unrealized exchange loss on borrowings		68,266,320	50,000,000
Unrealized exchange loss		15,548,016	61,642,086
		6,672,951,187	4,082,398,699
<b>Working capital changes</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores and spares		(49,586,744)	(107,664,060)
Stock-in-trade		(859,515,224)	(1,362,394,699)
Trade debts		(2,337,122,761)	(5,684,718)
Loans and advances		(434,249,018)	(592,319,066)
Trade deposits and short term prepayments		(6,731,054)	5,478,789
Other receivables		(95,948)	2,274,793
		(3,687,300,749)	(2,060,308,961)
<b>Increase / (Decrease) in current liabilities</b>			
Trade and other payables		(543,927,748)	487,483,980
Short term finances - secured		3,076,907,538	(221,342,322)
Advances from customers - unsecured		(190,585,560)	130,310,256
		2,342,394,230	396,451,914
<b>Net increase / (decrease) in working capital</b>		(1,344,906,519)	(1,663,857,047)
<b>Cash generated from operations</b>		<b>5,328,044,668</b>	<b>2,418,541,651</b>





42 Reconciliation of movement of liabilities and equity to cash flow arising from financing activities.

	Liabilities			Equity		Total
	Long term finances-secured	Lease Liabilities	Accrued mark-up	Issued, subscribed and paid up share capital	Reserve	
	Rupees					
Balance as at July 01, 2021	16,562,851,884	62,166,882	162,665,518	663,569,400	10,611,167,244	28,062,420,928
Proceeds from long term finance	2,673,324,795	-	-	-	-	2,673,324,795
Payment of long term finance	3,765,606,274	-	-	-	-	3,765,606,274
Payment of liabilities subject to finance lease	-	(54,679,863)	-	-	-	(54,679,863)
Dividend paid	-	-	-	-	(994,212,144)	(994,212,144)
Mark-up paid	-	-	(1,202,322,057)	-	-	(1,202,322,057)
	6,438,931,069	(54,679,863)	(1,202,322,057)	-	(994,212,144)	4,187,717,005
Finance cost charge during the year	-	-	1,413,989,787	-	-	1,413,989,787
Foreign exchange gain / loss	68,266,320	-	-	-	-	68,266,320
Profit for the year	-	-	-	-	2,551,020,228	2,551,020,228
Changes in other comprehensive income	-	-	-	-	(217,988,818)	(217,988,818)
Changes in unclaimed dividend	-	-	-	-	(1,141,957)	(1,141,957)
	68,266,320	-	1,413,989,787	-	2,331,889,453	3,814,145,560
Balance as at June 30, 2022	23,070,049,273	7,487,019	374,333,248	663,569,400	11,948,844,553	36,064,283,493
	Rupees					
	Long term finances-secured	Lease Liabilities	Accrued mark-up	Issued, subscribed and paid up share capital	Reserve	Total
Balance as at July 01, 2020	14,498,681,731	168,526,917	195,966,471	663,569,400	9,236,215,197	24,762,959,716
Payment of long term finance	3,157,681,714	-	-	-	-	3,157,681,714
Payment of long term finance	(1,143,511,561)	-	-	-	-	(1,143,511,561)
Payment of liabilities subject to finance lease	-	(106,360,035)	-	-	-	(106,360,035)
Dividend paid	-	-	-	-	(198,813,008)	(198,813,008)
Mark-up paid	-	-	(727,004,937)	-	-	(727,004,937)
Changes in accrued mark-up	-	-	-	-	-	-
	2,014,170,153	(106,360,035)	(727,004,937)	-	(198,813,008)	981,992,173
Finance cost charge during the year	-	-	693,703,984	-	-	693,703,984
Foreign exchange gain / loss	50,000,000	-	-	-	-	50,000,000
Profit for the year	-	-	-	-	1,776,665,309	1,776,665,309
Changes in other comprehensive income	-	-	-	-	(202,642,442)	(202,642,442)
Changes in unclaimed dividend	-	-	-	-	(257,812)	(257,812)
	50,000,000	-	693,703,984	-	1,573,765,055	2,317,469,039
Balance as at June 30, 2021	16,562,851,884	62,166,882	162,665,518	663,569,400	10,611,167,244	28,062,420,928



		2022	2021
		----- Rupees -----	
<b>43</b>	<b>FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES</b>	<b>Note</b>	
<b>43.1</b>	<b>Financial instruments by category</b>		
	<b>Financial assets</b>		
	<b>At amortized cost</b>		
	Long term deposits	9	23,550,568
	Trade debts	12	5,854,058,018
	Loans and advances	13	55,190,647
	Trade deposits - unsecured	14	24,043,579
	Other receivables	16	185,028
	Cash and bank balances	18	242,333,100
	Short term investments	15	775,120,059
	<b>At fair value through OCI</b>		
	Short term investments	15	190,000,000
	<b>Total financial assets</b>		<b>7,164,480,999</b>
	<b>Financial liabilities</b>		
	<b>At amortized cost</b>		
	Long term finances	21	23,070,049,273
	Lease liabilities	22	7,487,019
	Trade and other payables	24	2,848,332,859
	Accrued mark-up	25	374,333,248
	Short term finances	26	9,088,758,920
	Unclaimed dividend		4,044,553
	<b>Total financial liabilities</b>		<b>35,393,005,872</b>

#### 43.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

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

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There is a transfers of level 3 short term investment to level 1 as it become listed during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: Non active markets The fair value of financial instruments of non active market is based on inputs available in the market.

The fair value of financial instruments traded in active markets is based on market value of shares at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.





The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2022:

	2022			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets				
Financial investments: fair value through OCI	190,000,000	-	-	190,000,000
	-----Rupees-----			
	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial investments: fair value through OCI	194,840,000	123,541,590	-	318,381,590
	-----Rupees-----			
	2022			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Investment in associates	3,144,584,786	-	-	3,144,584,786
	-----Rupees-----			
	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Investment in associates	3,180,003,578	-	-	3,180,003,578

### 43.3 Financial risk management

The board of directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

#### 43.3.1 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 Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company 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 allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Company 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.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, other receivables and deposits with financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

#### Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the company for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

#### Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with the credit ratings are tabulated below:

	Short- term Ratings	2022 ----- Rupees -----	2021
Allied Bank Limited	A1+	7,459,040	10,590,468
Bank Al Falah Limited	A1+	1,098,845	181,966
Bank Al Habib Limited	A1+	18,906,767	1,157,497
Bank Islami Pakistan Limited	A1	100,324,791	691,127
Dubai Islamic Bank Pakistan Limited	A1+	7,784,172	1,254,558
Faysal Bank Limited	A1+	-	3,649,739
Habib Bank Limited	A1+	862,399	57,482
Habib Metropolitan Bank Limited	A1+	29,288,223	27,706,172
JS Bank Limited	A1+	20,033,717	15,085,805
MCB Bank Limited	A1+	316,392	428,012
MCB Islamic Bank Limited	A1	310,830	176,591
Meezan Bank Limited	A1+	41,467,257	65,232,539
National Bank Of Pakistan	A1+	1,400,086	1,305,316
Samba Bank Limited	A1	15,185	14,185
Soneri Bank Limited	A1+	1,153,046	10,188,530
Summit Bank Limited	Suspended	355,371	296,771
Standard Chartered Bank Limited	A1+	-	630,097
Bank of Punjab	A1+	6,021,332	-
Askari Bank Limited	A1+	952,394	88,205
		<b>237,749,847</b>	<b>138,735,060</b>

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2022 ----- Rupees -----	2021
Long term deposits	9	23,550,568	26,838,890
Trade debts	12	5,854,058,018	3,446,640,447
Loans and advances	13	55,190,647	137,526,630
Trade deposits - unsecured	14	24,043,579	17,958,740
Bank balances	18	237,749,847	138,735,060
Other receivables	16	185,028	185,028
		<b>6,194,777,687</b>	<b>3,767,884,795</b>

To reduce the exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

Advances recoverable from employees are secured against their retirement benefits.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Company has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

	Note	2022 ----- Rupees -----	2021
More than 45 days but not more than 3 months		247,431,639	481,295,742
More than 3 months but not more than 6 months		147,754,398	509,262,009
More than 6 months but not more than 1 year		134,999,001	324,727,891
More than 1 year		83,909,116	64,845,543
	12.4	<b>614,094,154</b>	<b>1,380,131,185</b>

In respect of trade debts, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.





### 43.3.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Based on the above, management believes the liquidity risk is insignificant.

As at the reporting date the Company's financial liabilities have contractual maturities as summarized below:

Effective rates of return/mark-up on financial liabilities are as follows:

		2022			
		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
Note		-----Rupees-----			
<b>Financial liabilities - Interest bearing</b>					
Long term finances - secured (Conventional)	21	4.87%	15,415,662,067	2,697,752,499	12,717,909,568
Long term finances - secured (Islamic)		5.6%	7,654,387,206	683,004,100	6,971,383,106
Lease liabilities - conventional	22	7.96% to 13.73%	1,333,654	897,554	436,100
Lease liabilities - Islamic		8.14% to 12.07%	6,153,365	3,931,765	2,221,600
Short term finances - secured - conventional	26	7.18% to 15%	8,802,588,120	8,802,588,120	-
Short term finances - secured - Islamic	26	8.70% to 13.94%	286,170,800	286,170,800	-
<b>Non - interest bearing</b>					
Trade and other payables	24	-	2,848,332,859	2,848,332,859	-
Accrued mark-up	25	-	374,333,248	374,333,248	-
Unclaimed dividend			4,044,553	-	-
			35,393,005,872	15,697,010,945	19,691,950,374
2021					
		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
		-----Rupees-----			
<b>Financial liabilities - Interest bearing</b>					
Long term finances - secured - conventional	21	4%	13,197,885,437	2,575,582,046	10,622,303,391
Long term finances - secured - Islamic		6.3%	3,364,966,447	1,096,516,272	2,268,450,175
Lease liabilities - conventional	22	7.76% to 7.96%	9,502,404	5,089,363	4,413,041
Lease liabilities - Islamic		7.28% to 8.48%	52,664,478	37,676,339	14,988,139
Short term finances - secured - conventional	26	7.18% to 8.96%	6,063,068,547	6,063,068,547	-
Short term finances - secured - Islamic	26	6.81% to 8.63%	-	-	-
<b>Non - interest bearing</b>					
Trade and other payables	24	-	3,668,202,129	3,668,202,129	-
Accrued mark-up	25	-	162,665,518	162,665,518	-
Unclaimed dividend			2,902,597	-	-
			26,521,857,557	13,608,800,214	12,910,154,746

### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position would not affect profit or loss of the Company.

### Cash flow sensitivity analysis for variable rate instruments

At June 30, 2022, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 230 million (2021: Rs. 165 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2022, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 90.88 million (2021: Rs. 60.63 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

### 43.3.3 Market risk

Market risk is the risk that fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market prices. Market prices comprise of three types of risks namely foreign currency risk, interest rate risk and other price risk, such as equity risk.

#### a) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of financial asset or a liability will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars.

#### Exposure to Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2022	2021
	----- Amount in USD -----	
Trade debts	6,959,632	3,437,685
Cash and bank balances	159,782	141,599
Trade and other payables	(1,690,127)	(5,044,483)
Loans and advances	268,568	871,525
Advance from customer	(255,589)	(449,586)
	5,442,265	(1,043,259)
<b>Off balance sheet exposures</b>		
Letter of credit	(10,710,555)	(22,935,137)
<b>Net Exposure</b>	<b>(5,268,290)</b>	<b>(23,978,396)</b>

The following significant exchange rates were applied during the year.

	2022	2021
	Rupee per USD	
Average rate	181.65	162.97
Reporting date rate	205.50	157.80

#### Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2021 would have effect on the equity and profit and loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2022.

	2022	2021
	----- Rupees -----	
Strengthening of PKR against respective currencies	108,263,369	378,379,096
Weakening of PKR against respective currencies	(108,263,369)	(378,379,096)

As at 30 June 2022, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 108.26 million (2021: Rs. 378.38 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.







The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

	Note	2022 ----- Rupees -----	2021
Export debtors	12	1,430,204,301	542,466,672
Import creditors		347,321,180	796,019,344
		<u>1,777,525,481</u>	<u>1,338,486,016</u>

#### b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks, running finance facilities and finance leases. At the reporting date the interest rate profile of the Company's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2022	2021
	----- Rupees -----	
<b>Variable rate instruments</b>		
Financial assets	190,000,000	194,840,000
Financial liabilities	6,705,415,593	6,377,492,002
	<u>6,895,415,593</u>	<u>6,572,332,002</u>

As at 30 June 2022, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 68.95 million. (2021: Rs. 65.72 million) mainly because of higher/lower interest expense on variable rate instruments.

#### c) Equity risk

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

### 44 CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's capital includes share capital, unappropriated profit and reserves. As at reporting date the capital of the Company is as follows:

	2022 ----- Rupees -----	2021
Share capital	663,569,400	663,569,400
Reserves	11,916,011,853	10,611,167,244
	<u>12,579,581,253</u>	<u>11,274,736,644</u>

The Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Company's capital signifies equity as reported in statement of financial position and includes share capital and accumulated losses.

During 2021 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2022 and 2021 were as follows:

	2022	2021
	----- Rupees -----	
Total borrowings	<b>32,158,808,193</b>	22,625,920,431
Less: Cash and bank balances	<b>(242,333,100)</b>	(143,565,665)
Net debt	<b>31,916,475,093</b>	22,482,354,766
Total equity	<b>12,579,581,253</b>	11,274,736,644
Total equity and debt	<b>44,496,056,346</b>	33,757,091,410
Net gearing ratio (%)	<b>71.7%</b>	66.6%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

#### 45 PLANT CAPACITY AND ACTUAL PRODUCTION

	2022 Metric Ton		2021 Metric Ton	
	Rated Capacity	Actual Production	Rated Capacity	Actual Production
<b>Food processing</b>	<b>183,288</b>	<b>100,625</b>	166,562	88,363
<b>Plastic film</b>	<b>63,000</b>	<b>39,928</b>	63,000	29,608

The Company has enhanced the production capacity in food processing by 16,726 metric tons and production by 12,262 metric tons. Full impact of enhancement in capacity and production will be reflected in next financial year. Remaining capacity and production utilization was as per the market demand.

#### 46 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Company and key management personnel. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements, are as follows:

##### Key Management Personnel (KMP)

Name	Direct shareholding %
Mr. Ahmed Muhammad	15.22
Mr. Munsarim Saif	0.000009
Mr. Ghulam Farooq	Nil
Mr. Abdul Qadir	Nil

	2022	2021
	----- Rupees -----	

##### Hudson Pharma (Private) Limited (Subsidiary Company - 78.26% shareholding)

Investment made during the year	<b>520,000,000</b>	-
<b>Ismail Resin (Private) Limited.</b> (Subsidiary Company - 75% shareholding)		
Balance as at June 30	<b>1,875,000,000</b>	491,737,500
Salaries & benefits to KMP	<b>63,443,336</b>	52,143,332
Post employment benefit to KMP	<b>1,638,449</b>	1,386,863





**Plastiflex Films (Private) Limited**  
(Associated Company - Common Directorship)

- Purchase of raw & packing materials
- Metallization of raw material
- Sales of raw and packing material
- Recovery against Sales
- Payment against purchases
- Payable to associate

2022	2021
----- Rupees -----	
62,372,972	70,392,521
(22,307,473)	(31,759,987)
(8,000,957)	-
36,050,153	26,597,506
(64,364,321)	(94,017,364)
5,710,461	1,960,087

**47 PRESENTATION & NON- ADJUSTING EVENT**

- 47.1** Prior year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. There is no material reclassification.
- 47.2** The board of directors in its meeting held on September 16, 2022 has proposed dividend in respect of the year ended June 30, 2022 of Rs. 4/- per share (2021: Rs. 15/- per share) for approval of the members at the annual general meeting. The unconsolidated financial statements for the year ended June 30, 2022 do not include the effect of proposed dividend, which will be accounted for in the unconsolidated financial statements for the year ending June 30, 2023.

**48 DATE OF AUTHORIZATION**

These unconsolidated financial statements were authorized for issue on September 16, 2022 by the board of directors of the Company.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer



**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**





## INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

Report on the Audit of the Consolidated Financial Statement

### Opinion

We have audited the annexed consolidated financial statements of Ismail Industries Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





**Following is the key audit matter:**

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	<p>Valuation of Stock-in-trade</p> <p>As at June 30, 2022 the Group's total stock-in-trade balance amounting to Rs. 8.50 billion as disclosed in note 11 represents 42.75 % of the total current assets of the Group. The value of stock-in-trade is based on the moving weighted average cost method for raw materials and packing materials, weighted average cost method for work in process and lower of weighted average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit.</p> <p>The Group is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.</p> <p>This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.</p>	<p>In response to this matter, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock in trade.</li> <li>Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade.</li> <li>Tested the valuation method used by the management in valuation of stock in trade.</li> <li>Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade, tested the accuracy of the aging analysis of stock-in-trade, on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the management and board level to identify any indicators of obsolesce.</li> <li>Tested the NRV of the stock-in-trade held by performing a review of sales close to and subsequent to the year-end and compared with the cost for a sample of products.</li> <li>Assessed the adequacy of the disclosures on stock-in-trade in the consolidated financial statements.</li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially

misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Khalid Aziz.

**Grant Thornton Anjum Rahman**  
Chartered Accountants

Karachi

Date: September 23, 2022

UDIN: AR202210154CUQtmEcsv



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	29,570,611,863	21,817,195,645
Right-of-use assets	6.1	26,661,774	82,762,838
Intangible assets	7	5,995,440	33,730,783
Goodwill		12,173,553	11,959,187
Long term investments	8	3,144,584,786	3,671,741,078
Long term deposits	9	27,390,426	31,458,748
<b>Total non-current assets</b>		<b>32,787,417,842</b>	<b>25,648,848,279</b>
<b>Current assets</b>			
Stores and spares	10	536,173,317	481,325,971
Stock-in-trade	11	8,501,109,463	7,723,683,283
Trade debts	12	5,827,408,364	3,393,522,541
Loans and advances	13	1,994,072,521	1,633,606,052
Trade deposits and short term prepayments	14	50,442,888	39,453,161
Short term investments	15	1,318,192,640	318,381,590
Other receivables	16	117,740,491	117,644,543
Taxation-net	17	1,166,745,442	1,273,215,243
Cash and bank balances	18	373,050,231	158,547,846
<b>Total current assets</b>		<b>19,884,935,357</b>	<b>15,139,380,230</b>
<b>Total assets</b>		<b>52,672,353,199</b>	<b>40,788,228,509</b>

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.







## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital 250,000,000 (2021: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital	19	663,569,400	663,569,400
Non-controlling interest	20	812,707,126	116,036,838
Reserves	21	10,790,536,824	9,686,368,083
<b>Total shareholders' equity</b>		<b>12,266,813,350</b>	<b>10,465,974,321</b>
<b>Non-current liabilities</b>			
Long term finances - secured	22	21,115,340,979	13,115,268,004
Lease liabilities	23	11,329,635	19,401,180
Deferred liabilities	24	2,392,609,675	2,316,501,620
<b>Total non-current liabilities</b>		<b>23,519,280,289</b>	<b>15,451,170,804</b>
<b>Current liabilities</b>			
Trade and other payables	25	3,504,621,771	4,033,432,976
Accrued mark-up	26	387,140,074	166,153,705
Short term finances - secured	27	9,088,758,920	6,168,068,547
Current portion of:			
- long term finances - secured	22	3,507,663,033	3,878,636,296
- lease liabilities	23	7,892,005	42,765,702
Unclaimed Dividend		4,044,553	2,902,597
Advances from customers - unsecured		386,139,204	579,123,561
<b>Total current liabilities</b>		<b>16,886,259,560</b>	<b>14,871,083,384</b>
<b>Total liabilities</b>		<b>40,405,539,849</b>	<b>30,322,254,188</b>
<b>Total equity and liabilities</b>		<b>52,672,353,199</b>	<b>40,788,228,509</b>
<b>Contingencies and commitments</b>	28		

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
Sales	29	65,805,161,598	45,207,932,207
Sales returns, discounts and direct expenses		(2,543,025,087)	(2,001,323,009)
Export rebate		25,289,225	55,790,351
		(2,517,735,862)	(1,945,532,658)
		63,287,425,736	43,262,399,549
Sales tax		(7,563,073,960)	(5,737,558,980)
<b>Sales - net</b>		<b>55,724,351,776</b>	<b>37,524,840,569</b>
Cost of sales	31	(45,765,150,468)	(30,354,451,977)
<b>Gross profit</b>		<b>9,959,201,308</b>	<b>7,170,388,592</b>
Selling and distribution expenses	32	(4,946,087,081)	(4,437,895,864)
Administrative expenses	33	(1,018,170,361)	(766,223,974)
<b>Operating profit</b>		<b>3,994,943,866</b>	<b>1,966,268,754</b>
Other operating expenses	34	(423,926,854)	(395,199,411)
Other income	35	802,104,485	405,770,103
		4,373,121,497	1,976,839,446
Finance cost	36	(1,456,847,447)	(726,142,880)
		2,916,274,050	1,250,696,566
Share of profit from associated companies - net	8.1	216,582,895	601,470,332
<b>Profit before taxation</b>		<b>3,132,856,945</b>	<b>1,852,166,898</b>
Taxation	39	(837,505,419)	(437,286,484)
<b>Profit for the year</b>		<b>2,295,351,526</b>	<b>1,414,880,414</b>
<b>Profit for the year attributable to:</b>			
Shareholders of the Holding Company		2,352,955,856	1,495,504,577
Non-controlling interest		(57,604,330)	(80,624,163)
		2,295,351,526	1,414,880,414
<b>Earnings per share - basic and diluted</b>	40	<b>35.46</b>	<b>22.54</b>

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.

  
Munsarim Saifullah  
Chief Executive Officer

  
Maqsood Ismail Ahmed  
Director

  
Ahmed Raza Parekh  
Chief Financial Officer





## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021 -----
Profit for the year		2,295,351,526	1,414,880,414
<b>Other comprehensive loss :</b>			
<i>Items that may be reclassified to consolidated statement of profit or loss in subsequent periods</i>		-	-
<i>Items that will not be reclassified to consolidated statement of profit or loss in subsequent periods:</i>			
(Loss) / income on remeasurement of post employment benefit obligation-net of tax	24.2.7	(36,169,579)	38,763,305
Unrealized loss during the year on re-measurement of investment classified as fair value through OCI -net of tax		(3,787,384)	(3,857,616)
Share of other comprehensive loss from associated company - net of tax	8.1	(214,201,434)	(233,459,617)
<b>Other comprehensive loss</b>		<b>(254,158,397)</b>	<b>(198,553,928)</b>
<b>Total comprehensive income for the year</b>		<b>2,041,193,129</b>	<b>1,216,326,486</b>
<b>Total comprehensive income for the year attributable to :</b>			
Shareholders of the Holding Company		2,099,522,841	1,296,039,520
Non-controlling interest		(58,329,712)	(79,713,034)
		<b>2,041,193,129</b>	<b>1,216,326,486</b>

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

	Issued, subscribed and paid-up share capital	Total Reserves					Non-controlling Interest	Total shareholders' equity	
		Capital reserves		Revenue reserves					
		Share premium	Amalgamation reserves	Remeasurement of investment in associated companies	Remeasurement of investments at fair value through OCI	Unappropriated profit			Total reserves
Rupees									
Balance as at July 01, 2020	663,569,400	1,472,531,500	916,862,067	41,535,172	-	6,158,470,644	8,589,399,383	195,749,872	9,448,718,655
Profit for the year	-	-	-	-	-	1,495,504,577	1,495,504,577	(80,624,163)	1,414,880,414
Remeasurement of defined benefit obligation - net of tax	-	-	-	-	-	37,852,176	37,852,176	911,129	38,763,305
Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	(3,857,616)	-	(3,857,616)	-	(3,857,616)
Share of other comprehensive income from associate-net of tax	-	-	-	(233,459,617)	-	-	(233,459,617)	-	(233,459,617)
Other comprehensive (loss) / income - net of tax	-	-	-	(233,459,617)	(3,857,616)	37,852,176	(199,465,057)	911,129	(198,553,928)
Total comprehensive income / (loss)	-	-	-	(233,459,617)	(3,857,616)	1,533,356,753	1,296,039,520	(79,713,034)	1,216,326,486
Final cash dividend for the year ended June 30, 2020 @ Rs.3 per share	-	-	-	-	-	(199,070,820)	(199,070,820)	-	(199,070,820)
<b>Balance as at June 30, 2021</b>	<b>663,569,400</b>	<b>1,472,531,500</b>	<b>916,862,067</b>	<b>(191,924,445)</b>	<b>(3,857,616)</b>	<b>7,492,756,577</b>	<b>9,686,368,083</b>	<b>116,036,838</b>	<b>10,465,974,321</b>
Profit / (loss) for the year	-	-	-	-	-	2,352,955,856	2,352,955,856	(57,604,330)	2,295,351,526
Remeasurement of defined benefit obligation - net of tax	-	-	-	-	-	(35,444,197)	(35,444,197)	(725,382)	(36,169,579)
Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	(3,787,384)	-	(3,787,384)	-	(3,787,384)
Share of other comprehensive loss from associated - net of tax	-	-	-	(214,201,434)	-	-	(214,201,434)	-	(214,201,434)
Other comprehensive income / (loss) - net of tax	-	-	-	(214,201,434)	(3,787,384)	(35,444,197)	(253,433,015)	(725,382)	(254,158,397)
Total comprehensive (loss) / income	-	-	-	(214,201,434)	(3,787,384)	2,317,511,659	2,099,522,841	(58,329,712)	2,041,193,129
Increase in NCI investment	-	-	-	-	-	-	-	755,000,000	755,000,000
Final cash dividend for the year ended June 30, 2021 @ Rs.15 per share	-	-	-	-	-	(995,354,100)	(995,354,100)	-	(995,354,100)
<b>Balance as at June 30, 2022</b>	<b>663,569,400</b>	<b>1,472,531,500</b>	<b>916,862,067</b>	<b>(406,125,879)</b>	<b>(7,645,000)</b>	<b>8,814,914,136</b>	<b>10,790,536,824</b>	<b>812,707,126</b>	<b>12,266,813,350</b>

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer





## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 ----- Rupees -----	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations after working capital changes	42	2,160,865,582	2,192,762,643
Gratuity paid	24.2.3	(49,961,384)	(62,029,361)
Income tax paid - net		(722,714,326)	(172,014,690)
Long-term deposits refund		4,068,322	9,231,691
<b>Net cash generated from operating activities</b>		<b>1,392,258,194</b>	<b>1,967,950,283</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)	6.7.1	(8,910,241,045)	(3,410,920,395)
Acquisition of Intangible assets during the year	7	(1,000,000)	(10,306,201)
Investment in associated company	8	-	(491,737,500)
Proceed from dissolution of associated company		-	188,107,892
Amount paid under acquisition net of advance		(70,855,597)	-
Dividend received		-	629,020,362
Short term investments	15	(645,299,579)	(123,541,590)
Proceeds from disposal of property, plant and equipment	6.6	553,168,881	595,409,013
<b>Net cash used in investing activities</b>		<b>(9,074,227,340)</b>	<b>(2,623,968,419)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from long term financing-net off repayment		7,249,975,392	2,026,095,522
Lease repayments		(42,945,242)	(106,360,035)
Short term financing		2,971,907,538	-
Interest / mark-up paid		(1,237,036,848)	(759,726,757)
Dividend paid		(994,212,144)	(198,813,008)
<b>Net cash generated from financing activities</b>		<b>7,947,688,696</b>	<b>961,195,722</b>
<b>Net increase in cash and cash equivalents</b>		<b>265,719,550</b>	<b>305,177,586</b>
Cash and cash equivalents at the beginning of the year		(1,050,744,701)	(1,355,922,287)
<b>Cash and cash equivalents at the end of the year</b>		<b>(785,025,151)</b>	<b>(1,050,744,701)</b>
<b>Cash and cash equivalents at the end of the year comprise of:</b>			
Cash and bank balances	18	373,050,231	158,547,846
Running finance utilized under mark-up arrangements	27	(1,158,075,382)	(1,209,292,547)
		<b>(785,025,151)</b>	<b>(1,050,744,701)</b>

The annexed notes 1 to 49 form an integral part of these consolidated financial statements.

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

### 1 LEGAL STATUS AND OPERATIONS

#### 1.1 The Group consist of:

**Holding Company :** Ismail Industries Limited

**Subsidiary Companies :** Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited

#### a) Ismail Industries Limited

Ismail Industries Limited (the Holding Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office of the Holding Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Previously the shares of the Holding Company were listed on the Karachi and Lahore Stock Exchanges. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange Limited effective from January 11, 2016 the shares of the company are now quoted on Pakistan Stock Exchange Limited. Principal activities of the Holding Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, nutritional products, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'Candyland', 'Bisconni', 'Snackcity' and 'Astro films' respectively.

In addition to above registered office, geographical location and addresses of manufacturing units of the Holding Company are as under:

#### Factories:

<b>Unit-1</b> C-230, Hub H.I.T.E., Balochistan.	<b>Unit-6</b> D-91, D-92 & D-94 North Western Zone, Port Qasim.
<b>Unit-2</b> B-140, Hub H.I.T.E., Balochistan.	<b>Unit-7</b> E164-168, North Western Zone, Port Qasim.
<b>Unit-3</b> G-1, Hub H.I.T.E., Balochistan.	<b>Unit-8</b> E154-157, North Western Zone, Port Qasim.
<b>Unit-4</b> G-22, Hub H.I.T.E., Balochistan.	<b>Unit-9</b> G-1A, Hub H.I.T.E., Balochistan.
<b>Unit-5</b> 38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	

Further, the Holding Company's liaison offices and warehouses are situated in Karachi, Hyderabad, Sukkur, Multan, Lahore, Islamabad, Faisalabad and Peshawar.

#### b) Hudson Pharma (Private) Limited

The Subsidiary Company was incorporated in Pakistan as a private limited company on May 5, 2010. The registered office of the Subsidiary Company is located at 17, Bangalore Town, Main Shahrah-e-Faisal, Karachi. Principal activities of the Subsidiary Company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical, animal health, allied consumer products, drugs, medicines and derma products.

In addition to above, geographical location and addresses of manufacturing units of the Subsidiary Company are as under:

#### Factory:

D-93, North Western Industrial Zone, Port Qasim.

#### Administrative office:

24/1 - Bangalore Co-operative Housing Society, Block 7/8, Bangalore Town, Karachi.

#### c) Ismail Resin (Private) Limited

The Subsidiary Company was incorporated in Karachi, Pakistan on January 13, 2021. The registered office of the Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of the Company are manufacturing and selling of Polyester Resin.

In addition to above, geographical location and addresses of manufacturing units of the Subsidiary Company are as under:

#### Unit 1

A-39 North Western Zone, Port Qasim, Karachi.

#### Unit 2

Plot No. EZ/1/P-II-A Eastern Industrial Zone, Port Qasim, Karachi.





## **2 SIGNIFICANT EVENTS AND TRANSACTIONS**

- 2.1** During the year, the Holding Company has made an investment amounting to Rs. 520 million and Rs. 1,383 million in its subsidiaries i.e. Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited respectively for the purpose of expansion of business.

## **3 BASIS OF PREPARATION**

### **3.1 Statement of compliance**

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### **3.2 Basis of measurement**

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies.

### **3.3 Functional and presentation currency**

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Holding Company operates. These consolidated financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency. The figures have been rounded off to the nearest Pakistani Rupee.

### **3.4 Basis of Consolidation**

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Company.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors. The Holding company can govern the financial & operating policies of subsidiary.

Subsidiary Company is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary company are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income for the year, even if that results in a deficit balance.

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

### **3.5 Standards, Amendments and Interpretations to Approved Accounting Standards**

#### **3.5.1 Standards, amendments and interpretations to the published standards that may be relevant to the Group and adopted in the current year**

There were certain amendments to accounting and reporting standards which became effective for the Group for the current year. However, these are considered not to be relevant or to have any significant impact on the Group's financial reporting and, therefore, have not been disclosed in these consolidated financial statements.

#### **3.5.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Group**

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Group's financial statements and operations and, therefore, have not been disclosed in these consolidated financial statements.

#### 4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following accounting estimates and judgments which are significant to the consolidated financial statements:

	Note
a) Property, plant and equipment	4.1
b) Right-of-use assets	5.1.2
c) Intangible assets	5.2
d) Stock-in-trade, stores and spares	4.2
e) Trade debts and other receivables	4.3
f) Taxation	4.4
g) Staff retirement benefits	4.5
h) Lease liabilities	5.13
i) Provisions	5.15
j) Impairment of non financial assets	5.3
k) Contingent liabilities	5.23
l) Impairment of financial assets	5.25.5

##### 4.1 Property, plant and equipment

The Group reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

##### 4.2 Stock-in-trade, stores and spares

The Group's management reviews the net realizable value (NRV) of stock-in-trade, stores and spares to assess any diminution in the respective carrying values and wherever required, provision for impairment is made.

##### 4.3 Trade debts and Other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.25.5 of these consolidated financial statements.

##### 4.4 Taxation

In making the estimate for income taxes by the Group, the management refer to the current income tax law and the decisions of appellate authorities on certain issues in the past.

##### 4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 24.1 to these consolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect the amounts recognized in those years.

#### 5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years.

##### 5.1 Property, plant and equipment

###### 5.1.1 Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.





Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the Consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note. 6 to the consolidated financial statements. Depreciation on leasehold land is charged to the consolidated statement of profit or loss, applying the straight-line method at rates given in note 6 to these consolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

The gain or loss on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

#### **5.1.2 Right-of-use assets**

The right-of-use asset is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance method as given in note no. 6.1 of these consolidated financial statements of June 30, 2022. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

#### **5.1.3 Capital work-in-progress**

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses, if any, are recorded on the basis as defined in note 5.3.

#### **5.2 Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method. The impairment losses if any are recorded on the basis mentioned in note. 5.3.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

#### **5.3 Impairment of non-financial assets**

Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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 amortization, if no impairment loss had been recognized.

#### **5.4 Investments in associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulation prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income/ loss of the associate after the date of acquisition.

### 5.5 Long term deposits

These are stated at amortized cost which represents the fair value of consideration given.

### 5.6 Stores and spare

All stores, spares and loose tools either imported or purchased locally are charged to consolidated statement of profit or loss when consumed and are valued at lower of weighted moving average cost or estimated NRV except for items-in-transit which are stated at invoice value plus other incidental charges paid thereon up to the reporting date. Provision is made for obsolete and slow moving items where necessary and is recognized in the consolidated statement of profit or loss.

### 5.7 Stock-in-trade

These are valued at the lower of cost or net realizable value. Cost is determined as follows:

Types of stock	Valuation method
a) Raw and packing materials	weighted average cost method
b) Work-in-process	weighted average cost method
c) Finished goods	lower of weighted average cost or net realizable value
d) Goods in-transit	invoice value plus other charges incurred thereon
e) Trading goods	lower of weighted average cost or net realizable value

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

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

### 5.8 Trade debts and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### 5.9 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

### 5.10 Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the consolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

### 5.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the consolidated statement of profit or loss in the period in which they are incurred.

### 5.12 Staff retirement benefits - gratuity

The Group operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the Group. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note 24.1 using the projected unit credit method.

### 5.13 Lease liabilities

Leases are recognised as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is







reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

## **5.14 Taxation**

### **5.14.1 Current**

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the Ordinance, whichever is higher.

### **5.14.2 Deferred**

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

## **5.15 Provisions**

Provisions are recognized in these Consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

## **5.16 Trade and other payables**

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

## **5.17 Foreign currency translation**

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the Consolidated Statement of profit or loss.

## **5.18 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food and plastic.

## **5.19 Dividend distribution**

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

## **5.20 Related parties transactions**

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Group to do so.

## **5.21 Share Capital**

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **5.22 Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated

by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

### 5.23 Contingent liabilities

Contingent liability is disclosed when:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

### 5.24 Operating, administrative and selling expenses

These expenses are recognized in the consolidated statement of profit or loss upon utilization of the services or as incurred except for specifically stated in the consolidated financial statements.

### 5.25 Financial Instruments - Initial Recognition and subsequent measurement

#### 5.25.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

#### 5.25.2 Classification of financial assets

The Group classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Group determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

#### 5.25.3 Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost.

Financial liabilities are measured at amortized cost using effective yield method, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Group has opted to measure them at FVTPL.

#### 5.25.4 Subsequent measurement

##### i) Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

##### ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.





### iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the consolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognise a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognised in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

#### 5.25.5 Impairment of financial assets

The Group recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determined to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determined to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

#### 5.25.6 Derecognition

##### i) Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable, is recognised in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the consolidated statement of profit or loss, but is transferred to retained earnings.

##### ii) Financial liabilities

The Group derecognises its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss.

#### 5.25.7 Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these consolidated statement of financial position if the Group has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 5.26 Revenue from Contracts with Customers

The Group is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods net of discounts and sales related indirect taxes.

The following are the specific recognition criteria that must be met before revenue is recognized:

- a) Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.

*Other income*

- b) Processing income is recognized when services are rendered.
- c) Gain or loss on sale of investments is taken to income in the period in which it arises.
- d) Interest income is recognized on an accrual basis using the effective interest method.
- e) Dividend is recognized when the right to receive is established.
- f) Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

#### **5.27 Service Revenue**

The Group is in the business of rendering of services. Revenue from contracts with customers is recognized when services are rendered to the customer and thereby the performance obligation is satisfied, at amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

#### **5.28 Contract Assets**

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

#### **5.29 Contract Liabilities**

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

#### **5.30 Goodwill**

Goodwill represents the excess of the cost of acquisition over the fair value of the holding company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually and whenever there is an indication that the value may be impaired, and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed.









Year ended June 30, 2021

**As at June 30, 2020**

Cost	958,492,804	88,688,580	4,063,249,859	16,334,795,913	108,834,913	393,450,772	71,538,376	341,540,103	-	22,360,591,320	165,527,276	324,580,872	490,108,148
Accumulated depreciation	(53,996,325)	-	(1,444,946,513)	(6,005,458,241)	(43,576,178)	(118,501,531)	(31,299,338)	(155,742,393)	-	(7,853,520,519)	(73,104,510)	(110,948,163)	(183,152,673)
<b>Net book value</b>	<b>904,496,479</b>	<b>88,688,580</b>	<b>2,618,303,346</b>	<b>10,329,337,672</b>	<b>65,258,735</b>	<b>274,949,241</b>	<b>40,239,038</b>	<b>185,797,710</b>	-	<b>14,507,070,801</b>	<b>92,422,766</b>	<b>214,532,709</b>	<b>306,955,475</b>

**July 01, 2020**

Opening net book value	904,496,479	88,688,580	2,618,303,346	10,329,337,672	65,258,735	274,949,241	40,239,038	185,797,710	-	14,507,070,801	92,422,766	214,532,709	306,955,475
Additions / Transfers from CWIP	-	-	1,679,055,986	6,219,141,840	20,652,753	48,719,238	24,875,212	261,729,744	-	8,254,174,773	-	817,992	817,992
Transfer From / To leased assets to owned assets	-	-	-	-	-	-	-	-	-	-	-	-	-

Cost  
Accumulated depreciation

-	-	-	-	165,527,276	-	-	-	193,358,492	-	358,885,768	(165,527,276)	(193,358,492)	(358,885,768)
-	-	-	-	(80,218,792)	-	-	-	(94,407,808)	-	(174,626,600)	80,218,792	94,407,808	174,626,600
-	-	-	-	85,308,484	-	-	-	98,950,684	-	184,259,168	(85,308,484)	(98,950,684)	(184,259,168)

**Disposal**

Cost  
Accumulated depreciation

(298,146,954)	-	-	-	(203,213)	-	(520,000)	(1,137,890)	(137,300,722)	-	(437,308,779)	-	-	-
4,768,339	-	-	-	157,129	-	94,900	563,480	68,460,177	-	74,044,025	-	-	-
(293,378,615)	-	-	-	(46,084)	-	(425,100)	(574,410)	(68,840,545)	-	(363,264,754)	-	-	-

Depreciation charge for the year

(8,040,765)	-	(339,599,936)	(1,303,825,185)	(7,316,940)	(30,473,160)	(10,215,717)	(64,552,653)	(7,114,282)	-	(1,764,024,356)	(7,114,282)	(33,637,179)	(40,751,461)
<b>603,077,099</b>	<b>88,688,580</b>	<b>3,957,759,396</b>	<b>15,329,916,727</b>	<b>78,594,548</b>	<b>292,770,219</b>	<b>54,324,123</b>	<b>413,084,940</b>	<b>82,762,838</b>	<b>82,762,838</b>	<b>20,818,215,632</b>	<b>82,762,838</b>	<b>82,762,838</b>	<b>82,762,838</b>

**As at June 30, 2021**

Cost	660,345,850	88,688,580	5,742,305,845	22,719,261,816	129,487,666	441,650,010	95,275,698	659,327,617	-	30,536,343,082	-	132,040,372	132,040,372
Accumulated depreciation	(57,268,751)	-	(1,784,546,449)	(7,389,345,089)	(50,893,118)	(148,879,791)	(40,951,575)	(246,242,677)	-	(9,718,127,450)	-	(49,277,534)	(49,277,534)
<b>Net book value</b>	<b>603,077,099</b>	<b>88,688,580</b>	<b>3,957,759,396</b>	<b>15,329,916,727</b>	<b>78,594,548</b>	<b>292,770,219</b>	<b>54,324,123</b>	<b>413,084,940</b>	-	<b>20,818,215,632</b>	-	<b>82,762,838</b>	<b>82,762,838</b>

**Depreciation rate (%)**

1	10	10 to 15	10	10	10	20	20	20	20	10	10	20	20
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6.3 Property plant and equipment of the Group is under charge against long term finances as mentioned in note no. 22.

6.4 The expenses have been allocated to the consolidated statement of profit or loss as follows:

6.4.1 The depreciation expense of operating assets has been allocated as follows:

Cost of sales  
Selling and distribution expenses  
Administrative expenses

31	2,114,049,862	1,679,005,135
32	55,941,013	33,058,420
33	89,409,611	51,960,802
	<b>2,259,400,486</b>	<b>1,764,024,357</b>

6.4.2 Depreciation charge of right-of-use-assets has allocated as follows.

Cost of sales  
Selling and distribution expenses  
Administrative expenses

31	3,516,485	15,918,472
32	4,984,531	15,558,749
33	2,821,474	9,274,241
	<b>11,322,490</b>	<b>40,751,462</b>

Note

2022

2021



**6.5 Particulars of immovable property (i.e. land and building) in the name of Holding Company are as follows:**

Locations	Usage of immovable property	* Covered area
17 - Bangalore Town, Shahrah-e-Faisal, Karachi.	Registered office / Head office	1000 sq. yd
C-230, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 1	7.54 acres
B-140, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 2	4.59 acres
G-1, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 3	3.486 acres
G-22, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 4	9.00 acres
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	Manufacturing facility - Unit 5	4.02 acres
D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 6	7.50 acres
E164-168, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 7	6.24 acres
E154-157, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 8	5.04 acres
G-1A, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 9	3.185 acres
D-101/M, D-101/N, S.I.T.E area, Nooriabad.	For future expansion	20.50 acres
PT2-24-2402, Pearl Tower, Plot # 7 (R9) Crescent Bay, Karachi.	Administrative purpose	2,209.57 sq. ft
Sabzi mandi road, Chak no. 241 Dist. Faisalabad.	For future expansion	0.88 acres
39-B, Sundar Industrial Estate, Raiwind Road, Lahore.	For future expansion	1.138 acres

\* Covered area includes multi-storey buildings.

**6.6 Following are the particulars of the disposed assets having a book value exceed five hundred thousand rupees.**

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees .....							
<b>Leasehold Land</b>							
126,712,000	7,035,445	119,676,555	446,500,000	326,823,445	Ismail Resin (Private) Limited	Subsidiary	Negotiation
<b>126,712,000</b>	<b>7,035,445</b>	<b>119,676,555</b>	<b>446,500,000</b>	<b>326,823,445</b>			
<b>Vehicles</b>							
<b>Audi</b>							
8,000,000	5,582,854	2,417,146	9,000,000	6,582,854	Ali Raza Kazmi	Independent Party	Negotiation
<b>8,000,000</b>	<b>5,582,854</b>	<b>2,417,146</b>	<b>9,000,000</b>	<b>6,582,854</b>			
<b>Toyota Fortuner</b>							
6,136,850	3,645,732	2,491,118	3,178,656	687,538	Fawaz Ahmed	Employee	Company policy
<b>6,136,850</b>	<b>3,645,732</b>	<b>2,491,118</b>	<b>3,178,656</b>	<b>687,538</b>			
<b>Suzuki Cultus</b>							
1,512,853	294,166	1,218,687	1,642,008	423,321	Amjad Sohail	Employee	Company policy
1,265,000	698,967	566,033	505,820	(60,213)	Reehmat Ilahi	Employee	Company policy
1,274,060	720,496	553,564	784,585	231,021	Ali Mumtaz Khan	Employee	Company policy
1,428,750	615,797	812,953	998,305	185,352	Fahad Habib	Employee	Company policy
1,271,100	727,709	543,391	1,350,000	806,609	Naveed Ahmed	Employee	Company policy
1,265,000	718,485	546,515	505,860	(40,655)	Irfan Nazir	Employee	Company policy
1,767,350	621,105	1,146,245	1,341,590	195,345	M Asadullah	Employee	Company policy
1,256,100	692,196	563,904	758,730	194,826	Muhammad Umair	Employee	Company policy
1,786,650	584,090	1,202,560	1,447,505	244,945	Muzammil Khan	Employee	Company policy
1,542,567	269,949	1,272,618	1,676,780	404,162	Hassan Raza	Employee	Company policy
1,765,250	621,368	1,143,882	706,100	(437,782)	Faisal Shamshad	Employee	Company policy
1,765,250	621,368	1,143,882	706,100	(437,782)	Yasir Qureshi	Employee	Company policy
1,512,053	548,628	963,425	795,939	(167,486)	Mohsin Raza	Employee	Company policy
1,543,117	384,065	1,159,052	1,561,720	402,668	Syed Aun Abbas	Employee	Company policy
1,765,250	663,734	1,101,516	706,100	(395,416)	Syed Maaz Uddin	Employee	Company policy
1,491,111	124,259	1,366,852	1,655,000	288,148	Jublee Insurance	Insurance claim	As per contract
1,521,367	249,758	1,271,609	1,744,800	473,191	Farrukh Noor Khan	Employee	Company policy
1,512,053	568,081	943,972	1,307,136	363,164	Ahsan Bhutto	Employee	Company policy
1,781,400	671,287	1,110,113	1,324,800	214,687	Khalid	Employee	Company policy
1,398,200	738,346	659,854	1,295,491	635,637	Abdul Rasheed	Employee	Company policy
1,511,678	621,215	890,463	1,330,569	440,106	Masroor Ahmed	Employee	Company policy
1,265,000	698,967	566,033	498,697	(67,336)	Muhammad Asad	Employee	Company policy
1,521,367	320,332	1,201,035	2,090,000	888,965	Waqar Hussain	Employee	Company policy
<b>34,722,526</b>	<b>12,774,368</b>	<b>21,948,158</b>	<b>26,733,635</b>	<b>4,785,477</b>			
<b>Suzuki Alto</b>							
1,207,641	265,681	941,960	1,167,923	225,963	Zeeshan Maqsood	Employee	Company policy
1,203,267	80,217	1,123,050	1,284,780	161,730	Muhammad Zaheer	Employee	Company policy
1,207,641	300,904	906,737	1,166,829	260,092	Ali Shabbir	Employee	Company policy
<b>3,618,549</b>	<b>646,802</b>	<b>2,971,747</b>	<b>3,619,532</b>	<b>647,785</b>			

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees .....							
<b>Toyota Corolla</b>							
1,791,500	1,234,639	556,861	715,774	158,913	Haris Khan	Employee	Company policy
1,771,500	1,213,284	558,216	715,774	157,558	Aamir Khan	Employee	Company policy
1,792,000	1,202,592	589,408	723,854	134,446	Muhammad Ashraf	Employee	Company policy
3,290,250	913,398	2,376,852	2,321,282	(55,570)	Zunair Ahmed	Employee	Company policy
2,331,290	1,074,321	1,256,969	2,027,804	770,835	Faisal Bashir	Employee	Company policy
1,923,500	1,116,721	806,779	1,016,116	209,337	Qaiser Siddiqi	Employee	Company policy
2,179,800	1,009,102	1,170,698	871,920	(298,778)	Aqeel Kamal	Employee	Company policy
2,057,410	1,382,526	674,884	2,450,000	1,775,116	Muhammad Azam Iqbal	Employee	Company policy
1,852,785	1,317,426	535,359	740,014	204,655	Naveed Ahmed	Employee	Company policy
2,792,813	949,556	1,843,257	1,117,125	(726,132)	Muhammad Sheeraz	Employee	Company policy
2,813,063	956,441	1,856,622	1,444,002	(412,620)	Muhammad Saeed	Employee	Company policy
1,814,935	1,207,076	607,859	724,200	116,341	Fareed Ahmed	Employee	Company policy
2,331,290	1,164,104	1,167,186	2,304,000	1,136,814	Jublee Insurance	Insurance claim	As per contract
1,794,500	1,154,766	639,734	815,018	175,284	Fazal Karim	Employee	Company policy
2,331,290	1,186,550	1,144,740	1,096,132	(48,608)	Shafiq Abdullah	Employee	Company policy
1,958,625	1,210,468	748,157	920,256	172,099	Shahzad Hussain Iqbal	Employee	Company policy
1,794,500	1,154,765	639,735	796,906	157,171	Tahir Mehmood	Employee	Company policy
2,035,125	1,302,578	732,547	727,250	(5,297)	Aamir Sultan	Employee	Company policy
1,926,750	1,178,118	748,632	1,097,150	348,518	Humayon Iqbal	Employee	Company policy
1,794,500	1,154,766	639,734	815,018	175,284	Syed Ali Shah	Employee	Company policy
1,792,000	1,194,752	597,248	724,456	127,208	Waqas Afzal	Employee	Company policy
1,926,750	1,178,118	748,632	1,022,506	273,874	Syed Waqar Azeem	Employee	Company policy
2,792,813	1,117,125	1,675,688	1,117,125	(558,563)	Kamran Ahmed	Employee	Company policy
2,331,290	1,231,441	1,099,849	931,866	(167,983)	Najmus Saqib	Employee	Company policy
2,794,440	1,120,770	1,673,670	1,117,125	(556,545)	Waseem Hussain	Employee	Company policy
<b>54,014,719</b>	<b>28,925,403</b>	<b>25,089,316</b>	<b>28,352,673</b>	<b>3,263,357</b>			
<b>Toyota Yaris</b>							
2,243,590	254,274	1,989,316	2,575,000	585,684	EFU General Insurance	Insurance claim	As per contract
2,273,401	432,578	1,840,823	2,600,000	759,177	Haider Nawab Akhtar	Independent party	Negotiation
2,308,439	509,780	1,798,659	2,315,421	516,762	Mahira Zaidi	Employee	Company policy
2,273,401	598,662	1,674,739	2,200,745	526,006	Saad Ullah	Employee	Company policy
<b>9,098,831</b>	<b>1,795,294</b>	<b>7,303,537</b>	<b>9,691,166</b>	<b>2,387,629</b>			
<b>Honda civic</b>							
2,725,015	1,559,661	1,165,354	1,253,647	88,293	Abdul Qadir	Employee	Company policy
3,180,260	1,430,766	1,749,494	2,614,197	864,703	Shah Abdulla Raza	Employee	Company policy
<b>5,905,275</b>	<b>2,990,427</b>	<b>2,914,848</b>	<b>3,867,844</b>	<b>952,996</b>			
<b>Suzuki Swift</b>							
1,550,100	701,885	848,215	1,061,889	213,674	Shah Bano	Employee	Company policy
<b>1,550,100</b>	<b>701,885</b>	<b>848,215</b>	<b>1,061,889</b>	<b>213,674</b>			
<b>123,046,850</b>	<b>57,062,765</b>	<b>65,984,085</b>	<b>85,505,395</b>	<b>19,521,310</b>			
<b>249,758,850</b>	<b>64,098,210</b>	<b>185,660,640</b>	<b>532,005,395</b>	<b>346,344,755</b>			

**Aggregate of assets disposed off having net book value not exceeding Rs. 500,000**

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)
Plant and Machinery	4,319,839	3,901,360	418,479	-	(418,479)
Furniture and Fixtures	2,709,211	2,177,362	531,849	-	(531,849)
Computers	11,751,344	9,989,288	1,762,056	453,436	(1,308,620)
Equipments	2,361,180	1,999,231	361,949	-	(361,949)
Vehicles	40,850,827	24,309,329	16,541,498	20,710,050	4,168,552
<b>Sub-total</b>	<b>61,992,401</b>	<b>42,376,570</b>	<b>19,615,831</b>	<b>21,163,486</b>	<b>1,547,655</b>
<b>2022 - total</b>	<b>311,751,251</b>	<b>106,474,780</b>	<b>205,276,471</b>	<b>553,168,881</b>	<b>347,892,410</b>
2021 - total	437,308,779	74,044,027	363,264,752	595,409,013	232,144,261

6.6. All disposal are made through negotiation otherwise specified in 6.6 of these consolidated financial statements.





	Note	2022	2021
		-----Rupees-----	
<b>6.7 Capital work-in-progress</b>			
Civil works		1,811,198,835	196,764,243
Plant and machinery		3,857,544,301	801,243,839
Equipment and fittings		26,037,400	971,931
	6.7.1	5,694,780,536	998,980,013

**6.7.1 Movement of capital work in progress:**

	Leasehold Land	Civil works	Plant and machinery	Equipment and fittings	Total
	-----Rupees-----				
Balance as at July 1, 2020	-	669,748,424	5,173,303,958	-	5,843,052,382
Capital expenditure incurred during the year	-	1,200,081,517	1,672,058,932	9,789,735	2,881,930,184
Trial production cost incurred - net	-	-	159,343,481	-	159,343,481
Transferred to operating assets	-	(1,673,065,698)	(6,203,462,532)	(8,817,804)	(7,885,346,034)
<b>Balance as at June 30, 2021</b>	-	196,764,243	801,243,839	971,931	998,980,013
Capital expenditure incurred during the year	942,310,856	2,637,282,299	5,238,884,852	45,880,636	8,864,358,643
Transferred to fixed assets	(942,310,856)	(1,090,275,268)	(2,862,508,828)	(20,815,167)	(4,915,910,119)
Advances to contractors	-	67,427,561	641,840,416	-	709,267,977
Expenses capitalized	-	-	38,084,022	-	38,084,022
<b>Balance as at June 30, 2022</b>	-	1,811,198,835	3,857,544,301	26,037,400	5,694,780,536

	Note	2022	2021
		-----Rupees-----	
<b>7 INTANGIBLE ASSETS</b>			
As at July 1			
Cost	7.1	98,973,357	88,667,156
Accumulated amortization		(65,242,574)	(33,373,946)
<b>Opening net book value</b>		33,730,783	55,293,210
Addition for the year		1,000,000	10,306,201
Amortization charge for the year		(28,735,343)	(31,868,628)
<b>Closing net book value</b>		5,995,440	33,730,783
As at June 30			
Cost		99,973,357	98,973,357
Accumulated amortization		(93,977,917)	(65,242,574)
<b>Closing net book value</b>		5,995,440	33,730,783
<b>Amortization rate</b>		33%	33%

7.1 Intangible includes licenses which are amortized on straight line basis over a period of 36 months.

	Note	2022	2021
		-----Rupees-----	
<b>7.2 The amortization charge has been allocated as follows:</b>			
Cost of sales	31	12,631,650	15,157,980
Selling and distribution expenses	32	6,974,313	8,369,175
Administrative expenses	33	9,129,381	8,341,473
		28,735,344	31,868,628

**8 LONG TERM INVESTMENTS**

	Note	2022	2021
Investment in associated company	8.1	3,144,584,786	3,180,003,578
Share deposit money		-	491,737,500
		3,144,584,786	3,671,741,078

**8.1 Investment in associated companies**

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 269,383,781 (2021: 256,555,982) shares which represents 24.43% of paid-up capital of the Bank (2021: 24.43%). In addition to this, the Holding Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these consolidated financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2021 and unaudited interim financial statement for the six months period ended June 30, 2022. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on June 30, 2022 was Rs. 4,040.76 million (June 30, 2021: Rs. 4,156.21 million).

	The Bank of Khyber		Novelty Enterprises (Pvt) Limited	
	2022	2021	2022	2021
	-----Rupees-----		-----Rupees-----	
Balance as at July 1	3,180,003,578	3,441,616,096	-	228,703,777
Share of profit	216,582,895	379,554,402	-	221,915,930
Proceed from dissolution	-	-	-	(188,107,892)
Dividend received	-	(366,508,547)	-	(262,511,815)
Share of other comprehensive loss	(252,001,687)	(274,658,373)	-	-
<b>Balance as at June 30</b>	<b>3,144,584,786</b>	<b>3,180,003,578</b>	<b>-</b>	<b>-</b>

Summarized financial information in respect of the Holding Company's associates as at June 30 is set out below:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	2022	2021	2022	2021
	Un-audited	Un-audited	Un-audited	Un-audited
	Rupees-----			
Total assets	394,240,287,000	328,776,835,000	-	-
Total liabilities	377,685,898,000	312,089,306,000	-	-
Revenue	7,065,905,000	6,774,926,000	-	-
Profit for the period	886,632,000	1,553,788,000	-	790,627,192
Other comprehensive loss for the period	(1,029,987,000)	(1,124,372,000)	-	-
Total comprehensive (loss) / income for the period	(143,355,000)	429,416,000	-	790,627,192

All transfers of funds to the Holding Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associate. During the year 5% bonus shares have been received from the Bank of Khyber.

		2022	2021
	Note	Rupees-----	
<b>9 LONG TERM DEPOSITS</b>			
Lease - Conventional		436,100	3,482,300
Lease - Islamic		2,221,600	9,287,190
Less: Current maturity - Conventional	14	(436,100)	(1,580,900)
Less: Current maturity - Islamic	14	(2,221,600)	(3,901,690)
		-	7,286,900
Utilities		15,358,378	14,184,251
Others		12,032,048	9,987,597
		27,390,426	31,458,748
<b>10 STORES AND SPARES</b>			
Stores	10.1	128,689,386	137,061,509
Spare parts	10.1	383,713,579	326,639,923
Others	10.1	23,770,352	17,624,539
		536,173,317	481,325,971

#### 10.1 Reconciliation for stores and spares

	2022			
	Stores	Spare parts	Others	Total
	Rupees-----			
Stores and spares	137,280,806	383,713,579	23,770,352	544,764,737
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	128,689,386	383,713,579	23,770,352	536,173,317

	2021			
	Stores	Spare parts	Others	Total
	Rupees-----			
Stores and spares	145,652,929	326,639,923	17,624,539	489,917,391
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	137,061,509	326,639,923	17,624,539	481,325,971

		2022	2021
	Note	Rupees-----	
<b>11 STOCK-IN-TRADE</b>			
Raw materials	11.2 & 11.3	4,137,933,253	3,929,756,610
Packing materials	11.2	1,419,657,519	842,685,060
Work-in-process	31	416,878,374	232,913,397
Finished goods	11.2	2,526,640,317	2,718,328,216
		8,501,109,463	7,723,683,283

11.1 Stock-in-trade of the Group is under hypothecation charge against short term finances as mentioned in note 27.







	Note	2022		
		Raw materials	Packing materials	Finished goods
		----- Rupees -----		
11.2 Reconciliation for stock-in-trade		4,185,672,088	1,546,954,703	2,526,640,317
Stock-in-trade				
Provision for slow moving				
- opening		(13,576,856)	(152,848,549)	-
- charge		(57,425,947)	(34,666,750)	-
- Write-off	31.1 & 31.2	23,263,968	60,218,115	-
- closing		(47,738,835)	(127,297,184)	-
Stock-in-trade-net		4,137,933,253	1,419,657,519	2,526,640,317
2021				
		Raw materials	Packing materials	Finished goods
		----- Rupees -----		
Stock-in-trade		3,943,333,466	995,533,609	2,718,328,216
Provision for slow moving				
- opening		(12,959,090)	(109,848,549)	-
- charge for the year		(617,766)	(43,000,000)	-
- closing		(13,576,856)	(152,848,549)	-
Stock-in-trade-net		3,929,756,610	842,685,060	2,718,328,216

11.3 This includes raw materials in transit amounting to Rs. Nil (June 30, 2021: Rs. 1,130,732,151).

12 TRADE DEBTS	Note	2022	2021
		-----Rupees-----	
Considered good		1,430,204,301	542,466,672
- export-secured		4,505,174,703	2,952,026,509
- local- unsecured			
Trade debts	12.4	5,935,379,004	3,494,493,181
Allowance for expected credit loss	12.3	(107,970,640)	(100,970,640)
Trade debts - net		5,827,408,364	3,393,522,541

12.1 Trade debts of the Group is under hypothecation charge against short term finances as mentioned in note 27.

12.2 There are no receivables from related party at reporting date (2021: Rs. nil). Further, it does not include defaulter parties in export customers.

12.3 Allowance for expected credit loss	Note	2022	2021
		-----Rupees-----	
Balance at the beginning of the year		(100,970,640)	(95,970,640)
Charge during the year - net	32	(7,000,000)	(5,000,000)
Balance at the end of the year		(107,970,640)	(100,970,640)
12.4 Age analysis			
Not Due		5,282,250,777	2,080,423,623
More than 45 days but not more than 3 months		263,695,837	505,371,718
More than 3 months but not more than 6 months		160,765,756	514,939,516
More than 6 months but not more than 1 year		144,757,519	328,912,781
More than 1 year		83,909,116	64,845,543
		5,935,379,004	3,494,493,181
13 LOANS AND ADVANCES			
Loan to employees - secured	13.1	58,525,902	45,976,065
Advances - unsecured			
- Suppliers		1,880,355,972	1,450,103,357
- LC margins	13.2	55,190,647	137,526,630
		1,994,072,521	1,633,606,052

13.1 These represent interest free loans that are to be repaid within a period of one year in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Group is adjustable against the final settlement of staff.

13.2 Allied Bank Limited	2022	2021
	-----Rupees-----	
Bank Alfalah Limited	38,165,941	75,112,954
Meezan Bank Limited	-	31,315,236
Dubai Islamic Bank Pakistan	4,068,500	31,098,440
Habib Bank Limited	1,716,442	-
	11,239,764	-
	55,190,647	137,526,630

	Note	2022 -----Rupees-----	2021
<b>14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits - unsecured		36,442,097	26,165,635
Short term prepayments		11,343,091	7,804,936
Current maturity of lease deposits- Conventional	9	436,100	1,580,900
Current maturity of lease deposits- Islamic	9	2,221,600	3,901,690
		<b>50,442,888</b>	<b>39,453,161</b>
<b>15 SHORT TERM INVESTMENTS</b>			
Term finance certificates - HBL	15.1	190,000,000	194,840,000
Pakistan investment bonds	15.2	123,137,867	123,541,590
Term finance certificates - BOP	15.3	501,982,192	-
Term deposit receipt			
- Habib Metro Bank Limited	15.4	150,000,000	-
- Allied Bank Limited	15.5	93,375,763	-
- Habib Bank Limited	15.5	113,753,173	-
- National Bank of Pakistan	15.5	145,943,645	-
		<b>1,318,192,640</b>	<b>318,381,590</b>
<p><b>15.1</b> The Holding Company has made an investment of Rs. 200 million (2021: 200 million) in listed Term Finance Certificates (TFC) of Habib Bank Limited having face value of Rs. 100,000 per certificate. This investment is classified at fair value through other comprehensive income and unrealized loss or gain is recognized in other comprehensive income. The investment carries mark-up at the rate of three months KIBOR + 160 bps (2021: KIBOR + 160). The market price of each certificate as at June 30, 2022 is Rs. 95,000 (2021: 97,420).</p> <p><b>15.2</b> The Holding Company has made investment in Pakistan Investment Bonds having face value of Rs. 120 million (2021: Rs. 120 million). This carries markup of 9% (2021: 9%) per annum and will mature in 2022. This investment is classified at fair value through other comprehensive income and unrealized loss or gain is recognized at amortized cost.</p> <p><b>15.3</b> The Holding Company has made an investment of Rs. 500 million (2021: nil) Term Finance Certificates (TFC) in Bank of Punjab having face value of Rs. 100,000 per certificate. This investment is classified at amortized cost.</p> <p><b>15.4</b> During the year, the Holding Company has made an investment in Term Deposit Receipt of Habib Metropolitan Bank Limited having face value of Rs. 150 million. This carries markup of 14.25% (2021: nil) per annum and will mature in 2022. This investment is classified at amortized cost.</p> <p><b>15.5</b> During the year one of the subsidiary company Ismail Resin (Private) Limited made an investement in term deposits receipt having a markup ranges between 6.85% to 12.25% per annum (2021: Nil) having maturity within one year.</p>			
<b>16 OTHER RECEIVABLES</b>	Note	2022 -----Rupees-----	2021
Export rebate		17,338,462	17,242,514
Other receivables	16.1	100,402,029	100,402,029
		<b>117,740,491</b>	<b>117,644,543</b>
<p><b>16.1</b> This amount includes Rs. 100.217 million (June 30 2021: Rs.100.217 million) due from Nazir of the Hounrable Sindh High Court as referred in note 28.1.2.</p>			
<b>17 TAXATION - net</b>	Note	2022 -----Rupees-----	2021
Advance income tax		2,000,284,026	1,452,236,158
Provision for taxation	39	(833,538,584)	(179,020,915)
		<b>1,166,745,442</b>	<b>1,273,215,243</b>
<b>18 CASH AND BANK BALANCES</b>			
Cash in hand		4,896,610	5,518,264
Cash at banks:			
- current accounts - conventional		217,301,926	84,939,262
- current accounts - Islamic		150,851,695	68,090,320
		<b>373,050,231</b>	<b>158,547,846</b>
<b>19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>			
<b>Number of Shares</b>			
2022	2021		
<b>53,072,940</b>	53,072,940	Ordinary shares of Rs.10 each fully paid in cash	<b>530,729,400</b> 530,729,400
<b>13,284,000</b>	13,284,000	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation	<b>132,840,000</b> 132,840,000
<b>66,356,940</b>	66,356,940		<b>663,569,400</b> 663,569,400





## 20 Non-Controlling Interest

Below is summarised financial information of Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited that has a non-controlling interest of 21.74% and 25% stake respectively that is material to the Group. The amounts disclosed are before inter-group eliminations.

		2022	2021
		-----Rupees-----	
<b>Summarised Statement of Financial Position</b>			
Current assets		988,867,012	367,758,091
Non-current assets		4,473,803,184	1,024,514,369
Current liabilities		(318,049,340)	(357,277,983)
Non-current liabilities		(1,468,578,313)	(249,731,982)
		<u>3,676,042,543</u>	<u>785,262,495</u>
Accumulated NCI		<u>812,707,126</u>	<u>116,036,838</u>
<b>Summarised Statement of Profit or Loss and Other Comprehensive Income</b>			
Sales		463,652,582	217,080,697
Loss for the year / period		(255,668,701)	(361,784,895)
Total comprehensive loss		(259,060,604)	(357,696,381)
Loss allocated to NCI		(57,604,330)	(80,624,163)
<b>Summarised Statement of Cash Flows</b>			
Cash flow from operating activities		8,876,992	(330,616,474)
Cash flow from investing activities		(3,275,253,727)	(46,294,120)
Cash flow from financing activities		3,293,755,483	84,203,554
Net increase / (decrease) in cash and cash equivalents		27,378,748	(292,707,040)
<b>21 RESERVES</b>			
Capital Reserve			
- Share premium	21.1	1,472,531,500	1,472,531,500
- Reserve arising due to amalgamation	21.2	916,862,067	916,862,067
Revenue Reserve			
- Loss on remeasurement of investment in associate		(406,125,879)	(191,924,445)
- Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(7,645,000)	(3,857,616)
- Unappropriated profit		8,814,914,136	7,492,756,577
<b>Total reserves</b>	21.3	<u>10,790,536,824</u>	<u>9,686,368,083</u>

**21.1** This represents share premium amount pertaining to issue of shares at premium. This reserve can be utilized by the Holding Company for the purpose specified in section 81(2) of the Companies Act, 2017.

**21.2** This represents reserve created under scheme of arrangement for amalgamation of Astro Plastics (Private) Limited with the Holding Company.

**21.3** Movement of the total reserves have been reflected in consolidated statement of changes in equity.

22	LONG TERM FINANCES - secured					Note	2022	2021
							----- Rupees -----	
	Long term finances - secured - conventional					22.1	13,913,957,874	10,726,817,829
	Long term finances - secured - islamic					22.2	7,201,383,105	2,388,450,175
	Total long term finances - secured						21,115,340,979	13,115,268,004
22.1	CONVENTIONAL							
	Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments		2022	2021
							----- Rupees -----	
	Habib Bank Limited							
	- Term Finance - FCY	Monthly	2021-2024	1 month EURIBOR + 1.75%	36		385,011,855	562,972,212
	- SBP-LTFF	Quarterly	2018-2030	SBP + 0.25%	36		313,616,859	369,167,351
	- Term finance	Monthly	2017-2023	1 month KIBOR + 0.25%	60		83,333,341	183,333,346
	- SBP-LTFF	Quarterly	2021-2030	SBP + 0.25%	34		1,370,077,235	1,483,128,671
	- SBP-TERF	Quarterly	2022-2031	SBP + 1.25%	36		234,533,253	242,349,300
	- SBP-TERF	Quarterly	2024-2031	SBP+1.25%	32		305,005,000	-
	- SBP-LTFF	Quarterly	2024-2031	SBP+1.25%	32		44,160,305	-
	Bank Al-Habib Limited							
	- Term finance	Monthly	2018-2022	3 months KIBOR + 0.25%	42		-	32,142,843
	- SBP-LTFF	Quarterly	2019-2029	SBP + 0.75%	32		289,118,690	339,118,000
	- SBP-LTFF	Quarterly	2020-2029	SBP + 0.50%	32		44,503,000	51,591,000
	MCB Bank Limited							
	- SBP-LTFF	Quarterly	2018-2028	SBP + 0.75%	36		207,422,020	241,454,570
	- SBP-LTFF	Quarterly	2020-2030	SBP + 0.25%	36		406,545,634	460,789,006
	- SBP-TERF	Quarterly	2024-2031	SBP + 1%	32		258,840,000	21,200,000
	Allied Bank Limited							
	- SBP-LTFF	Semi-annual	2022-2031	SBP +0.25%/0.75%	18		1,652,227,500	1,749,413,000
	- Term finance	Monthly	2021-2024	3 months KIBOR + 0.25%	48		200,000,001	300,000,004
	Balance carried forward						5,794,394,693	6,036,659,303





Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021
<b>Balance brought forward</b>					<b>5,794,394,693</b>	6,036,659,303
- Term finance	Monthly	2018-2022	3 months KIBOR + 0.25%	36	-	75,000,009
- Term finance	Monthly	2016-2022	3 months KIBOR + 0.25%	60	-	63,960,000
- Term finance	Quarterly	2024-2027	3 months KIBOR + 1%	16	<b>245,000,000</b>	-
- SBP-LTFF	Quarterly	2024-2031	SBP+1.25%	32	<b>454,922,000</b>	-
<b>Pak Brunei Investment Company Limited</b>						
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.5%	32	<b>430,499,000</b>	490,445,000
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.5%	32	<b>175,436,900</b>	193,574,000
<b>Pak Oman Investment Company Limited</b>						
- Term finance	Monthly	2016-2022	1 month KIBOR + 0.5%	60	-	35,000,000
- SBP-LTFF	Quarterly	2022-2030	SBP + 1.5%	32	<b>418,205,342</b>	474,566,000
- SBP-LTFF	Quarterly	2025-2032	SBP + 1.5%	32	<b>264,884,000</b>	-
<b>Bank Al falah Limited</b>						
- Term finance	Quarterly	2022-2025	6 month KIBOR + 0.75%	16	<b>375,000,000</b>	500,000,000
- Term finance	Quarterly	2023-2026	3 month KIBOR + 0.75%	16	<b>600,000,000</b>	600,000,000
- SBP-LTFF	Quarterly	2017-2029	SBP+0.5%	40/36	<b>291,512,404</b>	345,355,085
- SBP-TERF	Quarterly	2024-2031	SBP+1.25%	32	<b>238,191,000</b>	17,608,000
<b>JS Bank Limited</b>						
- SBP-Payroll finance	Quarterly	2021-2023	SBP+3%	8	<b>161,966,566</b>	485,899,719
- SBP-LTFF	Quarterly	2022-2030	SBP+0.30%	32	<b>117,594,093</b>	129,759,000
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.3%	36	<b>55,555,556</b>	122,222,222
- Term finance	Monthly	2018-2022	3 month KIBOR + 0.3%	36	-	50,000,000
- SBP-Payroll finance	Quarterly	2021-2023	SBP+3%	8	<b>12,105,190</b>	36,315,586
<b>Habib Metropolitan Bank Ltd</b>						
- SBP-TERF	Semi Annual	2024-2031	SBP+1.5%	16	<b>1,079,177,000</b>	198,931,000
<b>The Bank of Punjab</b>						
- SBP-TERF	Quarterly	2023-2031	SBP + 1.25%	32	<b>1,499,997,368</b>	130,681,254
- Term finance	Monthly	2022-2027	1 month KIBOR + 0.75%	60	<b>491,666,667</b>	-
<b>Faysal Bank Limited</b>						
- Term finance	Monthly	2017-2022	3 months KIBOR + 0.25%	48	-	62,500,000
<b>Balance carried forward</b>					<b>12,706,107,779</b>	10,048,476,178



Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Balance brought forward</b>					<b>12,706,107,779</b>	<b>10,048,476,178</b>
<b>National Bank of Pakistan</b>						
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.25%	48	<b>100,000,011</b>	200,000,008
- SBP-LTFF	Quarterly	2021-2030	SBP+0.65%	36	<b>858,921,136</b>	967,132,500
- SBP-TERF	Quarterly	2022-2031	SBP+1%	36	<b>467,668,749</b>	442,074,000
- SBP-FFSAP	Quarterly	2023-2030	SBP+0.75%	28	<b>139,714,000</b>	-
- SBP-LTFF	Quarterly	2024-2031	SBP+1.25%	32	<b>50,000,000</b>	-
- SBP-TERF	Quarterly	2024-2031	SBP+1.25%	32	<b>103,770,000</b>	-
<b>Askari Bank Limited</b>						
- SBP-LTFF	Quarterly	2021-2031	SBP+0.50%	40	<b>190,036,275</b>	213,070,975
- Term finance	Monthly	2019-2024	1 month KIBOR + 0.50%	48	<b>191,666,675</b>	291,666,671
- SBP-Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	<b>243,000,845</b>	567,000,168
- Term finance	Monthly	2023-2027	1 month KIBOR + 0.75%	48	<b>500,000,000</b>	-
- SBP-Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	<b>19,245,688</b>	44,906,608
<b>Soneri Bank Limited</b>						
- Term finance	Monthly	2019-2025	1 month KIBOR + 0.75%	60	<b>291,666,675</b>	391,666,671
- Term finance	Monthly	2023-2028	1 month KIBOR + 0.75%	60	<b>500,000,000</b>	-
<b>PAIR Investment Company Limited</b>						
- Term finance	Quarterly	2021-2025	3 month KIBOR + 0.75%	16	<b>206,250,000</b>	281,250,000
- SBP-REFF	Quarterly	2023-2033	SBP+0.50%	40	<b>130,568,973</b>	21,694,074
Total long term loan - secured					<b>16,698,616,806</b>	<b>13,468,937,853</b>
Less: Current portion of long term finances shown under current liabilities					<b>(2,784,658,932)</b>	<b>(2,742,120,024)</b>
					<b>13,913,957,874</b>	<b>10,726,817,829</b>
<b>22.2 ISLAMIC</b>						
Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021 ----- Rupees -----
<b>Habib Bank Limited</b>						
- Islamic financing	Monthly	2016-2022	1 month KIBOR + 0.25%	60	-	100,000,016
<b>MCB Islamic Bank Ltd</b>						
- Islamic financing	Quarterly	2018-2023	3 months KIBOR + 0.25%	20	<b>70,000,000</b>	140,000,000
- SBP ITERF	Quarterly	2023-2030	SBP+0.75%	32	<b>349,987,639</b>	42,859,000
- Islamic financing	Quarterly	2023-2028	3 months KIBOR + 0.75%	20	<b>300,000,000</b>	-
<b>Dubai Islamic Bank Pakistan Limited</b>						
- SBP ILTFF	Quarterly	2022-2027	SBP+1% 3 months	20	<b>247,455,881</b>	294,831,035
- Islamic financing	Quarterly	2017-2022	KIBOR + 0.25%	16	-	37,500,000
- SBP ILTFF	Quarterly	2024-2030	SBP+1%	20	<b>270,475,059</b>	-
<b>Meezan Bank Limited</b>						
- Islamic financing	Monthly	2023-2029	1 months KIBOR + 0.75%	78	<b>600,000,000</b>	600,000,000
<b>Balance carried forward</b>					<b>1,837,918,579</b>	<b>1,215,190,051</b>





Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2022 ----- Rupees -----	2021 -----
<b>Balance brought forward</b>					<b>1,837,918,579</b>	1,215,190,051
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	<b>687,500,005</b>	937,500,001
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	<b>308,333,337</b>	400,000,000
- Islamic financing	Monthly	2019-2022	3 month KIBOR + 0.25%	36	-	133,333,336
- Islamic financing	Monthly	2020-2023	3 month KIBOR + 0.25%	24	<b>62,500,007</b>	312,500,003
- Syndicated	Monthly	2024-2028	3 month KIBOR + 0.80%	72	<b>4,000,000,000</b>	-
- Islamic financing	Quarterly	2020-2025	3 months KIBOR + 0.25%	20	<b>120,000,000</b>	160,000,000
- Islamic financing	Monthly	2024-2028	1 months KIBOR + 0.80%	60	<b>150,000,000</b>	-
<b>Faysal Bank Limited</b>						
- Islamic financing	Quarterly	2018-2022	3 months KIBOR + 0.25%	16	-	75,000,000
- SBP-LTFF	Quarterly	2021-2030	SBP+1%	36	<b>258,135,278</b>	291,443,056
<b>Bank Islami Pakistan Limited</b>						
- Islamic financing	Quarterly	2023-2028	3 month KIBOR + 0.65%	20	<b>500,000,000</b>	-
Total long term loan - secured					<b>7,924,387,206</b>	3,524,966,447
Less: Current portion of long term finances shown under current liabilities					<b>(723,004,101)</b>	(1,136,516,272)
					<b>7,201,383,105</b>	2,388,450,175

22.3 These represent financings for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Group and personal guarantees of sponsors.

22.4 The Group's total limit for long term loan amounts to Rs. 34,187 million. (2021: Rs. 25,762 million).

22.5 The Group entered into a long-term loan agreement with JS Bank Limited and Askari Bank Limited- conventional amounting to Rs. 706.5 million from each Bank under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly installments, starting from January 2021 and April 2021 respectively. This long term financing facility is secured by way of equitable mortgage and first pari-passu over present and future fixed assets of the Group. The facility carries mark-up at State Bank of Pakistan (SBP) rate at zero percent plus bank's spread of 3% (2021: 3%) and 1.50% (2021: 1.50%) per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

22.6 The long-term financing has been obtained for plant and equipment under temporary economic refinance facility scheme of State Bank of Pakistan for a term of 10 years with grace period of 12 months and 24 months from disbursement and carry markup at the rate ranging from 1.75% to 2.50% (2021: 1.75% to 2.50%) per annum payable quarterly in arrears. The principal repayment will take place in 32 and 36 quarterly installments.

22.7 During the year, the Group has entered into long term loan agreement with National Bank of Pakistan for import of Silos and related ancillary machineries for the storage of agriculture produce under SBP FFSAP facility. The Loan is repayable in twenty eight quarterly installments with grace period of six months. This Facility carried markup rate at SBP+0.75% to be paid on quarterly basis in arrears.

## 23 LEASE LIABILITIES

Under the agreements, lease rentals are payable in 36 equal monthly, 12 equal quarterly and 6 equal biannually installments. Taxes, repairs, replacement and insurance costs, if any, are borne by the Holding Company. The financings from conventional banks carry mark-up at rates ranging from 7.96% to 16.16% (2021: 7.76% to 7.96%) per annum and financing from Islamic banks carry mark-up at rates ranging from 8.14% to 12.07% (2021: 7.28% to 8.48%) approximately which have been used as a discounting factor. The Holding Company has the option to purchase the asset upon completion of the lease period.

The net carrying amount of the assets held under finance lease arrangement is Rs. 26.66 million (2021: Rs. 82.76 million) (refer note 6.1)

These are secured against deposits of Rs. 3.78 million (2021: Rs 10.41 million), title of ownership of right-of-use assets and personal guarantees of the directors of the Group.

Maturity analysis of lease repayments for which the Group has committed to pay in future under the lease agreements are due as follows:

	2022	2021
	----- Rupees -----	
Lease liability	19,221,640	62,166,883
Less: Current portion	(7,892,005)	(42,765,702)
	<b>11,329,635</b>	<b>19,401,181</b>
As at July 1	62,166,883	168,526,916
Additions	11,734,621	817,992
Interest expense relating to lease liabilities	3,321,861	12,581,444
Payments (Lease & interest)	(58,001,725)	(119,759,470)
As at June 30	<b>19,221,640</b>	<b>62,166,883</b>

	2022			2021		
	Minimum lease payments	Financial charges allocated	Present value of minimum lease	Minimum lease payments	Financial charges allocated	Present value of minimum lease
	----- Rupees -----					
<b>Conventional</b>						
Up to one year	5,442,769	1,482,529	3,960,240	5,651,908	562,545	5,089,363
Later than one year but not later than five years	10,615,689	1,507,654	9,108,035	4,503,624	90,583	4,413,041
	<b>16,058,458</b>	<b>2,990,183</b>	<b>13,068,275</b>	<b>10,155,532</b>	<b>653,128</b>	<b>9,502,404</b>
<b>Islamic</b>						
Up to one year	4,212,337	280,572	3,931,765	41,088,675	3,412,336	37,676,339
Later than one year but not later than five years	2,221,600	-	2,221,600	15,490,989	502,850	14,988,139
	<b>6,433,937</b>	<b>280,572</b>	<b>6,153,365</b>	<b>56,579,664</b>	<b>3,915,186</b>	<b>52,664,478</b>
	<b>22,492,395</b>	<b>3,270,755</b>	<b>19,221,640</b>	<b>66,735,196</b>	<b>4,568,314</b>	<b>62,166,882</b>

The Group has lease contract for vehicles, which generally have lease term of 3 years. The Group's obligation under its leases are secured by the lessor's title to the lease assets. There are several lease contracts that include extension and termination options.





		2022	2021
	Note	----- Rupees -----	
<b>24 DEFERRED LIABILITIES</b>			
Provision for staff gratuity scheme - unfunded	24.2.3	599,355,750	472,523,930
Deferred tax liability	24.3	1,793,253,925	1,843,977,690
		<u>2,392,609,675</u>	<u>2,316,501,620</u>
<b>24.1 Provision for staff gratuity scheme - unfunded</b>			
In accordance with the requirements of IAS-19 “Employee Benefits”, actuarial valuation was carried out as at June 30, 2022 using the “Projected Unit Credit Method”. Provision has been made in these consolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as follows:			
<b>24.1.1 Risks on account of staff gratuity scheme - unfunded</b>			
The Group faces the following risk on account of staff gratuity scheme.			
<b>24.1.2 Final Salary Risk (linked to inflation risk)</b>			
The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.			
<b>24.1.3 Mortality Risk</b>			
The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.			
<b>24.1.4 Withdrawal Risk</b>			
The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.			
<b>24.2 Significant actuarial assumptions</b>		2022	2021
		----- Rupees -----	
<i>Financial assumptions</i>			
Discount rate (per annum)		13.25%	10.00%
Expected rate of increase in salaries (per annum)		13.25%	10.00%
<i>Demographic assumptions</i>			
Mortality rates (for death in service)		Adjusted	Adjusted
		SLIC 2001-2005	SLIC 2001-2005
Retirement assumption		60 years	60 years
		2022	2021
		----- Rupees -----	
<b>24.2.1 Consolidated Statement of Financial Position reconciliation</b>	Note		
Present value of defined benefit obligation	24.2.3	599,355,750	472,523,930
Net liability in balance sheet	24.2.4	599,355,750	472,523,930
<b>24.2.2 Maturity Profile</b>			
1-5 Years		457,685,998	279,426,874
6-10 Years		620,140,896	391,972,739
10 Years onwards		11,127,491,786	4,641,086,841
Weighted average duration		8 Years	8 Years

		2022	2021
		----- Rupees -----	
<b>24.2.3 Movement in the defined benefit obligation</b>	<b>Note</b>		
Present value of defined benefit obligation as at July 1		472,523,930	458,656,452
Current service cost		93,500,459	90,721,062
Past service cost		2,899,021	4,631,686
Interest cost		43,769,487	38,983,181
Remeasurement on obligation	24.2.7	46,283,511	(50,469,989)
Payments during the year		(49,961,384)	(62,029,361)
Benefits payable transferred to short term liability		(9,659,274)	(7,969,101)
Present value of defined benefit obligation as at June 30		599,355,750	472,523,930
<b>24.2.4 Movement in the net liability at reporting date is as follows:</b>			
Opening balance of net liability		472,523,930	458,656,452
Charge for the year	24.2.5	140,168,967	134,335,929
Remeasurements recognized in 'OCI'	24.2.7	46,283,511	(50,469,989)
Payments during the year		(49,961,384)	(62,029,361)
Benefits payable transferred to short term liability		(9,659,274)	(7,969,101)
Closing balance of net liability		599,355,750	472,523,930
<b>24.2.5 The amounts recognized in the consolidated statement of profit or loss account against defined benefit scheme are as follows:</b>			
Current service cost		93,500,459	90,721,062
Past service cost		2,899,021	4,631,686
Interest cost		43,769,487	38,983,181
Charge for the year		140,168,967	134,335,929
<b>24.2.6</b>	For the year ended June 30, 2023, expected provisions to the staff retirement benefit scheme is Rs. 123.484 million.		

	2022	2021
	----- Rupees -----	
<b>24.2.7 Remeasurement recognized in 'other comprehensive income'</b>		
Experience losses / (gains)	46,283,511	(50,469,989)
Related deferred tax	(10,113,932)	11,706,684
	36,169,579	(38,763,305)

<b>24.2.8 Amounts for the current and previous four years are as follows:</b>					
<b>Comparison for five years</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	-----Rupees-----				
Present value of the defined benefit obligation	599,355,750	472,523,930	458,656,452	369,541,421	239,551,893

**24.2.9 The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:**

		Impact on defined benefit obligation		
		Change in assumptions	Increase in assumption	Decrease in assumption
		-----Rupees-----		
Discount rate	1%		522,440,199	615,057,692
Salary growth rate	1%		615,847,207	520,936,537

**24.2.10** The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognized within the consolidated statement of financial position.

**24.2.11** The company faces the following risks on account of defined benefit plan:







### Final salary risks

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

### Mortality risks

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

### Withdrawal risks

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

## 24.3 Deferred taxation

The details of deferred tax on temporary differences are as follows:

	2022	2021
	----- Rupees -----	
- accelerated tax depreciation allowances	1,866,214,416	1,891,286,053
- provision for gratuity	(133,174,703)	(112,900,132)
- allowance for expected credit loss	(25,427,086)	(25,484,990)
- investment in associates at fair value through OCI	131,240,570	136,553,389
- STI - Term finance certificates	(2,355,000)	(1,302,384)
- provision for stores and spares	(2,023,279)	(2,168,474)
- provision for stock in trade	(41,220,993)	(42,005,772)
Deferred tax liability	1,793,253,925	1,843,977,690

### 24.3.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2020	Recognized in Consolidated Statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2021	Recognized in Consolidated Statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2022
	-----Rupees-----						
Provision for gratuity	(126,703,904)	2,097,088	11,706,684	(112,900,132)	(10,160,639)	(10,113,932)	(133,174,703)
Allowance for expected credit loss	(27,831,486)	2,346,496	-	(25,484,990)	57,904	-	(25,427,086)
Investment in associates at fair value through OCI	175,795,265	1,956,880	(41,198,756)	136,553,389	32,487,434	(37,800,253)	131,240,570
Provision for stores & spares	(2,491,512)	323,038	-	(2,168,474)	145,195	-	(2,023,279)
Provision for stock in trade	(35,614,215)	(6,391,557)	-	(42,005,772)	784,779	-	(41,220,993)
Accelerated tax depreciation allowances	1,649,441,875	241,844,178	-	1,891,286,053	(25,071,637)	-	1,866,214,416
Term Finance Certificates-Habib Bank	-	-	(1,302,384)	(1,302,384)	-	(1,052,616)	(2,355,000)
	1,632,596,023	242,176,123	(30,794,456)	1,843,977,690	(1,756,964)	(48,966,801)	1,793,253,925

	Note	2022	2021
		----- Rupees -----	
<b>25 TRADE AND OTHER PAYABLES</b>			
Trade creditors	25.1	1,817,476,508	1,886,612,724
Accrued liabilities		1,167,868,682	1,758,094,054
Gratuity payable	25.2	9,659,273	7,969,101
Workers' profit participation fund	25.3	165,092,738	106,257,804
Workers' welfare fund		69,121,605	45,446,869
Sales tax payable - net		246,788,468	184,747,427
Other liabilities		28,614,497	44,304,997
		3,504,621,771	4,033,432,976

25.1 This includes payable to related party amounting to Rs. 5.71 million (2021: Rs. 1.96 million)

25.2 This represents benefits payable transferred to short term liability (note 24.2.3)

			2022	2021
			----- Rupees -----	
<b>25.3 Workers' profit participation fund</b>	<b>Note</b>			
Balance at the beginning of the year			106,257,803	54,621,136
Contribution for the year	34		181,898,959	118,683,864
Interest on funds utilized in the Company's business	36		4,285,279	1,911,739
			292,442,041	175,216,739
Less: Payments made during the year			(127,349,303)	(68,958,936)
Balance at the end of the year			165,092,738	106,257,803
<b>26 ACCRUED MARK-UP</b>				
Accrued mark-up on:				
Conventional				
- long term finances - secured			142,637,413	72,471,195
- short term finances - secured			165,059,977	68,711,539
Islamic				
- long term finances - secured			65,630,173	23,842,283
- short term finances - secured			13,812,511	1,128,688
			387,140,074	166,153,705
<b>27 SHORT TERM FINANCES - Secured</b>				
<b>From banking companies</b>				
Term finances - conventional	27.1		530,000,000	-
Term finances - islamic	27.2		286,170,800	105,000,000
Export refinances	27.3		6,215,496,502	4,853,776,000
Finance against discounting of export bills / receivables	27.4		899,016,236	-
Running finance utilized under mark-up arrangements	27.5		1,158,075,382	1,209,292,547
			9,088,758,920	6,168,068,547
<b>27.1</b>	These represent facilities for term finances arranged from various banks aggregating to Rs. 1,565 million (2021: Rs. 1,005 million). These are secured against pari-passu / ranking hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 7.18% to 15% per annum (2021: 7.18% to 8.96% per annum).			
<b>27.2</b>	These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (2021: Rs. 450 million). These are secured against pari-passu hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 8.70% to 13.94% per annum (2021: 6.81% to 8.63% per annum).			
<b>27.3</b>	These represent facilities for export refinance arranged from various banks aggregating to Rs. 6,265 million (2021: Rs. 4,950.70 million). These were secured against pari-passu/ ranking hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (2021: 0.25% to 1% above SBP rate per annum).			
<b>27.4</b>	These represent facilities for finances against discounting of export bills / receivable arranged from various banks aggregating to Rs 900 million (2021: Nil). These are secured against pari-passu/ranking hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (2021: Nil).			
<b>27.5</b>	These represent facilities for running finances available from various banks aggregated to Rs. 4,355 million (2021: Rs. 3,829.30 million). These are secured against pari-passu/ ranking hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.61% to 14.81% per annum (2021: 7.35% to 8.28% per annum).			





## 28 CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

**28.1.1** As the Ministry of Industries has declared that BOPET film manufacturing project of the Holding Company as Pioneer Industry, after which imports of capital goods shall be duty free. The Holding Company approached the Board of Investment (BOI) for the permission of imports who entertained the request and was in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Holding Company imported some capital goods and as per section 81 of the Customs Act, 1969, issued postdated cheques in favor of Collector of Custom amounting to Rs. 557.403 million (2021: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The Holding Company had filed the subject Constitutional Petition in the High Court of Sindh vide D-2666 on May 13, 2015 to refrain FBR and Pakistan Customs to encase the securities submitted against the provisional release of the plant and machineries, and also to issue formal notification to endorse the earlier decision of the Ministry of Industries dated August 15, 2012. The High Court has passed interim order dated: May 13, 2015, in favor of the Holding company which is still operative and last hearing was held on Dec 07, 2020. The management of the Holding Company, based on legal counsel's opinion, is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospective.

**28.1.2** The Holding Company has filed Constitutional Petition 620-K of 2015 on November 27, 2015 against Federation of Pakistan, Federal Board of Revenue and Collectorate of Custom in the Supreme Court of Pakistan against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% duty on import of Poly Ethylene Terephthalate (PET Resin). In this connection the High Court vide order dated March 12, 2013 directed those custom duties at the rate of 3% to be paid by the Holding Company and insofar as differential amount is concerned 2.5% shall be deposited in cash and 2.5% shall be paid through postdated cheques to the Nazir of the High Court. In this connection the Holding Company has deposited pay orders amounting to Rs. 100.217 million (2021: Rs. 100.217 million) and issued postdated cheques amounting to Rs. 100.217 million (2021: Rs. 100.217 million) in favor of Nazir of the High Court as directed. Further, the Holding Company has filed petition in the High Court of Sindh for rationalization of duty structure on PET Resin. The main grievance of the Holding Company was for classifying the Pet Resin (Film Grade) and Pet Resin (Yarn Grade) under the same PCT Heading has already been redresses in Fiscal Budget (2015-16) and from 01st July 2015, the raw material for BOPET film manufacturing i.e., PET Resin – Film Grade is being imported on the same rate as applicable to PET Resin – Yarn Grade. However, the retrospective relief on the previous consignments has been regretted by the High Court which has been challenged in the Honorable Supreme Court of Pakistan and last hearing was held on Feb 15, 2022. As per legal Counsel, there is no immediate financial liability against the Holding Company in the above-mentioned matter and has a good prima facie case.

**28.1.3** The Holding Company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and the company is not going to pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to the company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards, the High Court has allowed the Holding Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above Suits / Petitions was Rs. 606.4 million. So far an amount of Rs.119.562 million has been released by the Order of High Court, however, still Bank Guarantees of Rs. 486.832 million are lying with Collector of Customs. Few Suits / Petitions are still pending in the High Court and the last hearing was held on May 03, 2021. The Holding Company legal counsel is of the opinion that Holding Company has a good prima facie case.

- 28.1.4** During the fiscal year 2017, Federal Board of Revenue has issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that the Holding Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million in their sales tax returns. In response of that SCN, the Holding Company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it was categorically mentioned that the High Court of Sindh, at Karachi, has sanctioned the petition no. J.Misc. 13/ 2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and the Holding Company has claimed the input sales tax on that basis. However, the Holding Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was ultimately withdrawn by the Holding Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee.
- 28.1.5** The Holding Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by the Holding Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order / Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was ultimately withdrawn by the Holding Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee.
- 28.1.6** The Holding Company has filed the Constitutional Petition 2752/2011 on August 09, 2011 and 1550-K/2021 on October 21, 2021 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. The total quantum of bank guarantees involved in above Petitions is Rs. 538 million. During the year, the case has been disposed off by the High Court in favor of Excise and Taxation Department. However, the Holding Company along with the industry has challenged the applicability of said order in Honorable Supreme of Pakistan and the Court has granted the stay order on Sep 01, 2021 and Nov 10, 2021 respectively and restrained the authorities to take any coercive action against the plaintiff.
- 28.1.7** In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015 and the Company has challenged that GIDC Act 2015 and filed a writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC Act, 2015. On October 2015, SHC decided this suit in favor of Holding Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where the Holding Company was not party to such litigation. The Honorable Supreme Court of Pakistan has disposed off the case on 13 August, 2020 and instruct the gas distribution companies to recover the outstanding amount in 24 equal installments only from those consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, the Holding Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on January 10, 2022. The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 826 millions (inclusive of Sales Tax) The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.





- 28.1.8** Through Finance Act, 2019, the Government has reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Holding Company has challenged the provision of Finance Act, 2019 before the High Court of Sindh on 19 December, 2019 against the Federation of Pakistan and obtained the interim relief of claiming 10% tax credit on all investments already planned including its ancillary cost of last and current fiscal year. The last hearing was held on May 23, 2022 and the management is confident that the case will be decided in favor of the Holding Company based on the opinion of legal counsel.
- 28.1.9** The Holding Company has filed two petition S-1803 & 1905 of 2020 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2020 dated October 23, 2020 for increase in the price of national gas and different prices for industrial and captive connection where the same is used for internal consumption by industrial undertaking. The Court vide its order dated November 11, 2020 & December 03, 2020 passed an interim stay order in favor of the Holding Company and suspended the aforementioned notification by allowing to pay monthly gas charges as per previous notification and directed the Holding Company to pay the balance amount by way of bank guarantee or cheque in favor of the Nazir of Court. The cumulative differential amount accounted for approximately Rs 114.012 million (inclusive of sales tax). The last hearing was held on April 08, 2022 and the management is confident that the case will be decided in favor of the Holding Company based on the opinion of legal counsel.
- 27.1.10** With reference to the contingency in associated company The Bank of Khyber (BOK) for the period ended June 30, 2022, please refer the note 20 of interm financial statement of June 30, 2022.

	2022	2021
	----- Rupees -----	
<b>28.2 Commitments</b>		
<b>28.2.1</b> Outstanding letters of guarantee	<b>2,531,442,605</b>	2,113,128,557
<b>28.2.2</b> Cross Corporate guarantees issued by Holding Company on behalf of subsidiary / associated company	<b>4,163,811,644</b>	4,078,811,644
<b>28.2.3</b> Outstanding letters of credit for:		
- capital expenditure	<b>4,143,155,291</b>	2,850,901,463
- raw materials	<b>1,529,969,416</b>	1,018,228,669
<b>28.2.4</b> The Group has issued guarantee in the form of sponsors support agreement to the lenders of M/s. Ismail Resin (Private) Limited for investment in the form of equity or subordinated debts to cover the cost over-run, or to cover the funding shortfall or any other obligation that may arise under financing documentations / agreements executed with them.		
	<b>2022</b>	<b>2021</b>
	----- Rupees -----	
<b>28.2.5</b> The Holding Company's share of commitments of associated company.		
- Guarantees	<b>5,582,584</b>	4,874,734
- Commitments	<b>22,336,415</b>	158,324,352





OPERATING RESULTS		Note
<b>Sales</b>		
Local sales		
Export sales		
Trial production sales transferred to CWIP		
Sales returns, discounts and direct expenses		
Add: Export rebate		
Sales tax		
Sales - Net		
Cost of sales		31
<b>Gross profit</b>		
Selling and distribution expenses		32
Administrative expenses		33
<b>Operating profit/(loss)</b>		
<b>Unallocated items</b>		
Other operating expense		34
Other income		35
Finance cost		36
Share of profit from associated companies - net		8.1
<b>Profit before taxation</b>		
Taxation		39
<b>Profit for the year</b>		

	Reportable Segment					
	Food segment		Plastic segment		Pharmaceutical segment	
	2022	2021	2022	2021	2022	2021
	-----Rupees-----					
29.1 Segment assets	25,195,296,276	21,499,513,848	17,666,350,626	13,469,484,469	1,951,166,801	1,404,231,647
29.2 Unallocated assets	-	-	-	-	-	-
	25,195,296,276	21,499,513,848	17,666,350,626	13,469,484,469	1,951,166,801	1,404,231,647
29.3 Segment liabilities	7,844,699,515	4,053,474,175	5,903,422,459	7,192,773,585	131,827,742	175,957,555
29.4 Unallocated liabilities	-	-	-	-	-	-
	7,844,699,515	4,053,474,175	5,903,422,459	7,192,773,585	131,827,742	175,957,555
29.5 Major non-cash items						
-depreciation and amortisation	1,395,751,321	1,304,000,345	799,073,348	419,829,192	102,626,817	112,814,909
-gratuity	75,146,345	93,391,463	53,705,849	26,877,734	11,316,773	13,437,544
	1,470,897,666	1,397,391,808	852,779,197	446,706,926	113,943,590	126,252,453
29.6 Capital expenditure	5,185,195,575	1,932,409,629	1,433,377,273	1,433,377,273	671,992,608	55,439,694
29.7 The Holding Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia.						
29.8 There were no major customers which constituted 10 percent or more of the Group's revenue.						
30 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES						
30.1 Assets						
Total assets for reportable segments						
Administrative capital assets						
Long term investments						
Total assets						
30.2 Liabilities						
Total liabilities for reportable segments						
Deferred liabilities						
Long term finances - secured						
Lease liabilities						
Total liabilities						
30.3 There were no inter-segment sales of the Group during the year (2021:Rs. Nil)						

2022 2021

Note

Rupees

48,190,979,536	36,373,229,964
1,336,788,877	743,257,467
3,144,584,786	3,671,741,078
52,672,353,199	40,788,228,509
13,970,060,272	11,422,205,316
1,793,253,925	1,843,977,690
24,623,004,012	16,993,904,300
19,221,640	62,166,882
40,405,539,849	30,322,254,188





31 COST OF SALES

Note

	Food segment		Plastic segment		Pharmaceutical segment		Resin segment		Total
	2022	2021	2022	2021	2022	2021	2022	2021	2021
31.1 Raw materials consumed	21,545,710,854	13,191,614,022	9,140,196,563	5,282,192,874	51,321,024	28,816,291	-	-	18,502,623,187
31.2 Packing materials consumed	6,872,883,136	5,210,598,251	397,294,487	233,600,340	34,607,034	23,643,871	-	-	5,467,842,462
31.3 Stores and spares consumed	513,987,608	373,192,627	189,528,800	152,796,935	8,898,743	3,366,629	-	-	529,356,191
31.4 Salaries, wages and other benefits	2,594,852,544	2,398,608,833	274,502,056	340,272,928	99,305,988	78,429,286	-	-	2,817,311,047
Electricity, gas, fuel and lubricants	924,267,609	761,755,855	406,101,885	405,888,539	31,027,219	22,169,046	-	-	1,189,813,440
Repairs and maintenance	171,927,526	157,759,658	33,309,101	22,692,852	16,128,721	11,118,159	-	-	191,570,669
Cold storage - rent & maintenance	1,708,596	1,680,400	-	-	-	-	-	-	1,680,400
Printing and stationery	9,045,971	8,349,703	1,266,956	1,383,307	1,805,592	902,810	-	-	12,118,519
Insurance	29,803,926	28,492,959	13,883,642	12,317,030	1,461,698	1,342,456	-	-	10,635,820
Rent, rates and taxes	6,867,556	3,233,643	1,183,395	3,075,869	550,955	465,028	-	-	42,152,445
Water charges	43,731,900	36,792,800	7,431,808	10,224,149	-	-	-	-	6,774,540
Postage and telephone	6,376,121	4,833,089	1,569,351	1,871,649	2,586,427	1,682,583	-	-	47,016,949
Traveling and conveyance	10,601,113	7,909,034	444,813	144,218	1,349,740	224,209	-	-	8,387,321
Vehicle running and maintenance	23,294,153	14,011,879	13,602,592	7,982,316	4,215,554	2,669,928	-	-	8,277,461
Depreciation	1,247,119,061	1,200,343,600	775,359,692	392,098,503	95,087,592	102,481,504	-	-	24,664,123
6.4.1 Amortisation charge	9,643,693	11,572,432	2,987,957	3,585,548	-	-	-	-	1,694,923,607
7.2 Laboratory expenses	22,323,487	16,270,745	248,354	44,379	21,883,516	10,280,365	-	-	15,157,980
Fees and subscription	7,416,408	2,490,617	1,788,286	1,840,732	-	-	-	-	26,595,489
Legal and professional charges	132,000	-	-	-	-	-	-	-	4,331,349
Carriage inward	22,988,256	12,962,808	6,262,829	556,681	-	-	-	-	13,519,489
Cost of services	-	-	-	-	21,766,919	-	-	-	-
Other manufacturing expenses	14,626,117	4,241,445	5,720,862	7,536,345	371,692	206,684	-	-	20,718,671
	34,079,307,635	23,446,714,400	11,272,683,429	6,880,105,194	392,368,414	287,798,849	-	-	30,614,618,443
Work-in-process at the beginning of the year	82,019,341	74,101,924	150,894,057	101,399,950	-	-	-	-	175,501,874
Work-in-process at the end of the year	(272,168,168)	(82,019,341)	(142,499,215)	(150,894,057)	(2,210,991)	-	-	-	(232,913,398)
	(190,148,827)	(7,917,417)	8,394,842	(49,494,107)	(2,210,991)	-	-	-	(57,411,524)
Trial production cost transferred to CWIP	-	-	-	(224,901,606)	-	-	-	-	(224,901,606)
Cost of goods manufactured	33,889,158,808	23,438,796,983	11,281,078,271	6,605,709,481	390,157,423	287,798,849	-	-	30,332,305,513



	Food segment		Plastic segment		Pharmaceutical segment		Resin segment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Rupees										
Note	Stock of finished goods at the beginning of the year	2,514,867,263	2,584,245,910	125,060,487	77,533,031	78,400,466	79,811,644	-	2,718,328,216	2,741,590,585
	Purchase of finished goods	67,725,905	54,436,419	-	-	-	-	-	67,725,905	54,436,419
	Cost of promotional samples reclassified to selling expenses	-	-	-	-	(48,430,715)	(48,738,272)	-	(48,430,715)	(48,738,272)
	Insurance claim	(182,122)	(6,424,812)	(6,045,000)	(389,040)	-	-	-	(6,227,122)	(6,813,852)
	Stock of finished goods at the end of the year	(2,169,520,134)	(2,514,867,263)	(286,941,855)	(125,060,487)	(70,178,329)	(78,400,466)	-	(2,526,640,318)	(2,718,328,216)
31.1 Raw materials consumed		412,890,912	117,390,254	(167,926,368)	(47,916,496)	(40,208,578)	(47,327,094)	-	204,755,966	22,146,664
	Stock of raw materials at the beginning of the year	34,302,049,720	23,556,187,237	11,113,151,904	6,557,792,985	349,948,845	240,471,755	-	45,765,150,468	30,354,451,977
	Purchases	1,841,582,017	1,666,112,177	2,041,980,819	1,099,275,919	59,770,630	67,546,278	-	3,943,333,466	2,832,934,374
	Cartage inward	23,241,523,366	13,358,590,015	7,749,352,992	6,224,897,774	55,906,044	21,040,643	-	31,046,782,402	19,604,528,432
		(13,412,432)	9,111,613	3,623,040	-	-	-	-	(9,789,392)	9,111,613
11.2	Provision / (reversal) for the year	25,069,692,951	15,033,813,805	9,794,956,851	7,324,173,693	115,676,674	88,586,921	-	34,980,326,476	22,446,574,419
	Stock of raw materials at the end of the year	(57,425,947)	(617,766)	-	-	-	-	-	(57,425,947)	(617,766)
		(3,466,556,150)	(1,841,582,017)	(654,760,288)	(2,041,980,819)	(64,355,650)	(59,770,630)	-	(4,185,672,088)	(3,943,333,466)
		21,545,710,854	13,191,614,022	9,140,196,563	5,282,192,874	51,321,024	28,816,291	-	30,737,228,441	18,502,623,187
31.2 Packing materials consumed	Stock of packing materials at the beginning of the year	958,306,449	752,041,262	22,150,235	19,755,795	15,076,925	12,986,196	-	995,533,609	784,783,253
	Purchases	7,436,959,009	5,459,863,437	407,876,679	235,994,780	46,036,813	25,734,600	-	7,890,872,501	5,721,592,817
		8,395,265,458	6,211,904,699	430,026,914	255,750,575	61,113,738	38,720,796	-	8,886,406,110	6,506,376,070
	Provision for the year	(34,666,750)	(43,000,000)	-	-	-	-	-	(34,666,750)	(43,000,000)
	Stock of packing materials at the end of the year	(1,487,715,572)	(958,306,449)	(32,732,427)	(22,150,235)	(26,506,704)	(15,076,925)	-	(1,546,954,703)	(995,533,609)
11.2		6,872,883,136	5,210,598,250	397,294,487	233,600,340	34,607,034	23,643,871	-	7,304,784,657	5,467,842,461



**32.1** This includes expense recognised in respect of staff gratuity fund amounting to Rs 68.26 million (2021: Rs 57.68 million)





### 33 ADMINISTRATIVE EXPENSES Note

Salaries and other benefits including

	Food segment		Plastic segment		Pharmaceutical segment		Resin segment		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Salaries and other benefits including	408,637,761	361,478,294	72,112,546	60,191,994	92,127,372	75,730,839	49,822,799	-	622,700,478	497,401,127
director's remuneration	14,070,394	11,242,753	2,483,011	1,941,076	2,993,342	644,102	26,940	-	19,573,686	13,827,931
Conveyance and travelling	19,134,414	10,826,552	3,376,661	3,272,710	1,992,973	1,241,782	205,000	-	24,709,049	15,341,044
Postage and telephone	27,952,943	16,011,750	4,932,872	4,942,272	12,380,630	9,767,174	34,964	-	45,301,409	30,721,196
Printing and stationery	35,265,623	13,170,516	6,223,345	3,313,734	2,534,470	1,346,820	-	-	44,023,438	17,831,070
Repairs and maintenance	13,707,301	8,018,579	2,418,936	2,413,853	3,016,473	1,624,242	-	-	19,142,709	12,056,674
Electricity and utilities	7,627,882	7,213,791	1,346,097	2,402,413	1,168,530	772,012	94,588	-	10,237,097	10,388,216
Insurance	-	106,396	-	25,604	-	-	-	-	-	132,000
Advertisement	8,080,101	8,685,316	1,425,900	2,157,801	751,938	701,297	-	-	10,257,939	11,544,414
Entertainment	38,463,539	25,628,825	6,787,683	6,719,415	8,541,863	5,359,319	289,584	-	54,082,669	37,707,559
Vehicle running and maintenance	8,626,964	4,417,095	1,522,405	686,523	8,583,450	7,680,000	-	-	18,732,819	12,783,618
Rent, rates and taxes	11,079,072	9,221,468	1,955,130	2,394,703	3,750,955	4,105,366	20,447,976	-	37,233,134	15,721,537
Fee and subscription	18,441,359	15,445,663	3,254,357	1,343,637	1,972,040	458,325	505,000	-	24,172,756	17,247,625
Legal and professional charges	74,063,762	43,592,891	13,070,076	13,577,333	3,090,414	4,064,818	2,006,830	-	92,231,082	61,235,042
Depreciation	7,759,975	6,125,666	1,369,407	2,215,807	-	-	-	-	9,129,382	8,341,473
Amortisation charge	78,793	-	13,905	-	-	-	-	-	92,698	-
General meeting expenses	1,065,095	2,128,364	187,958	973,443	3,521,380	841,641	234,451	-	5,008,884	3,943,448
Miscellaneous	-	-	-	-	-	-	(18,458,869)	-	(18,458,869)	-
Expense capitalized	694,054,978	543,313,919	122,480,290	108,572,318	146,425,830	114,337,737	55,209,263	-	1,018,170,361	766,223,974

33.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 36.85 million (2021: Rs 23.26 million)

		2022	2021
		----- Rupees -----	
<b>34 OTHER OPERATING EXPENSES</b>	<b>Note</b>		
Contribution to:			
- workers' profits participation fund		181,898,959	118,683,864
- workers' welfare fund		69,121,604	45,099,868
Auditors' remuneration	34.1	5,790,920	5,303,872
Bank document charges		4,687,272	-
Exchange loss		100,000	169,796,970
Donations	34.2	164,713,134	56,091,438
Other		2,302,237	223,399
Expense capitalized	6.7.1	(4,687,272)	-
		<b>423,926,854</b>	<b>395,199,411</b>
<b>34.1 Auditor's remuneration</b>			
Audit fee - unconsolidated		2,700,000	2,600,000
Audit fee - consolidated		800,000	800,000
Audit fee - subsidiaries		900,000	700,000
Fee for statutory certification		304,650	200,000
Fee for half yearly review		600,000	500,000
Out-of-pocket expense		486,270	503,872
		<b>5,790,920</b>	<b>5,303,872</b>
<b>34.2 Donation to the following organizations exceed 10% of total donation</b>			
- Shed Foundation		36,200,000	5,708,141
- Dow University		25,488,500	-
- Al Mustufa School		18,881,484	19,719,431
		<b>80,569,984</b>	<b>25,427,572</b>
<b>34.2.1</b>	None of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.		
<b>35 OTHER INCOME</b>		2022	2021
		----- Rupees -----	
<b>Income from financial assets</b>			
Exchange gain		185,170,743	-
Income from Term Finance Certificates		40,605,754	25,304,390
Income from PIB's		10,425,361	-
Gain on forward contract		-	13,840,518
<b>Income from non financial assets</b>			
Recovery from the sale of production scrap		133,877,106	97,418,381
Gain on disposal of property, plant and equipment-net		347,892,410	232,144,261
Processing income		37,093,010	27,145,208
Trading income		-	2,006,008
Others		47,040,101	7,911,337
		<b>802,104,485</b>	<b>405,770,103</b>





	Note	2022 ----- Rupees -----	2021
<b>36 FINANCE COST</b>			
Mark up on:			
- long term finances -conventional		435,116,795	141,230,056
- long term finances-islamic		323,615,207	224,977,702
- short term finances-conventional		484,331,457	216,712,303
- short term finances-islamic		103,802,010	43,275,131
Interest on workers' profits participation fund		4,285,279	1,911,739
Finance charge on lease liabilities		3,419,107	12,811,328
Bank charges		117,215,473	85,224,621
Expense capitalized	6.7.1	(14,937,881)	-
		<b>1,456,847,447</b>	<b>726,142,880</b>

**37 REMUNERATION OF THE CHIEF EXECUTIVE OFFICERS, DIRECTORS AND EXECUTIVES**

	2022			2021		
	Chief executive officers	Directors	Executives	Chief executive officers	Director	Executives
	-----Rupees-----					
Managerial remuneration	44,800,000	28,000,000	619,412,126	22,400,000	10,800,000	512,752,379
Gratuity	-	-	30,632,600	-	-	27,666,929
Bonus	-	-	27,457,758	-	-	24,546,002
Leave Encashment	-	-	24,414,046	-	-	19,904,165
<b>Reimbursement of expenses</b>						
Utilities	2,916,663	2,416,671	-	1,166,668	916,664	-
	<b>47,716,663</b>	<b>30,416,671</b>	<b>701,916,530</b>	<b>23,566,668</b>	<b>11,716,664</b>	<b>584,869,475</b>
<b>Number of persons</b>	<b>3</b>	<b>2</b>	<b>157</b>	<b>2</b>	<b>1</b>	<b>115</b>

In addition to the above, Group maintained cars are provided to the chief executive officer, directors and executives.

**37.1** The remuneration has been allocated as follows:

	2022			2021		
	Chief executive officers	Directors	Executives	Chief executive officers	Director	Executives
	-----Rupees-----					
Cost of goods sold	-	-	269,206,303	-	-	244,524,484
Selling and distribution expenses	-	-	236,161,295	-	-	183,677,611
Administrative expenses	47,716,663	30,416,671	196,548,932	23,566,668	11,716,664	156,667,380
	<b>47,716,663</b>	<b>30,416,671</b>	<b>701,916,530</b>	<b>23,566,668</b>	<b>11,716,664</b>	<b>584,869,475</b>
<b>Number of persons</b>	<b>3</b>	<b>2</b>	<b>157</b>	<b>2</b>	<b>1</b>	<b>115</b>

**37.2** Bonus is given to employees as per the Group's policy.

**38 CLASSIFICATION OF EXPENSES**

	Note	2022		
		Local	Export	Total
		-----Rupees-----		
Selling and distribution expenses	32	3,657,296,976	1,288,790,102	4,946,087,078
Administrative expenses	33	734,494,529	228,466,568	962,961,097
Finance cost	36	1,063,341,582	393,505,865	1,456,847,447

	Note	2021		
		Local	Export	Total
		-----Rupees-----		
Selling and distribution expenses	32	3,875,493,998	562,401,865	4,437,895,863
Administrative expenses	33	646,342,095	119,881,879	766,223,974
Finance cost	36	598,570,717	127,572,163	726,142,880

**39 TAXATION**

	Note	2022	2021
		----- Rupees -----	
Current		833,538,584	179,020,915
Prior year		5,723,799	16,089,447
Deferred	24.3.1	(1,756,964)	242,176,122
		<b>837,505,419</b>	<b>437,286,484</b>

	2022	2021
	----- Rupees -----	

**40 EARNINGS PER SHARE - basic and diluted**
**Basic earnings per share**

Profit for the year attributable to holding Company	2,352,955,856	1,495,504,577
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	Number of shares	
Number of ordinary shares as at July 01	66,356,940	66,356,940
Ordinary shares issued during the year	-	-
Number of ordinary shares as at June 30	66,356,940	66,356,940
Weighted average number of shares outstanding as at year end	66,356,940	66,356,940
Basic and diluted earnings per share	35.46	22.54

**Diluted earnings per share**

There is no dilutive potential ordinary shares outstanding as at June 30, 2022 & June 30, 2021.

**41 NUMBER OF EMPLOYEES**

	2022	2021
	Numbers	
Number of employees as at the year end	2,919	2,516
Average number of employees during the year	2,718	2,437





	Note	2022 ----- Rupees -----	2021
<b>42 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		3,132,856,945	1,852,166,898
<b>Adjustments for non-cash and other items:</b>			
Depreciation	6.4.1	2,270,697,259	1,804,775,818
Amortisation charge	7.2	28,735,344	31,868,628
Gain on disposal of property, plant and equipment-net	35	(347,892,410)	(232,144,261)
Provision for staff gratuity scheme - unfunded	24.2.5	140,168,967	134,335,929
Finance cost	36	1,456,847,447	726,142,880
Share of profit from associated companies - net	8.1	(216,582,895)	(601,470,332)
Provision for slow moving - stock in trade		34,161,978	43,617,766
Allowance for expected credit loss		7,000,000	5,000,000
Unrealized exchange gain		(70,294,810)	-
Unrealized exchange loss on borrowing		68,266,320	50,000,000
Unrealized exchange loss		15,548,016	11,642,086
		<b>6,519,512,161</b>	<b>3,825,935,412</b>
<b>Working capital changes</b>			
<b>(Increase) / Decrease in current assets</b>			
Stores and spares		(54,847,346)	(113,381,408)
Stock-in-trade		(811,588,158)	(1,355,298,602)
Trade debts		(2,386,139,029)	(27,910,119)
Loans and advances		(359,724,829)	(681,470,310)
Trade deposits and short term prepayments		(10,989,727)	4,362,347
Other receivables		(95,948)	2,274,793
		<b>(3,623,385,037)</b>	<b>(2,171,423,299)</b>
<b>(Decrease) / Increase in current liabilities</b>			
Trade and other payables		(542,277,185)	522,911,002
Short term finances - secured		-	(116,342,322)
Advances from customers - unsecured		(192,984,357)	131,681,850
		<b>(735,261,542)</b>	<b>538,250,530</b>
<b>Net increase in working capital</b>		<b>(4,358,646,579)</b>	<b>(1,633,172,769)</b>
<b>Cash generated from operations</b>		<b>2,160,865,582</b>	<b>2,192,762,643</b>





43 Reconciliation of movement of liabilities and equity to cash flow arising from financing activities

	Liabilities				Equity			Total
	Long term finances-secured	Lease Liabilities	Accrued mark-up	Short term finances	Issued, subscribed and paid up share capital	Reserve	Non-controlling Interest	
	Rupees							
Balance as at July 01, 2021	16,993,904,300	62,166,882	166,153,705	4,958,776,000	663,569,400	9,686,368,083	116,036,838	32,646,975,207
Proceeds from long term finance	11,222,119,648	-	-	-	-	-	-	11,222,119,648
Proceeds from short term finance	-	-	-	2,971,907,538	-	-	-	2,971,907,538
Payment of long term finance	(3,972,144,256)	-	-	-	-	-	-	(3,972,144,256)
Payment of liabilities subject to finance lease	-	(42,945,242)	-	-	-	-	-	(42,945,242)
Dividend paid	-	-	-	-	-	(994,212,144)	-	(994,212,144)
Mark-up paid	-	-	(1,237,036,848)	-	-	-	-	(1,237,036,848)
	7,249,975,392	(42,945,242)	(1,237,036,848)	2,971,907,538	-	(994,212,144)	-	7,947,688,696
Finance cost charge during the year	-	-	1,456,847,447	-	-	-	-	1,456,847,447
Foreign exchange gain / loss	68,266,320	-	-	-	-	-	-	68,266,320
Profit for the year	-	-	-	-	-	2,352,955,856	(57,604,330)	2,295,351,526
Changes in other comprehensive income	-	-	-	-	-	(253,433,015)	(725,382)	(254,158,397)
Changes in unclaimed dividend	-	-	-	-	-	(1,141,956)	-	(1,141,956)
Increase in NCI investment	-	-	-	-	-	-	755,000,000	755,000,000
Adjustment due to acquisition	310,858,000	-	1,175,770	-	-	-	-	312,033,770
	379,124,320	-	1,458,023,217	-	-	2,098,380,885	696,670,288	4,632,198,710
Balance as at June 30, 2022	24,623,004,012	19,221,640	387,140,074	7,930,683,538	663,569,400	10,790,536,824	812,707,126	45,226,862,613
	Long term finances- secured	Lease Liabilities	Accrued mark-up	Short term finance	Issued, subscribed and paid up share capital	Reserve	Non-controlling Interest	Total
	Rupees							
Balance as at July 01, 2020	14,917,808,778	168,526,917	199,737,582	-	663,569,400	8,589,399,383	195,749,872	24,734,791,932
Proceeds from long term finance	3,220,196,322	-	-	-	-	-	-	3,220,196,322
Payment of long term finance	(1,194,100,800)	-	-	-	-	-	-	(1,194,100,800)
Payment of liabilities subject to finance lease	-	(106,360,035)	-	-	-	-	-	(106,360,035)
Dividend paid	-	-	-	-	-	(198,813,008)	-	(198,813,008)
Mark-up paid	-	(12,811,328)	(746,915,429)	-	-	-	-	(759,726,757)
	2,026,095,522	(119,171,363)	(746,915,429)	-	-	(198,813,008)	-	961,195,722
Finance cost charge during the year	-	12,811,328	713,331,552	-	-	-	-	726,142,880
Foreign exchange gain / loss	50,000,000	-	-	-	-	-	-	50,000,000
Profit for the year	-	-	-	-	-	1,495,504,579	(80,624,163)	1,414,880,415
Changes in other comprehensive income	-	-	-	-	-	(199,465,058)	911,130	(198,553,928)
Changes in unclaimed dividend	-	-	-	-	-	(257,812)	-	(257,812)
	50,000,000	12,811,328	713,331,552	-	-	1,295,781,708	(79,713,033)	1,992,211,555
Balance as at June 30, 2021	16,993,904,300	62,166,882	166,153,705	-	663,569,400	9,686,368,083	116,036,838	27,688,199,209





		2022	2021
		----- Rupees -----	
<b>44</b>	<b>FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES</b>	<b>Note</b>	
<b>44.1</b>	<b>Financial instruments by category</b>		
	<b>Financial assets</b>		
	<b>At amortized cost</b>		
	Long term deposits	9	27,390,426
	Trade debts	12	5,935,379,004
	Loans and advances	13	55,190,647
	Trade deposits - unsecured	14	36,442,097
	Other receivables	16	185,029
	Cash and bank balances	18	373,050,231
	Short term investment	15	1,128,192,640
	<b>At fair value through OCI</b>		
	Short term investment	15	190,000,000
	<b>Total financial assets</b>		<b>7,745,830,074</b>
	<b>Financial liabilities</b>		
	<b>At amortized cost</b>		
	Long term finances	22	24,623,004,012
	Lease liabilities	23	19,221,640
	Trade and other payables	25	3,023,618,960
	Accrued mark-up	26	387,140,074
	Short term finances	27	9,088,758,920
	Unclaimed Dividend		4,044,553
	<b>Total financial liabilities</b>		<b>37,145,788,159</b>

#### 44.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

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

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There is a transfer of level 3 short term investment to level 1 as it become listed during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: Non active markets The fair value of financial instruments of non active market is based on inputs available in the market.

The fair value of financial instruments traded in active markets is based on market value of shares at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Group's financial assets (by class) measured at fair value at June 30, 2022:

	2022			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>	-----Rupees -----			
Financial investments: fair value through OCI	190,000,000	-	-	190,000,000
	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees -----			
Financial investments: fair value through OCI	194,840,000	123,541,590	-	318,381,590
	2022			
<b>Investment in Associate</b>	Level 1	Level 2	Level 3	Total
	-----Rupees -----			
Investment in associate	3,144,584,786	-	-	3,144,584,786
	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees -----			
Investment in associate	3,180,003,578	-	-	3,180,003,578

#### 44.3 Financial risk management

The board of directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

##### 44.3.1 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 allowance for ECLs 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.

Credit risk of the Group arises principally from the trade debts, loans and advances, trade deposits, other receivables and deposits with financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

##### Trade debts

The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the Group for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

##### Bank balances

The Group limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.





The bank balances along with the credit ratings are tabulated below:

	Short- term Ratings	2022 ----- Rupees -----	2021
Allied Bank Limited	A1+	41,972,895	10,590,468
Bank Al Falah Limited	A1+	1,576,703	620,699
Bank Al Habib Limited	A1+	18,906,767	1,157,497
Bank Islami Pakistan Limited	A1	100,324,791	691,127
Dubai Islamic Bank Pakistan Limited	A1+	7,835,361	1,304,747
Faysal Bank Limited	A1+	-	3,649,739
Habib Bank Limited	A1+	73,496,196	7,021,207
Habib Metropolitan Bank Limited	A1+	30,484,113	28,218,198
JS Bank Limited	A1+	20,734,200	21,079,458
MCB Bank Limited	A1+	366,877	477,498
MCB Islamic Bank Limited	A1	310,831	176,591
Meezan Bank Limited	A1+	42,025,341	65,473,623
National Bank of Pakistan	A1+	21,622,218	1,350,942
Samba Bank Limited	A1	15,185	14,185
Soneri Bank Limited	A1+	1,153,047	10,188,530
Summit Bank Limited	Suspended	355,371	296,771
Standard Charted Bank Limited	A1+	-	630,097
Bank of Punjab	A1+	6,021,332	-
Askari Bank Limited	A1+	952,393	88,205
		<b>368,153,621</b>	<b>153,029,582</b>

#### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2022 ----- Rupees -----	2021
Long term deposit	9	27,390,426	31,458,748
Trade debts	12	5,935,379,004	3,494,493,181
Loans and advances	13	55,190,647	137,526,630
Trade deposits - unsecured	14	36,442,097	26,165,635
Other receivable	16	185,029	185,029
Bank balances	18	368,153,621	153,029,582
		<b>6,422,740,824</b>	<b>3,842,858,805</b>

To reduce the exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

Advances recoverable from employees are secured against their retirement benefits.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Group has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

	2022 ----- Rupees -----	2021
More than 45 days but not more than 3 months	263,695,837	505,371,718
More than 3 months but not more than 6 months	160,765,756	514,939,516
More than 6 months but not more than 1 year	144,757,519	328,912,781
More than 1 year	83,909,116	64,845,543
	<b>653,128,228</b>	<b>1,414,069,558</b>

In respect of trade debts, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

#### 44.3.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Based on the above, management believes the liquidity risk is insignificant.

As at the reporting date the Group's financial liabilities have contractual maturities as summarized below:

Effective rates of return/mark-up on financial liabilities are as follows:

		2022			
		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
Note				Rupees	
<b>Financial liabilities</b>					
<b>Interest bearing</b>					
Long term finances - secured (Conventional)	22	1.5% to 16.50%	16,698,616,806	2,784,658,932	13,913,957,874
Long term finances - secured (Islamic)		6.30% to 16.50%	7,924,387,206	723,004,101	7,201,383,105
Lease liabilities - conventional	23	7.76% to 7.96%	13,068,275	3,960,240	9,108,035
Lease liabilities - Islamic		7.28% to 8.48%	6,153,365	3,931,765	2,221,600
Short term finances - secured (conventional)	27	8.43% to 14.86%	8,802,588,120	8,802,588,120	-
Short term finances - secured (Islamic)	27	7.93% to 7.97%	286,170,800	286,170,800	-
<b>Non - interest bearing</b>					
Trade and other payables	25	-	3,023,618,960	3,023,618,960	-
Accrued mark-up	26	-	387,140,074	387,140,074	-
Unclaimed dividend			4,044,553	4,044,553	-
			<b>37,145,788,159</b>	<b>16,019,117,545</b>	<b>21,126,670,614</b>
		2021			
		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
Note				Rupees	
<b>Financial liabilities</b>					
<b>Interest bearing</b>					
Long term finances - secured (Conventional)	22	1.5% to 8.76%	13,468,937,853	2,742,120,024	10,726,817,829
Long term finances - secured (Islamic)		6.30% to 8.13%	3,524,966,447	1,136,516,272	2,388,450,175
Lease liabilities - conventional	23	7.76% to 7.96%	9,502,404	5,089,363	4,413,041
Lease liabilities - Islamic		7.28% to 8.48%	52,664,478	37,676,339	14,988,139
Short term finances - secured (conventional)	27	8.43% to 14.86%	6,063,068,547	6,063,068,547	-
Short term finances - secured (Islamic)	27	7.93% to 7.97%	105,000,000	105,000,000	-
<b>Non - interest bearing</b>					
Trade and other payables	25	-	3,696,633,444	3,696,633,444	-
Accrued mark-up	26	-	166,153,705	166,153,705	-
Unclaimed dividend		-	2,902,597	2,902,597	-
			<b>27,089,829,475</b>	<b>13,955,160,291</b>	<b>13,134,669,184</b>







#### Fair value sensitivity analysis for fixed rate instruments

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

#### Cash flow sensitivity analysis for variable rate instruments

At June 30, 2022, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 230 million (2021: Rs. 165 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2022, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 90.88 million (2021: Rs. 60.63 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

#### 44.3.3 Market risk

Market risk is the risk that fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market prices. Market prices comprise of three types of risks namely foreign currency risk, interest rate risk and other price risk, such as equity risk.

##### a) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of financial asset or a liability will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group primarily has foreign currency exposures in US Dollars.

#### Exposure to Foreign currency risk

The Group is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2022	2021
	----- Amount in USD -----	
Trade debts	6,959,632	3,437,685
Cash and bank balances	159,782	142,838
Trade and other payables	(1,690,127)	(5,044,483)
Loans and advances	268,568	871,525
Advance from customer	(255,589)	(449,586)
	5,442,266	(1,042,021)
<b>Off balance sheet exposures</b>		
Letter of credit	(10,710,555)	(22,935,137)
<b>Net Exposure</b>	<b>(5,268,289)</b>	<b>(23,977,158)</b>

The following significant exchange rates were applied during the year.

	2022	2021
	Rupee per USD	
Average rate	181.65	162.97
Reporting date rate	205.50	157.80

#### Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2021 would have effect on the equity and profit and loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2022.

	2022	2021
	----- Rupees -----	
Strengthening of PKR against respective currencies	108,263,339	378,359,554
Weakening of PKR against respective currencies	(108,263,339)	(378,359,554)

As at 30 June 2022, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 108.26 million (2021: Rs. 378.36 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.

The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

	Note	2022	2021
		----- Rupees -----	
Export debtors	12	1,430,204,301	542,466,672
Import creditors		347,321,180	796,019,344
		1,777,525,481	1,338,486,016

**b) Interest rate risk**

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks, running finance facilities and finance leases. At the reporting date the interest rate profile of the Group's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2022	2021
	----- Rupees -----	
<b>Variable rate instruments</b>		
Financial assets	190,000,000	194,840,000
Financial liabilities	4,356,039,103	6,709,714,224
	<b>4,546,039,103</b>	<b>6,904,554,224</b>

As at 30 June 2022, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 45.46 million. (2021: Rs. 216.76 million) mainly because of higher/lower interest expense on variable rate instruments.

**c) Equity risk**

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

**45 CAPITAL RISK MANAGEMENT**

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

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

The Group's capital includes share capital, unappropriated profit and reserves. As at reporting date the capital of the Group is as follows:

	2022	2021
	----- Rupees -----	
Share capital	663,569,400	663,569,400
Reserves	10,790,536,824	9,685,273,884
	<b>11,454,106,224</b>	<b>10,348,843,284</b>

The Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Group's capital signifies equity as reported in statement of financial position and includes share capital and unappropriated profit and reserves.

During 2022 the Group's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2022 and 2021 were as follows:

	2022	2021
	----- Rupees -----	
Total borrowings	33,711,762,932	23,161,972,847
Less: Cash and bank balances	(373,050,231)	(158,547,846)
Net debt	33,338,712,701	23,003,425,001
Total equity	11,454,106,224	10,348,843,284
Total equity and debt	44,792,818,925	33,352,268,285
Net Gearing ratio (%)	74.4%	69.0%

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.





#### 46 PLANT CAPACITY AND ACTUAL PRODUCTION

	2022		2021	
	-----Metric Ton-----		-----Metric Ton-----	
	Rated Capacity	Actual Production	Rated Capacity	Actual Production
<b>Food processing</b>	<b>183,288</b>	<b>100,625</b>	166,562	88,363
<b>Plastic film</b>	<b>63,000</b>	<b>39,928</b>	63,000	29,608
<b>Pharmaceuticals</b>				
Blow fill seal	<b>18,000</b>	<b>13,875</b>	18,000	10,010
Ophthalmic	<b>2,500</b>	<b>2,146</b>	2,500	1,079
Derma	<b>4,200</b>	<b>257</b>	-	-

46.1 The Holding Company has enhanced the production capacity in food processing by 16,726 metric tons and actual production by 12,262 metric tons. Full impact of enhancement in capacity and production will be reflected in next financial year. Remaining capacity and production utilization was as per the market demand.

46.2 As mentioned above, during the last month of the year, the Subsidiary has started commercial production of Derma products.

#### 47 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Group and key management personnel. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements, are as follows:

##### Key Management Personnel (KMP)

Name	Direct shareholding %
Mr. Ahmed Muhammad	15.22
Mr. Munsarim Saif	0.000009
Mr. Ghulam Farooq	Nil
Mr. Abdul Qadir	Nil

##### Plastiflex Films (Private) Limited

(Associate Company - Common Directorship)

- Purchase of raw & packing materials
- Metallization of raw material
- Sales of raw and packing material
- Recovery against sales
- Payment against purchases
- Payable to associate

2022	2021
----- Rupees -----	
<b>62,372,972</b>	70,392,521
<b>(22,307,473)</b>	(31,759,987)
<b>(8,000,957)</b>	-
<b>36,050,153</b>	26,597,506
<b>(64,364,321)</b>	(94,017,364)
<b>5,710,461</b>	1,960,087

#### 48 PRESENTATION & NON- ADJUSTING EVENT

48.1 Prior year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. There is no material reclassification.


48.2 The board of directors in its meeting held on September 16, 2022 has proposed dividend in respect of the year ended June 30, 2022 of Rs. 4/- per share (2021: Rs. 15/- per share) for approval of the members at the annual general meeting. The consolidated financial statements for the year ended June 30, 2022 do not include the effect of proposed dividend, which will be accounted for in the consolidated financial statements for the year ending June 30, 2023.

#### 49 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on September 16, 2022 by the board of directors of the Holding Company.

  
**Munsarim Saifullah**  
 Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
 Director

  
**Ahmed Raza Parekh**  
 Chief Financial Officer

## PATTERN OF SHAREHOLDING SHAREHOLDERS STATISTICS AS AT JUNE 30, 2022

Number of Shareholders	Shareholdings From	To	Total Number of Shares Held
1293	1 -	100	16,917
116	101 -	500	33,828
30	501 -	1000	24,038
44	1001 -	5000	97,091
4	5001 -	10000	29,061
4	10001 -	15000	50,916
1	20001 -	25000	20,876
1	30001 -	35000	34,500
1	435001 -	440000	435,400
1	475001 -	480000	480,000
1	560001 -	565000	562,155
1	1270001 -	1275000	1,271,650
1	1380001 -	1385000	1,380,450
1	1510001 -	1515000	1,510,090
1	3595001 -	3600000	3,600,000
1	6500001 -	6505000	6,500,090
1	10400001 -	10405000	10,404,698
1	19310001 -	19315000	19,312,293
1	20590001 -	20595000	20,592,887
<b>Total</b>	<b>1504</b>		<b>66,356,940</b>

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
CEO, Sponsor, Directors their Spouses & Children	14	65,616,466	98.88%
Associated Company	1	435,400	0.66%
Foreign Companies	1	3,300	0.00%
Others	7	4,474	0.01%
<b>General Public</b>			
(a) Foreign	11	4,543	0.01%
(b) Local	1470	292,757	0.44%
<b>Total</b>	<b>1504</b>	<b>66,356,940</b>	<b>100.00%</b>

Trade in Shares by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Children.

	Purchase	Sale
Mr. Muhammad M. Ismail (Chairman)	8,900	-





## PATTERN OF SHAREHOLDING

### AS AT JUNE 30, 2022

Shareholder's Category	Number of Folios	Number of Shares Held	Percentage
<b>Associated Company:</b>			
Uniron Industries (Private) Limited	1	435,400	0.66
<b>Directors:</b>			
Mr. Maqsood Ismail Ahmed	1	562,155	0.85
Mr. Ahmed Muhammad	2	10,100,090	15.22
Mr. Muhammad Zubair Motiwala (Independent)	1	520	0.00
Ms. Tasneem Yusuf (Independent Director)	1	520	0.00
Ms. Mehvish Ahmed Karim	1	500	0.00
<b>Chief Executive Officer:</b>			
Mr. Munsarim Saifullah	1	613	0.00
<b>Chairman:</b>			
Mr. Muhammad M. Ismail	1	10,404,698	15.68
<b>CEO, Directors their Spouses &amp; Children:</b>			
Ms. Farzana Muhammad	1	1,380,450	2.08
Ms. Almas Maqsood	2	19,792,293	29.83
Mr. Hamid Maqsood Ismail	1	1,510,090	2.28
<b>Sponsor, his Spouse &amp; Children:</b>			
Mr. Miftah Ismail Ahmed	1	20,592,887	31.03
Ms. Reema Ismail Ahmed	1	1,271,650	1.92
<b>Others</b>	1489	305,074	0.46
<b>Total</b>	<b>1504</b>	<b>66,356,940</b>	<b>100.00</b>

Shareholders holding 10% or more voting interest

Mr. Muhammad M. Ismail	1	10,404,698	15.68
Mr. Miftah Ismail	1	20,592,887	31.03
Ms. Almas Maqsood	2	19,792,293	29.83
Mr. Ahmed Muhammad	2	10,100,090	15.22







## PROXY FORM

The Secretary/ Registrar

I/We \_\_\_\_\_ son/daughter/ wife of \_\_\_\_\_, shareholder of Ismail Industries Limited, holding \_\_\_\_\_ ordinary shares as per register under Folio No \_\_\_\_\_ and/or CDC Participant ID \_\_\_\_\_ and Sub- Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ (holding \_\_\_\_\_ ordinary shares in the Company as per register under Folio No \_\_\_\_\_ and/or CDC Participant ID \_\_\_\_\_ and Sub- Account No. \_\_\_\_\_) or failing him/her \_\_\_\_\_, (holding \_\_\_\_\_ ordinary shares in the Company as per register under Folio No \_\_\_\_\_ and/or CDC Participant ID \_\_\_\_\_ and Sub- Account No. \_\_\_\_\_) as my/our proxy, to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on October 26, 2022 and/ or any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

(Signature should agree with the specimen signature registered with the Company)

Sign across Rs.5/-  
Revenue Stamp

Signature of Member(s)

Witness 1:

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC # \_\_\_\_\_

Witness 2:

Signature \_\_\_\_\_

Name \_\_\_\_\_

CNIC # \_\_\_\_\_

Notes:

1. A proxy need be a member of the Company
2. In order to be valid, this Proxy must be received to our Registrar/Transfer Agents, M/s. THK Associates (Pvt) Ltd. Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi 75500 Pakistan at least 48 hours before the time fixed for the Meeting, duly completed in all respects.
3. CDC Shareholders or their Proxies should bring their original Computerized National Identity Card (CNIC) or Original Passport along with the Participant's ID Number and their Account Number to facilitate their identification.

## پراکسی فارم (فارم برائے نامزدگی نمائندہ مختار)

سیکرٹری/رجسٹرار

میں / ہم \_\_\_\_\_ ولد / بنت / زوجہ \_\_\_\_\_، اسماعیل انڈسٹریز لمیٹڈ کا / کے شیئرز ہولڈرز، فولیو نمبر \_\_\_\_\_ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے تحت رجسٹر ہونے کے مطابق عام شیئرز رکھتا ہوں / رکھتے ہیں۔ \_\_\_\_\_ کو مقرر کرتا ہوں / کرتی ہیں (جو فولیو نمبر \_\_\_\_\_ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے تحت رجسٹر ہونے کے مطابق \_\_\_\_\_ کمپنی میں عام شیئرز رکھتا ہے / رکھتے ہیں) یا اس کو \_\_\_\_\_ پیش کرتا ہوں / کرتی ہوں / کرتے ہیں (جو فولیو نمبر \_\_\_\_\_ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_ کے تحت رجسٹر ہونے کے مطابق \_\_\_\_\_ کمپنی میں عام شیئرز رکھتا ہوں / رکھتے ہیں) جو 26 اکتوبر 2022 کو منعقد ہونے والے غیر معمولی اجلاس عام میں اور / یا ملتی ہونے پر میری / ہمارے طرف سے شرکت کرنے، ووٹ ڈالنے کا حق رکھتا ہے۔

دستخط \_\_\_\_\_ تاریخ \_\_\_\_\_ 2022

(دستخط کا کمپنی میں موجود دستخط کے نمونے سے مطابقت رکھنا ضروری ہے)

5 روپے کے ریونیو مہر پر دستخط

ممبر (ممبران) کے دستخط

گواہ 1	گواہ 2
دستخط _____	دستخط _____
نام _____	نام _____
کمپیوٹر اوزار ذیلی شناختی کارڈ نمبر _____	کمپیوٹر اوزار ذیلی شناختی کارڈ نمبر _____

نوٹس:

- 1- پراکسی (نامزد نمائندہ) کو کمپنی ممبر ہونا لازمی ہے۔
- 2- درست ہونے کے لئے پراکسی جو کہ ہر لحاظ سے باقاعدہ مکمل ہو، ہمارے رجسٹرار / ٹرانسفر ایجنٹس، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر-32 C، جامی کمرشل اسٹریٹ 2، DHA فیز VII، کراچی 75500، پاکستان کو اجلاس سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔
- 3- سی ڈی سی شیئرز ہولڈرز (حصص یافتگان) یا ان کے پراکسیز اپنی شناختی کارڈ یا اصل پاسپورٹ بعد شراکت دار کی آئی ڈی نمبر اور ان کا اکاؤنٹ نمبر اپنے ہمراہ لائیں۔





#### HEAD OFFICE

17-BANGALORE TOWN, SHAHRAH-E-FAISAL, KARACHI-75350, PAKISTAN.  
TEL.: (92-21) 34311172-76, FAX: (92-21) 34547843, 34541094

#### FACTORIES

UNIT 1 : C-230, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.

TEL.: (92-853) 302526-302392

UNIT 2 : B-140, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.

TEL.: (92-853) 302589. FAX: (92-853) 302408

UNIT 3 : G-1, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.

TEL.: (92-853) 302611. FAX: (92-853) 302611, 303817

UNIT 4 : G-22, 23, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.

TEL.: (92-853) 303193, 303177. FAX: (92-853) 302527

UNIT 5 : 38-C, 39, 39-A, 42-C, SUNDAR INDUSTRIAL ESTATE,

RAIWIND ROAD, LAHORE, PAKISTAN. TEL: (92-42) 36140972

UNIT 6 : D-91, D-92 & D-94 NORTH WESTERN INDUSTRIAL ZONE,

PORT QASIM AUTHORITY, KARACHI. TEL.: (92-21) 34154169-70, FAX: (92-21) 34154176

UNIT 7 : E-164 TO E-168, NORTH WESTERN INDUSTRIAL ZONE,

PORT QASIM AUTHORITY, KARACHI. TEL.: (92-21) 34154171-73, FAX: (92-21) 34154176

UNIT 8 : E154-157, NORTH WESTERN INDUSTRIAL ZONE,

PORT QASIM AUTHORITY, KARACHI. TEL.: (92-21) 34154174-75, FAX: (92-21) 34154176

UNIT 9 : G-1A, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.

TEL.: (92-853) 363495, 303510