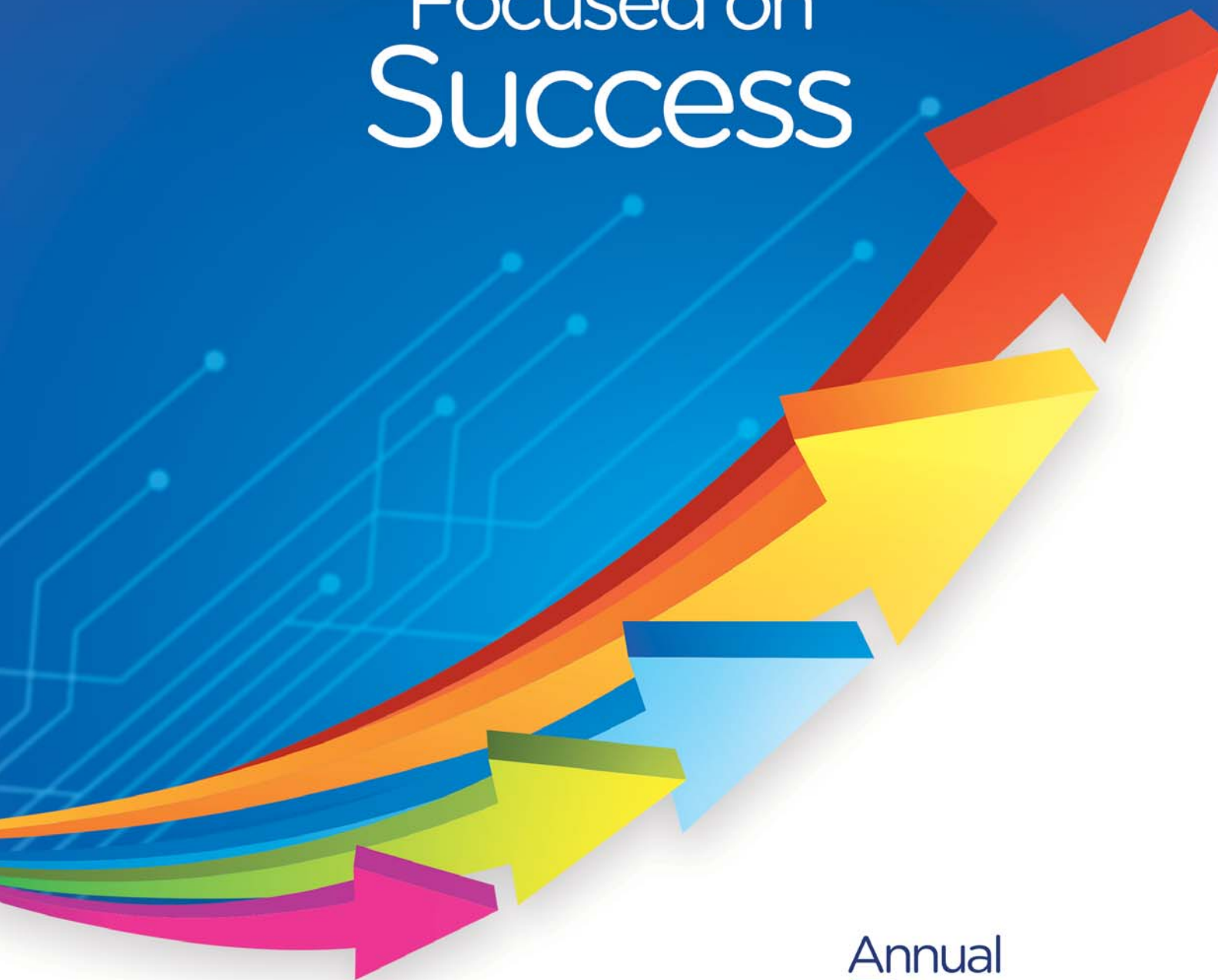




ISMAIL
INDUSTRIES
LIMITED

Focused on
Success



Annual
Report
2016

Company Profile

Board of Directors

Mr. Muhammad M. Ismail	Chairman
Mr. Maqsood Ismail	Chief Executive
Mr. Hamid Maqsood Ismail	Executive Director
Mr. Munsarim Saifullah	Executive Director
Mr. Ahmed Muhammad	Non-Executive Director
Ms. Farzana Muhammad	Non-Executive Director
Ms. Almas Maqsood	Non-Executive Director
Ms. Reema Ismail Ahmed	Non-Executive Director
Mr. Jawed Abdullah	Independent Director

Audit Committee Members

Mr. Jawed Abdullah	Chairman
Mr. Muhammad M. Ismail	Member
Mr. Ahmed Muhammad	Member
Ms. Reema Ismail Ahmed	Member

Registered Office

17, Bangalore Town,
Main Shahra-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.

Human Resource Committee

Ms. Farzana Muhammad	Chairperson
Mr. Maqsood Ismail	Member
Ms. Almas Maqsood	Member
Mr. Jawed Abdullah	Member

Company Secretary

Mr. Ghulam Farooq

Chief Financial Officer

Mr. Abdul Qadir

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
Industrial & Commercial Bank of China Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
National Bank of Pakistan
NIB Bank Limited
Pak Brunei Investment Co Ltd
Pak Oman Investment Co. Ltd
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited
Soneri Bank Limited
The Bank of Punjab

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Our Story

The sponsors of Ismail Industries Limited (IIL) has been associated with the biscuit industry since 50's. In 1988, IIL emerged on the business scene of Pakistan and has been expanding its horizons in multiple industries ever since. From delightful treats to industrial raw materials, IIL offers a broad spectrum of products to its consumers and corporate customers.

This journey started from CandyLand, the first division of IIL, which is not only a star performer for the group, but also a leader of the industry in confectionery products. The next major milestone was in 2002 when Bisconni came into existence. This project had the vision of providing the finest quality biscuits in Pakistan. Bisconni has grown to become the leader in the value added cookies category in Pakistan.

Astro Films was emerged in 2004 and is now a renowned manufacturer of CPP, BOPP and BOPET films. We are the pioneers in BOPET category and have imported a state-of-the-art plant from Italy that will strengthen our artillery.

In 2006, Snackcity was established with the vision of becoming a leading player in the snacks industry of Pakistan.

At IIL, we keep our focus on our customers in everything we do and this attitude is reflected in each and every offering. Quality is our prime concern, we endeavor to provide the best quality of products through one of the most modern production establishments around the world and we take absolute pride in it.



CandyLand

CandyLand, currently the largest confectionery segment of IIL in Pakistan started its humble beginning on June 21, 1988. The foundations for the first production plant were laid down on one acre land and the first brand was launched in 1990. From that point onwards, the company has constantly achieved one milestone after the other and today we have expanded our production facilities to over 8 acres.

We are the pioneers in jellies and have launched brands in technically difficult categories such as lollipops and marshmallows. We pride ourselves on delivering the best quality products and our brands strive hard to delight our consumers. Ensuring that we deliver on these values has also helped us to establish export in more than 30 countries around the globe.

Keeping this philosophy in mind, we have constantly expanded into different product categories and set up state-of-the-art-facilities that have enabled us to become one of the most technologically advanced and superior company within the industry.

Our customers and consumers are at the core of everything we do. We strive to deliver the best consumer value proposition that we can and ensure that our consumers receive the utmost satisfaction in every bite that they take. To help us achieve this, we have a blend of a highly qualified and experienced technical and business team and a sales force that is one of the largest in the category to ensure that we reach out to our customers even in the most remote areas across the country.

At CandyLand, we strive to provide our consumers with quality biscuits and cookies which meet international standards of quality and food safety. All products of CandyLand are certified by ISO 22000 and have Halal Certification from SANHA. The newest addition to our portfolio is silky, smooth milk chocolate Novella, that has shown promising signs of success since its launch.

We promise to uphold our values and continue to nurture our existing brands and grow the 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.



CandyLand Campaigns 2015-16



Novella TVC Campaign

CandyLand Novella helps bring your loved ones closer. Novella's TVC campaign consisted of two copies to deliver emotionally charged stories tying the functional benefit of Novella being silkier and smoother, with the emotional benefit of bringing your loved ones closer. We connected both benefits with the tagline: "Munh main ghul jaye, dil pighal jaye".

Novella Caramel Launch

At Rs. 20, Novella Caramel is the first center-filled milk chocolate to be launched in Pakistan. This launch was coupled with an animated TVC communicating the rich and indulgent nature of Novella Caramel.



Jumbo Eclairs Launch

CandyLand Éclairs was re-launched this year as "Jumbo Éclairs" at a new price point of Rs. 2.

In order to communicate the new price of Éclairs, a TVC was produced, which communicated the functional benefit with the tagline, 'Maza chalay dair tak'.

New packaging was also promoted in which red and gold colors were used to highlight the richness of Éclairs.

ABC Jelly Campaign

ABC Jellies were promoted through an animated campaign. The idea behind the campaign was to establish a unique image of ABC Jellies as a brand which aids in learning.





Funny Bunny New TVC

CandyLand Funny Bunny is the leader in the lollipop category. Funny Bunny's packaging was revamped to make it more vibrant and colorful and to appeal more to kids. Additionally, a new flavor of Mix Berries was introduced to extend our portfolio of flavors.

Super Twister Launch

CandyLand is the largest producer of marshmallows in Pakistan. In order to capitalize on this leadership and constantly innovate, Super Twister was launched in vibrant and attractive packaging that appeals more to children and has more visibility on the shelf.



Fanty Family Launch

Fanty and Cola are the flagship brands of CandyLand. We revamped the packaging of Fanty to give a modern look and vibrancy. We added the element of fizziness in the packaging to make it more appealing to kids.

Jellies Packaging Upgrade

CandyLand launched a new look for its jelly range. We have modernized as well as added characters to make packaging more fun and attractive to kids. The improved packaging also strengthens our position in terms of visibility and aesthetic appeal.





Chocolate Packaging Launch

CandyLand improved the packaging for its compound chocolates ranges of Now, Sonnet and Paradise. They are now more attractive, modern and vibrant to better attract consumer attention.

Yums New Look

CandyLand modernized the packaging of Yums Fruity and Yums Sour. The objective was to reinforce the brand colors by making it more vibrant. The font was modernized and a rainbow was incorporated to show colorful product shots.



Star Gum Product Enhancement

CandyLand Star Gum was launched with an improved flavor. The packaging was also revamped to incorporate the hero, new logo and bright colors. Star Gum is now more attractive to kids.

Milk Toffee Launch

CandyLand introduced new packaging for Milk Toffee in Rs. 1. Smooth creamy milk and polka dots were used on the wrapper to make it stand out from the others in the same price point.





Bisconni started its journey in 2002 with the acquisition of Meiji's Plant in Pakistan and with the launch of its flagship brand, Cocomo. Even today, Bisconni is one of the very few brands in the world with the technological capability of producing this one-bite center-filled biscuit.

Our portfolio encompasses 4 categories and consists of 8 brands with 43 SKUs. In Pakistan, we are currently the market leader in the cookies and wafers categories. With a distribution coverage reaching 90,000 shops nationwide, Bisconni strives to become a household brand in Pakistan.

At Bisconni, we strive to provide our consumers with quality biscuits and cookies which meet international standards of quality and food safety. All products of Bisconni are certified by ISO 22000 and have Halal Certification from SANHA. We have also achieved the distinction of becoming a certified supplier of the World Food Program and produced High Energy biscuits for its various programs.

Bisconni, today, has grown to become a mark of trust and confidence for its consumers. Our vision is to keep innovating and introducing new and value added products for our consumers.



Bisconni Campaigns 2015-16

Treat Gold Launch

The re-launch of Treat Gold was one of the major achievements of Bisconni in the year 2015-2016. Through a massive 360 degree campaign, the brand was able to penetrate into the lucrative plain biscuit segment of Pakistan. Trade support and consumer engagement activities were also part of the campaign to ensure take off and trial of the brand. Treat Gold floats ran in towns and cities across Pakistan engaging millions of consumers and creating awareness.



Mini Zoo Launch

Mini Zoo is yet another innovation of Bisconni, launched in October 2015. Mini Zoo are animal shaped biscuits available in two flavors: Milk and Chocolate. The brand was supported on trade through attractive posters and category dressings in retail stores. With Vitamin A, B and D as well as Iron, Mini Zoo facilitates growth and healthy development of its young consumers.



New Rite Flavor Launch

In the year 2015-2016, New Rite was launched in the market with revamped and modernized packaging and the introduction of two innovative flavors. The new lemon and blueberry flavors were supported with TV, outdoor and trade support to create awareness and induce trial of the brand.



Chocolate Chip Cookies iPhone Consumer Promotion

The "Jeeto Rozana" consumer promotion campaign of CCC was a huge success. 75 iPhones were distributed to winners during the two months campaign. Thousands of other prizes were also given out every day. The campaign was promoted through TV and digital media.



Chocolate Chip Cookies New Thematic Campaign

The “Bohat Bohat Bohat Chocolaty” campaign of CCC aimed to create awareness of the improved and distinct product offering of CCC. Chocolate Chip Cookies grew phenomenally as a result of these initiatives which strengthened its market leadership even more.



Chocolatto Campaign

Chocolatto, center-filled cookie with melted chocolate filling inside is one of our star brand. The campaign was also run on TV to increase recall of the brand. As a result, Chocolatto increased its market share and brand penetration.

Cocomo New Flavors Launch

Cocomo, the iconic brand of Biscoff, is one of the most established biscuit brands in Pakistan. After the immense success of Cocomo Chocolate, two new flavors of Cocomo: Milk & Orange, were introduced this year. A new animated TVC packed with action and adventure was aired on TV to create awareness of the new flavors. With new packaging and new animated faces of Coco and Mo, the brand is now more modern and fun.





The SnackCity division of IIL was established in June 2006 when the company set up its purpose-built manufacturing facility at Hub and began production of Kurleez. Having achieved great success in a short span of time, the foundation for a second production facility was laid down in Lahore in March 2010 and fulfills the demand for our potato chips in the North and Central regions of Pakistan.

Customer satisfaction has always been at the heart of the company's values. This is why the company has invested in the world's best machinery, employed the best food technicians and experts, and adopted best practices to ensure that consumers taste the goodness of SnackCity products in every bite. Our ISO 22000 Certification and Halal Certification from SANHA is a testament to the kind of commitment we have towards quality.

At SnackCity, we strive to provide our consumers with quality biscuits and cookies which meet international standards of quality and food safety. All products of SnackCity are certified by ISO 22000 and have Halal Certification from SANHA.

SnackCity's Kurleez has grown to become the market leader in the crinkle chips category. The company has also successfully ventured into other categories. Chillz, our brand of potato sticks has also grown to become the market leader in its category, while SnackCity Peanutz is also successfully establishing itself as a prominent player in the market with increasing sales every year.

The future seems bright for SnackCity as we plan to grow through continuous development and consumer involvement. Our goal is to enter newer avenues within the packaged snacks industry and become the leading snacks producing company in Pakistan.



SnackCity Campaigns 2015-16



Kurleez T20 WorldCup Campaign

“Kurleez ka Flavor Sab se Aala” was proud to be one of the sponsors of the biggest cricket tournament of the year ICC T20 World Cup 2016. The objective was to benefit from the reach generated through the exciting matches and create brand recall.

Chillz Sampling Drive

Chillz, the second most promising brand of SnackCity, leads the potato sticks category with its exciting range of flavors. A nationwide BTL campaign was conducted to generate awareness and stimulate trial of Chillz Spicy.



Fillz Cash in the Bag Campaign

Fillz was relaunched in March 2016 with an exciting consumer promotion, “Khoolo Pack Dhoondo Cash” and a new flavor “Tomato Ketchup”. Attractive cash prizes were randomly placed in the packs to increase consumer penetration and stimulate trial.



Astro Films is a renowned brand of CPP, BOPP and BOPET films manufacturer, owned and operated by IIL. We are not only recognized locally but globally as well located in the southern region of Pakistan, we are the only packaging film maker in Pakistan who can provide its customers complete solution in flexible packaging.

IIL has its operations in two different regions across the country. At Hub, IIL owns a CPP plant manufactured by a renowned Italian company "Gruppo Colines" having a capacity of producing 6,000 tons annually.

Continuing to be a strong believer in acquiring distinction, IIL has set up a new CPP plant at Port Qasim from same Italian company with the capacity of 9,000 tons annually. So, the total production capacity of CPP is now 15,000 tons annually.

In addition, we have two "General Vacuum Metalizer" set ups installed at Hub and Port Qasim with annual metalizing capacities of 12,000 and 7,000 tons respectively.

In 2011, the company embarked on the further expansion of its packaging film production capacity by ordering the first ever in Pakistan BOPET film line from Bruckner. With an annual capacity of 18,000 tons per annum, this film line ensures a highly efficient production of flexible BOPET packaging film ranging from 12 to 150 microns.

While selecting plant and equipment, due care was taken to ensure that the new production line would be based on the latest technology available. The enhanced features in the new line of BOPET has further improved operational efficiency and provided with the technical capabilities to meet customer's expectations.

In order to meet the rising demands of the country and to cater the customers' needs on time, the company decided to go into expansion in 2010 and established a new company with the name Plastiflex Films (Private) Limited to produce BOPP films. A Bruckner line having the capacity to produce 4,000 tons annually is functioning at Gadani (very close to Hub), Balochistan.

Astro Films is one of those few privileged manufactures of BOPET, CPP and BOPP films who have supplied products to 6 continents of the world, fulfilling a portion of the flexible packaging needs of international market.

One of our unmatched strength, which makes Astro Films so much 'reliable', is our ability to deliver nothing but the best quality to our customers. This practice has made us recognized as an international player, committed to not only meet but exceed the expectations of our esteemed customers.

We have a quality facility with ISO 9001:2008, ISO 22000:2500, and PAS 223 certifications and experts in flexible packaging films. We are proud of our accomplishments and recognition of our manufacturing capabilities. More importantly, we are one of the most competitive suppliers of CPP and BOPET films. Being an Asian Flexible Packaging Manufacturer with 15-20% of our films being exported to Korean, European and US markets, we offer one of the fastest lead times in BOPET film industry.





Hudson Pharma is the newly licensed pharmaceutical subsidiary of IIL. Our mission at Hudson Pharma is to identify molecules that address local patient's unmet needs across the globe. In developing markets in particular, we look at efficacious molecules that are under-penetrated and often with new delivery methods or novel manufacturing processes that vastly improve both safety and attainability. In our plant in Karachi, Pakistan, we intend to produce injectables, oral liquids, and respules in polyethylene containers, using the innovative Blow Fill Seal (BFS) process. Our activities include developing, contract manufacturing and marketing branded, generic and speciality drugs in the following therapeutic areas: respiratory products, vitamins, diluting agents, anti-inflammatories, anesthetics, anti-infectives, anti-nauseants, anti-emetics, anti-ulcers, NSAIDs and ophthalmics.

The BFS process is the sterile and pyrogen-free moulding of ampoules from extruded polyethylene in water cooled blow moulds with an immediate sterile filling of the product. The BFS process is considered by the US FDA as a superior aseptic filling process which along with the decreased risk of contamination by glass particles clearly results in a safer end product. Because of the enhanced safety profile versus products filled in glass, BFS products have been rapidly accepted by patients and doctors across the globe.

In summary, Hudson Pharma's vision is to help drive the switch from glass to plastic containers in Pakistan, following in the footsteps of a long list of countries over the past 25 years that have made the same transition. For pharmaceutical firms who are looking to grow capacity in a capital efficient manner, focused on boosting profitability or interested in partnering to innovate in a risk mitigated fashion, Hudson Pharma is positioned to be your ideal partner.



International Presence





● United Kingdom
● Netherland
● Germany
● Austria

● Bulgaria
● Greece

● Turkey
● Lebanon
● Iraq

● Tajikistan
● Afghanistan

● China

● Algeria

● Jordan

● Kuwait
● Bahrain
● U.A.E.
● Oman

● Saudi Arabia

● Bangladesh

● Taiwan

● Hong Kong

● Philippine

● Sudan

● Yemen

● Sri Lanka

● Malaysia

● Kenya

● Zanzibar

● Tanzania

● Cameroon

● Mozambique

● Angola

● Zambia

● Madagascar

● Mauritius

● South Africa

● Australia

● Fiji Island

● New Zealand



Vision

We aim to offer high quality products to our consumers by remaining the most technologically advanced company in our field. We strive to be the brand leaders in all the categories that we compete in. We wish to have a substantial presence outside of Pakistan, through export and local manufacturing.

Mission

We strive to deliver to our consumers, consistent quality products which maximize our values and customer satisfaction. We are extensively catering to the domestic markets and strengthening our roots internationally.

We wish to consolidate and strengthen our position as the most technologically advanced company in our field. We recognize the importance of efficiency and creativity that helps achieve growth in a competitive environment. We believe and optimally combine our people, technology management system and opportunities to achieve profitable growth, while providing fair returns to our shareholders.

We realize our responsibility towards society and contribute to our environment as good corporate citizens.



Notice of Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting of Ismail Industries Limited will be held at Hotel Days Inn, Bushra Hall, 164, B.C.H.S. Shahra-e-Faisal, Karachi on Wednesday, November 16, 2016 at 11:30 am to transact the following business.

Ordinary Business

1. To confirm the minutes of the Extra Ordinary General Meetings of the Company held on May 25, 2016 and May 30, 2016.
2. To receive, consider and approve the Annual Audited Financial Statements of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' report thereon.
3. To approve and declare the cash dividend @ 65% (Rs. 6.50/- per share) on the ordinary shares of the Company as recommended by the Directors for the year ended June 30, 2016.
4. To appoint Auditors for the year ending June 30, 2017 and fix their remuneration. The Audit Committee of the Board has recommended the retiring auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants being eligible have offered themselves for re-appointment.
5. To elect nine (9) Directors of the Company as fixed by the Board of Directors in their meeting held on October 5, 2016 for a term of 3 (three) years commencing from November 16, 2016 in accordance with Section 178 of the Companies Ordinance, 1984. The following present Directors retire and are eligible for re-election.

1. Muhammad M. Ismail
3. Munsarim Saifullah
5. Ahmed Muhammad
7. Almas Maqsood
9. Jawed Abdullah

2. Maqsood Ismail
4. Hamid Maqsood Ismail
6. Farzana Muhammad
8. Reema Ismail Ahmed

Special Business

6. To consider and approve the remuneration of the Chief Executive and two Executive Directors for their term commencing from November 16, 2016.
7. To transact any other business with permission of the Chair.

By order of the Board

Karachi: October 17, 2016

Ghulam Farooq
Company Secretary

Notes

1. The shares transfer book of the Company shall remain closed with effect from November 15, 2016 to November 21, 2016 (both days inclusive). Transfers received at the office of Share Registrar M/s. THK Associates (Pvt.) Ltd, Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi, Phone # 021-111-000-322 at the close of business on Monday, November 14, 2016 will be considered in time to attend and vote at the meeting and for the purpose of above entitlement to the transferees.
2. 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 Registrar Office not less than 48 hours before the time of the meeting during working hours.
3. The shareholders are advised to notify the Registrar of any change in their addresses.
4. In terms of Section 178(3) of the Companies Ordinance, 1984 any person who seeks to contest an election to the office of director, whether he is a retiring director or otherwise, shall file with the Company, not later than fourteen (14) days before the date of this meeting, a notice of his intention to offer himself for election as a director.

Submission of copies of CNIC and NTN Certificate (Mandatory)

Pursuant to the Securities and Exchange Commission of Pakistan (SECP) Notifications dated: January 10, 2014, July 05, 2012 and August 18, 2011, made it mandatory that dividend warrants should bear Computerized National Identity Card (CNIC) number of the registered member or the authorized person except in case of minor(s) and corporate members. With reference to our various advertisements in daily newspapers and letters sent to individual members/ shareholders at their registered addresses, it is hereby informed that the individual members who have not yet submitted photocopy of their valid CNIC to the Company are once again advised to send the

same at their earliest directly to The Company Secretary, Ismail Industries Limited, 17-Bangalore Town, Shahra-e-Faisal, Karachi. The Corporate entities are requested to provide their National Tax Number (NTN). Failure to provide the same would constraint the Company to withhold dispatch of dividend warrants.

Payment of Cash Dividend Electronically (Optional)

As directed by SECP vide Circular No. 18 of 2012 dated: June 5, 2012 we are giving the opportunity to shareholders to authorize the Company to directly credit in his/her bank account with cash dividend, if any declared by the Company in future, if you wish that the cash dividend if declared by the Company be directly, credited into your Bank Account, instead of issuing a dividend warrant, please provide the following details.

Title of Bank Account	Branch Name and Address
Bank Account Number	Cell number of Shareholder
Bank's Name	Landline number of Shareholder, if any

Guidelines for CDC Account Holders

CDC Accounts holders will further have to follow the guidelines as liad down in Circular 1, dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A. For Attending the Meeting

- i. In the case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall authenticate their identity by showing their original Computerized National Identity Card ("CNIC") or original Passport at the time of attending the meeting.
- ii. In the case of corporate entities, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting (unless provided earlier).

B. For Appointing Proxies

- i. In the case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations shall submit the proxy form as per the above mentioned requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.

- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In the case of corporate entities, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be submitted (unless provided earlier) along with the proxy form to Company.

Withholding Tax on Dividend

Government of Pakistan through Finance Act, 2015 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

- | | |
|---|-------|
| (a) For filers of income tax returns | 12.5% |
| (b) For non-filers of income tax return | 20% |

Shareholders who are filers, are advised to make sure that their names are entered into latest Active Tax Payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 20% instead of 12.5%.

Withholding Tax on Dividend in case of Joint Account Holders

In order to enable the Company to follow the directives of the regulators to determine shareholding ratio of the Joint Account Holder(s) (where shareholding has not been determined by the Principal Shareholders) for the deduction of withholding tax on dividends of the Company, Shareholders are requested to please furnish the shareholding ratio details of themselves as Principal Shareholder and their Joint Holders, to the Company's Share Registrar, in writing as per format given below enabling the Company to compute withholding tax of each Shareholder accordingly.

Company Name	Folio/ CDS Account No.	Total Shares	Principal Shareholders		Joint Shareholder(s)	
			Name & CNIC No.	Shareholdings 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).

Distribution of Annual Report through Email

We are pleased to inform shareholders that the Securities and Exchange Commission of Pakistan pursuant to SRO No. 787(I)/2014 dated September 08, 2014 permitted Companies to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Director Report etc. ("Annual Report") alongwith 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 notices of annual general meeting by email are requested to provide the complete Electronic Communication alongwith notice of Annual General Meeting. However, the Company may provide hard copy of Annual Report to such members on their request, free of cost, within seven days of receipt of such request.

Statement under section 160 of the Companies Ordinance' 1984

The following statement under section 160 of the Companies Ordinance, 1984 is made regarding the Special Business to be conducted at the Twenty Eight Annual General Meeting of the Company to be held on November 16, 2016.

Item 6 of the agenda

Chief Executive and Executive Directors Remuneration

Approval is being sought for the payment of remuneration to the Chief Executive and two Executive Directors.

For this purpose the following Resolution will be moved at the meeting.

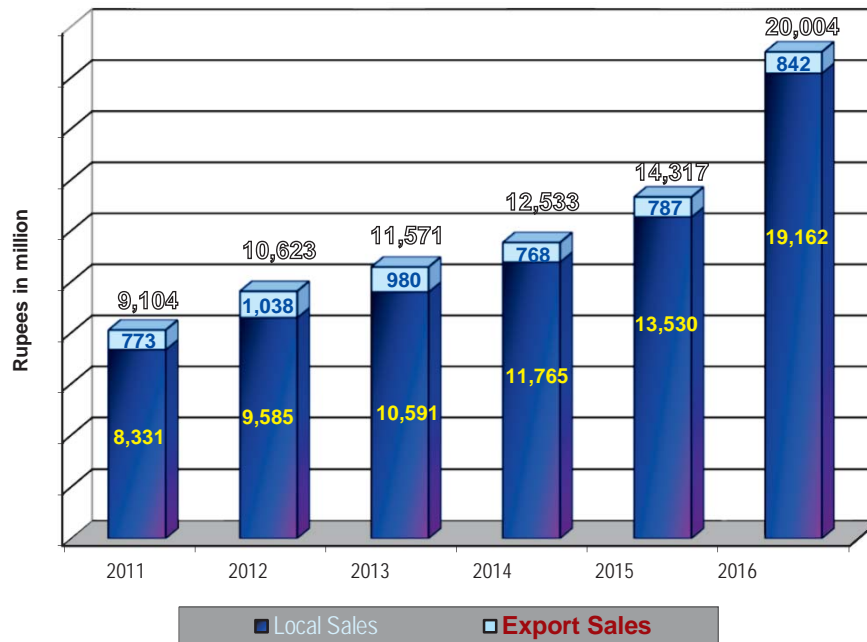
Resolution

“Resolved that the Company be and hereby approves and authorizes the payment as remuneration to the Chief Executive a sum of Rs. 6,000,000/- per annum and two Executive Directors a sum of Rs. 4,800,000/-per annum each. Further resolved that in addition to remuneration, all utilities bills of Directors will be paid by the Company. The approximate value of the utilities to be borne by the Company would be Rs. 1,000,000/- per annum for the Chief Executive and Rs. 750,000/- per annum each for the two Executive Directors.

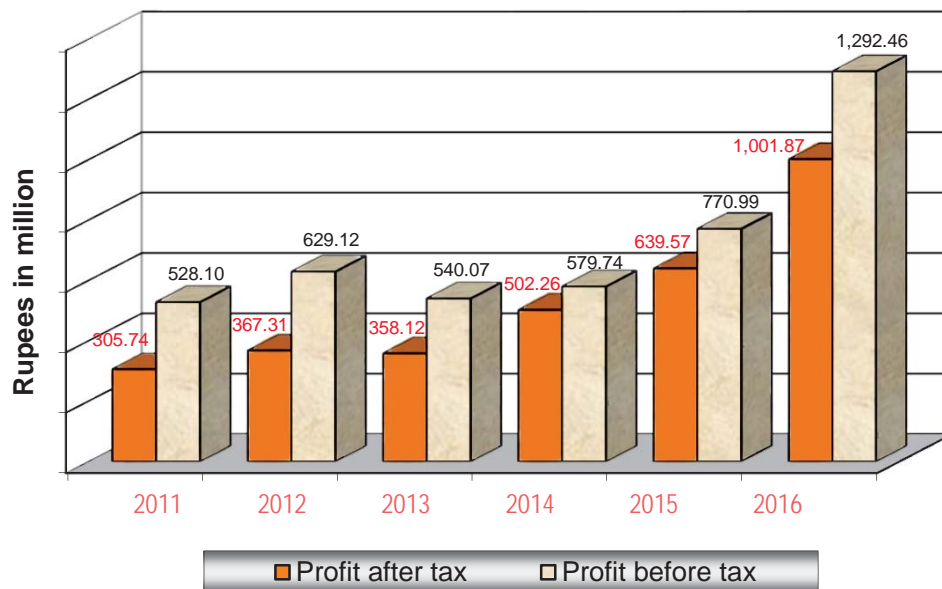
Financial and Statistical Highlights

	2016	2015	2014	2013	2012	2011
Profit and Loss Account						
Sales - gross	20,004	14,317	12,533	11,571	10,623	9,104
Gross profit	3,109	2,476	2,136	1,975	1,831	1,441
Profit before tax	1,292	771	580	540	629	528
Taxation expense	291	131	77	182	262	222
Profit for the year	1,002	640	502	358	367	306
Balance Sheet						
Share holders' equity	5,999	3,975	3,253	2,790	2,409	2,033
Capital reserves	1,879	688	593	623	579	579
Unappropriated profit	3,482	2,782	2,155	1,661	1,325	948
Current liabilities	8,407	6,230	5,541	4,714	5,135	4,560
Total liabilities	14,605	10,301	8,346	6,874	6,687	6,299
Current assets	8,296	6,678	6,388	5,477	5,290	4,867
Total assets	20,604	14,276	11,599	9,664	9,097	8,332
Ratios						
Earning per share - basic & diluted (Rs.)	15.70	12.66	9.94	7.09	7.27	6.05
Break up value (Rs.)	94.02	78.68	64.39	55.22	47.69	40.23
Return on equity (%)	16.70	16.09	15.44	12.84	15.24	15.04
Price to earning ratio	16.42	20.53	17.70	24.26	13.59	12.34

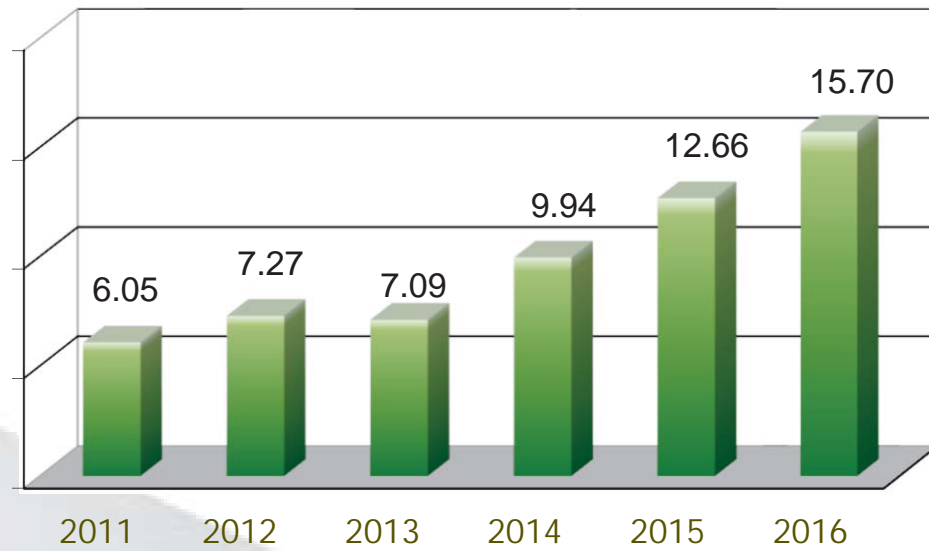
Revenue



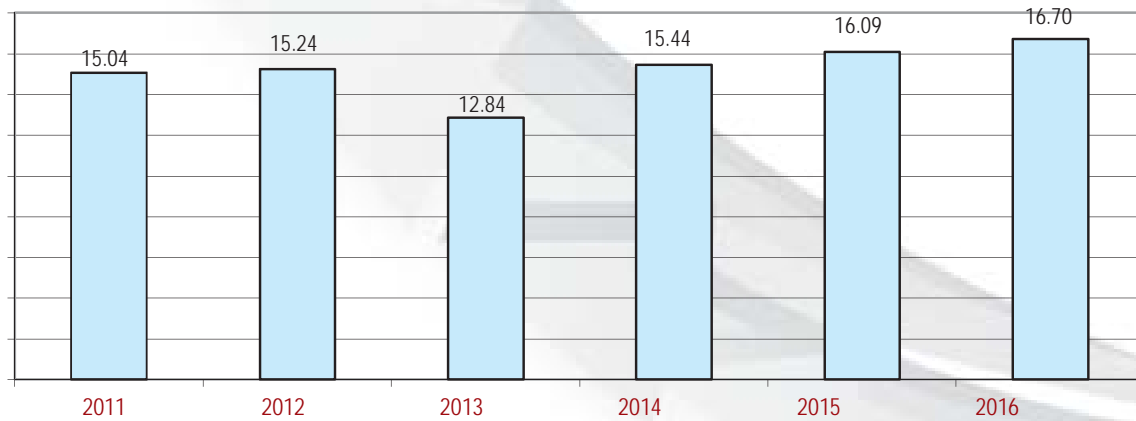
Profit Before & After Tax



Earning Per Share (Rs.)



Return on Equity



Directors' Review

The Directors of the Company are pleased to present the performance review, the audit report and the financial statements of the Company for the year ended June 30, 2016.

Business Highlights

The year under review was characterized by challenging economic and business environment in the country, despite which your company has shown its resilience by achieving highest ever gross turnover of Rs. 20 billion and net profit of Rs.1 billion. During this year, the company took a strategic decision to merge Astro Plastics (Private) Limited, (an associated company), with and into the Company as a way to provide maximum returns to its valued stakeholders. The purpose of this amalgamation is to operate and run the various business units under one single management and achieve synergy in operations. Management expects to reap benefits from this merger through improved economies of scale and utilization of management expertise, ultimately maximizing the value of shareholders.

This year's financial results have been in line with stakeholders' expectations based on company performance throughout the year. The company has completed the year with a topline growth of 40% and an increase in earnings by 24%. The slight decrease in gross margin is due to the merger, as raw material costs in plastic segment comprise a larger component of total cost as compared to food segment. However, management expects this trend to improve in future.

Provided the current economic policies and stable macroeconomic environment prevail, the company is geared to deliver accelerated growth in the future as well. There has been an increase in consumer purchasing power due to global reduction in oil prices, leading to consumption uptick. Inflation rates have dropped to their lowest levels, thus creating a healthy investment climate for projects that can contribute future growth. Consequently, the company's capability to finance new investments and projects remains very strong.

Financial Performance

The financial synopsis for the year is given below:

Description	30-Jun-16	30-Jun-15	Change in
	PKR Million		%
Gross Sales	20,004	14,317	40%
Net Sales	17,008	12,242	39%
Gross Profit	3,109	2,476	26%
% of Net Sales	18.3%	20.2%	-9%
Profit before tax	1,292	771	68%
% of Net Sales	7.6%	6.3%	21%
Profit after tax	1,002	640	57%
% of Net Sales	5.9%	5.2%	13%
Earnings per share – Rupees	15.70	12.66	24%

Food Segment Operations

All performance indicators reflect positive trend in food segment, with growth in overall sales revenue of 16%. Growth in local sales was 18% while export sales declined by 27% due to economic slowdown and disturbed law and order situation in GCC and other Middle East countries. Gross profit margins increased by 16% through better portfolio management despite lower overall demand levels, influx of cheaper imports and consequent pressure on selling prices of Company's products. Company achieved 8% growth in operating profit by consistently investing in innovations and sales and marketing efforts.

The food segment consists of three divisions, Candyland, Bisconni and SnackCity, producing confectionery, biscuit and savory snack products respectively. The double-digit growth in revenue and gross profits is due to the company's consistent commitment to innovation and marketing. In pursuit of this strategy, the company has focused on developing new markets and territories, as well as expanding sales force to service these new potential areas. Improved portfolio management with focus on high margin products like jellies, chocolates and lollipops in the CandyLand range, and cookies and filled biscuit in the Bisconni portfolio, have led to the growth in overall bottom line of food segment. The company is also enhancing the capacity of Biscuit Division to capture the available demand of our products of Cocomo and Novita.

The management is exploring various options to increase exports of value added items in face of the current challenging environment of Middle Eastern export markets, to further cement your company's reputation as a reliable manufacturer following best global practices within confectionery, biscuit and snack manufacturing. Your company is making every effort to launch new and improved products that live up to consumer expectations while maintaining price-value proposition. Your company intends to focus on this strategy of optimum coverage, so that we are able to further improve capacity utilization and develop economies of scale.

Plastic Segment Operations

The business landscape is becoming increasingly competitive every second and global market conditions are likely to remain recessionary for developed countries. International prices of raw materials have been fluctuating and this trend is likely to prevail in the future. This has made purchase decisions even more challenging, coupled with the depreciating Pakistani Rupee (PKR) and increasing cost of energy.

The plastic segment has performed well and achieved improvement on both capacity utilization and profitability measures. The company is committed to investing in R&D and manufacturing excellence to ensure that the final product meets customers' quality expectations. We are confident that the Company has the capability to sustain market challenges for positive results in the future.

Merger of Astro Plastics (Private) Limited with and into Ismail Industries Limited

The Honorable High Court Sindh has sanctioned the scheme of arrangement on September 22, 2016 resulting in the merger of Astro Plastics (Private) Limited with and into Ismail Industries Limited w.e.f. July 01, 2015. We would like to mention here that the said merger scheme was previously approved by the members of each company, unanimously, in their respective Extra-Ordinary General Meetings. As a consequence, the Company is to issue 9 ordinary shares

of Ismail Industries Limited of Rs. 10/- each against 100 ordinary shares of Rs. 10/- each of Astro Plastics (Private) Limited to their shareholders within ninety days of the effective date.

The amalgamation has successfully been implemented and we feel immense pleasure in presenting the enclosed financial statements under merged scenario.

By virtue of this merger, Ismail Industries Limited has further solidified its position as one of the largest companies in the country, with a diversified portfolio by virtue of food and plastic divisions (CPP& BOPET). Moreover, the merger also enabled the company to post the highest revenues in its history during current year of its operations. This was made possible due to the trust shown by valued customers in our brands, along with new business opportunities, that your Company is always eager to explore. The purpose of the merger is to operate and run the various businesses under one single management thereby achieving economies of scale and efficiency in operations.

One of the major benefits normally achieved through merger / amalgamation is synergy in operations, which is an important characteristic of merger decisions. The advantages that synergies offer include:

- Combining duplicate functions
- Better utilizing excess capacity in one or both organizations
- Achieving economies of scale
- Spreading of risk
- Reducing the cost of capital
- Better cash and inventory management
- Increased market presence

Investment in Hudson Pharma (Private) Limited

As part of our diversification strategy, the company has made long-term equity investment of Rs. 605 million in Hudson Pharma (Private) Limited by way of subscribing the un-subscribed portion of right shares offered to the Company shareholders, representing 71.29% of its share capital. By subscribing the substantial portion of the equity, Hudson Pharma (Private) Limited has become a subsidiary of Ismail Industries Limited.

Hudson Pharma aims to provide hospitals and health institutions in Pakistan with injectable medicines in polyethylene ampoules and bottles that are more sterile, easier and safer to administer. We intend on capturing a first mover advantage by being the first in Pakistan to market injectables packaged in plastic. In comparison to other dosage forms, injectables have less competition, locally and globally, given high barriers to entry. We believe the transition to plastic will be swift in Pakistan, provided all stakeholders involved in the administration of the injection are incentivized to switch. Apart from injectables, the company aims to become a leader in inhalation solutions available in single dose plastic ampoules.

For speedy execution, the company has already acquired 2.5 acres of land in Port Qasim Authority (PQA) and received approval of the building layout from both Drug Regulatory Authority of Pakistan (DRAP, formerly Ministry of Health) and PQA. The company has already imported and installed machineries namely a high-speed Blow-Fill-Seal (BFS) machine, water-for-injection plant, autoclave, manufacturing vessels and labeling machine from US and European countries,

with key machinery for HVAC system of European origin. We plan to self-distribute our products to large hospitals/institutions and utilize the service of third party distributors for smaller and rural hospitals/institutions in order to better utilize our working capital.

The Bank of Khyber Investment & Return

Company's investment in the Bank of Khyber continues to be highly profitable for the Company. The Bank's profit before tax for the year period ended June 30, 2016 stood at Rs. 1.746 billion as against Rs.1.289 billion for the corresponding period of last year which represents an increase of 35.45%. We are delighted to inform you that the Bank paid out a cash dividend of 12.50% for the year ended 31 December 2015, thus providing a return of Rs. 302 million on your investment in the Bank, as compared to Rs. 242 million for the year ended 31 December 2014.

Related Parties

The transactions between the related parties were made at arm's length basis, determined in accordance with the comparable uncontrolled prices method. The Company has fully complied with the best practices of the Code of Corporate Governance with reference to such transactions.

Risk Management Framework

Risks are broadly categorized between Strategic, Commercial, Operational and Financial risks. Upon identification of risks, a strategy is devised to mitigate its impact that is regularly monitored by the senior management. Your company regularly carries out assessment of current strategy and related quantum of acceptable risk by adequately assigning responsibilities throughout the organization. Risks are identified from across the organization and are ranked based on their impact and probability. While we believe we have identified and discussed below the key risk factors affecting our business, there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be significant, that may adversely affect our business, performance or financial condition in the future.

Research & Development

Research & Development continues to be the single most important factor driving growth for the company. As the consumer industry focuses on cost control, and an overall mindset of "more with less", innovation is the name of the game. The Research and Development department is tirelessly working to understand consumer needs and providing innovations on quality, durability, design and structure of products based on global trends. The department also plays a key role in supporting the customers in their cost control initiatives (especially in plastic film segment) as we see the growth of our customers' business as our success.

Information Technology

IT governance plays a primary role in businesses today, focusing on information sharing, timely and informed decision making and risk management by operational teams and business users. This is achieved through a well-defined system and guidelines for task initiation and execution. In addition to this, IT governance also assures that the projects related to information, business processes, applications and infrastructure comply with respective policies. The future of information technology at Ismail Industries Limited will continue to focus on integrated business processes with the aim of satisfying the needs of its external as well as internal users.

Internal Control Framework

The purpose of internal control framework, whilst ensuring conduct of business in smooth, orderly and efficient manner is to:

- Protect and safeguard the Company's assets;
- Prevent and detect fraud and error;
- Ensure the completeness and accuracy of the financial records;
- Comply with management policies and procedures.

The management of your Company believes in good corporate governance, implemented through a well-defined and efficiently applied system of checks and balances and the provision of transparent, accurate and timely management information. The Board of Directors has established a system of sound internal control that is effectively implemented at all levels within the Company. The Board of Directors and the Audit Committee of the Board regularly review the risk matrix in terms of impact and probability of occurrence and the Company's ability to continually assess market conditions and then react decisively.

The Board of Directors, through senior management, is responsible for ensuring the adequacy of system of internal control covering both business and financial aspects. The internal control system and compliance with the requirements are monitored through well-documented Standard Operating Procedures (SOPs) and a combination of audit reviews and periodic performance assessments.

The Board Audit Committee

The Committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, including the audit process, systems of internal control and risk management. It has the power to call for information from management and to consult directly with the external auditors and other advisors as considered appropriate.

Our Audit Committee comprises of four members, including three non-executive directors. The Chairman of the Committee is an Independent Director. The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

Corporate Sustainability

We believe it is important to give back to the society in which we thrive. Corporate Social responsibility at Ismail Industries Limited is not an obligation, on the contrary, it is a privilege to be of service to our society.

Human Resource & Remuneration Committee

The Human Resource & Remuneration Committee meets to review and recommend all elements of the compensation, organization and employee development policies relating to the senior executives, executive directors and members of the management committee. It comprises of four members, of two Non-Executive Directors, one Executive Director and one Independent Director. The committee met twice during the year 2016.

Our People & Us

The growth of the Company can be attributing largely to the tireless effort of its people. An important element of success is that the people own their organization. We ensure this by aligning the goals of our organization with those of our workforce. Our people are behind every aspect of our strategy. We believe that the way to grow as a business is to grow our people, enabling personal development and ambitious business results. We take pride in our engagement initiatives including development through a detailed Training Needs Analysis, Annual Conferences and other engagement activities.

For our strategy to work, we need our employees to believe in us and therefore we assess ourselves through employee engagement survey which measures their overall satisfaction levels of being part of the Company. In addition, regular interactive sessions are held to maintain motivational level and eliminate alienation within the team.

The Company continues to provide developmental opportunities to its employees at all levels, with the aim of enhancing their leadership, management and technical skills, to enable them to maximize their potential and help to achieve individual and organizational goals.

Compliance with Code of Corporate Governance

The Company is committed to high standards of Corporate Governance. There is no departure from the best practices of Corporate Governance. The Company has been and remains committed to the conduct of its business in line with the Code of Corporate Governance and Listing Regulations of Stock Exchanges in Pakistan.

- Financial statements prepared by the management of the Company for the year ended June 30, 2016 present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of accounts as required by the Companies Ordinance, 1984.
- The Company has followed consistent and appropriate accounting policies in the preparation of the financial statements. Changes wherever made have been adequately disclosed. Accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any deviation from these has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and continuously monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- The summary of key operating and financial data of the Company of last six years are annexed in this report.

Board of Directors Meetings

During the last business year, nine (9) meetings of the Board of Directors were held to cover its complete cycle of activities. Attendance by each Director was as follows:

Name of Director	Meetings Attended
Mr. Muhammad M. Ismail	9
Mr. Maqsood Ismail	9
Mr. Munsarim Saifullah	8
Mr. Hamid Maqsood Ismail	9
Mr. Ahmed Muhammad	9
Ms. Farzana Muhammad	7
Ms. Almas Maqsood	7
Ms. Reema Ismail Ahmed	7
Mr. Jawed Abdullah	8

Pattern of Shareholding

A statement of the general pattern of shareholding, along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework; and the statement of purchase and sale of shares by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, and their spouses including minor children during the year, is shown later in this report.

Dividend

The Board of Directors feels pleasure in recommending a cash dividend of 65% (Rs. 6.5/-per share) which will be paid to the shareholders whose names appear on the shareholders' register at the start of 'Closed Period' for the Annual General Meeting.

Auditors

The present auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants are retiring, and being eligible, have offered themselves for re-appointment. The Audit Committee has also recommended their re-appointment as the auditors of the Company for the year 2016-2017.

Consolidated Financial Statements

Consolidated Financial Statements for the year ended June 30, 2016 of the Company with its subsidiary Hudson Pharma (Private) Limited are attached.

Future Prospects

The year 2016 was a year of broad-based growth for the national economy as the Country reported positive trend in GDP growth, which signifies recovering investor confidence, positive economics sentiment, and increased business activity. In FY17, the government has plans for public and private sector development and resolving energy crisis. Low discount rate will further

encourage credit up take and investment in the economy. The year ahead, therefore, looks optimistic with fiscal consolidation, accommodative monetary policy and structural reforms in the pipeline.

The management believes that economic activity will show further improvement, which will in turn lead to increased consumption of consumer goods. For 2017, the management strategy is to focus on achieving double-digit volume growth. Furthermore, the Company will continue to focus on cost efficiencies, price rationalization and product mix realignment.

As part of diversification strategy, the company will continue to explore investment opportunities, despite rising competition in our various business segments. The company will continue to focus on improving shareholders' value by increasing and diversifying revenue and customer base, investment in new technology and business process efficiencies and will continue to deliver industry-leading results in the future.

We believe that the company is well positioned to capitalize on growth opportunities in the coming year and is working to enhance its product range and product capacity through innovation and further capacity enhancement that will be to the benefits of our shareholders, employees and customers.

Acknowledgement

On behalf of the Board of Directors, I would like to record our gratitude to extremely valued shareholders, customer, suppliers, contractors, bankers and other stakeholders for their support, trust and confidence. Thanks are due to the executive management and employees for their loyalty, dedication and hard work that enabled the company to achieve its objectives.

On behalf of the Board of Directors

(Maqsood Ismail)
Chief Executive

Karachi: October 17, 2016

آڈیٹرز

موجودہ آڈیٹرز میسرز گرانٹ ٹھارنٹن انٹرمیڈیٹس ریسٹائر ہو رہے ہیں اور اہل ہونے کے ناطے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے بھی سال 2016-17 کے لیے ان کی تقرری اجازت دے دی ہے۔

مجموعی مالی گوشوارے

سال ختمہ 30 جون 2016 کے حوالے سے کمپنی کے مجموعی مالی گوشوارے مع اس کے ذیلی ادارے ہڈسن فارما (پرائیویٹ) لمیٹڈ منسلک ہیں۔

مستقبل کی پیش بینی

سال 2016 قومی معیشت کے حوالے سے بہترین نمو کا سال تھا جس میں GDP کی نمو میں مثبت سرگرمی دیکھنے میں آئی۔ جس سے نہ صرف سرمایہ کاروں کا اعتماد بڑھا، مثبت معاشی معاملات اور کاروباری سرگرمیوں میں اضافہ ہوا۔ مالی سال 2017 میں پبلک اور پرائیویٹ سیکٹر کے ارتقاء اور توانائی کے بحران کے خاتمے کے لیے حکومت کے کچھ منصوبے ہیں۔ کم رعایتی نرخ سے کریڈٹ کو بڑھنے اور اقتصادی سرمایہ کاری کی مزید حوصلہ افزائی ہوگی۔ اسی لئے آنے والا سال مالی اعتبار سے زیادہ بہتر، مانیٹری پالیسی کے عین مطابق اور خدوخال میں بہتری لے کر آئے گا۔

انتظامیہ کو یقین ہے کہ اقتصادی سرگرمی مزید بہتری کے مواقع پیدا کرے گی، جس سے اشیاء صرف کی طلب میں اضافہ ہوگا۔ سال 2017 میں انتظامیہ کی حکمت عملی یہ ہوگی کہ وہ دو عددی حجم کے حصول پر اپنی توجہ مرکوز رکھے۔ مزید یہ کہ کمپنی قیمت کے لحاظ سے کارکردگی، قیمت کے لحاظ سے معیار اور پراڈکٹ کی وسیع رینج فراہم کرے۔ اس حکمت عملی کے تحت، کمپنی مختلف کاروباری طبقوں میں بڑھتے ہوئے مقابلے کے رجحان کے علاوہ سرمایہ کاری کے مواقعوں کو بھی وضع کرنے کا عمل جاری رکھے گی۔ کمپنی مالیات اور کسٹمر بیس میں بڑھوتری، نئی ٹیکنالوجی میں سرمایہ کاری اور کاروباری طریقہ کار میں بہتری کے عمل کو جاری رکھتے ہوئے مستقبل میں بہترین صنعتی نتائج کا اجراء کرے گی۔ ہمارا یقین ہے کہ کمپنی آنے والے سال میں ترقی کے مواقعوں کو اجاگر کرنے میں درست ہے اور اپنی پراڈکٹ رینج اور گنجائش کی جدت اور مزید گنجائش کے ذریعے بڑھانے کے لیے ہمہ وقت کوشاں ہے، جس سے ہمارے شیئر ہولڈرز، ملازمین اور کسٹمرز کو یکساں فائدہ حاصل ہوں گے۔

خراج تحسین

میں، بورڈ آف ڈائریکٹرز کی جانب سے اپنے انتہائی قابل احترام شیئر ہولڈرز، کسٹمرز، فراہم کنندگان، بینکرز اور دیگر اسٹیک ہولڈرز کا ان کی سپورٹ، اعتماد اور بھروسے کا تہہ دل سے ممنون و مشکور ہوں۔ ایگزیکٹو مینجمنٹ اور ملازمین بھی اس حوالے سے خراج تحسین کے مستحق ہیں کہ انہوں نے انتہائی خلوص، جانفشانی اور پنائیت کے ساتھ ان تمام معاملات کو چلایا اور کمپنی کو اس کے مقاصد کے حصول کے قابل بنایا۔

منجانب، بورڈ آف ڈائریکٹرز

مقصود اسماعیل

چیف ایگزیکٹو

کراچی: 17 اکتوبر، 2016

- مالی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل درآمد کیا جاتا ہے اور اس میں ہونے والا کسی بھی قسم کا انحراف یا تبدیلی برطابق بتائی اور واضح کی جاتی ہے۔
- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مستحکم ہے اور اسے مؤثر طور پر لاگو اور مسلسل مانٹر کیا جاتا رہا ہے۔
- موجودہ حالات میں کمپنی کی قابلیت پر کسی قسم کا کوئی شبہ نہیں ہے۔
- کمپنی کے اہم آپریٹنگ معاملات اور گزشتہ چھ سال کے کمپنی کے مالی کوائف اس رپورٹ کے ساتھ بطور ضمیمہ منسلک ہیں۔

بورڈ آف ڈائریکٹرز کا اجلاس

گزشتہ کاروباری سال کے دوران، تمام کاروباری سرگرمیوں کی تکمیل کے لیے مجموعی طور پر بورڈ آف ڈائریکٹرز کے 9 اجلاس ہوئے۔ ان اجلاس میں شرکت کرنے والے ڈائریکٹرز کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	شرکت شدہ اجلاس کی تعداد
جناب محمد ایم اسماعیل	9
جناب مقصود اسماعیل	9
جناب منصرم سیف اللہ	8
جناب حامد مقصود اسماعیل	9
جناب احمد محمد	9
مسماة فرزانہ محمد	7
مسماة الماس مقصود	7
مسماة ریما اسماعیل احمد	7
جناب جاوید عبداللہ	8

شیئر ہولڈنگ کا طریقہ کار

شیئر ہولڈنگ کے عمومی طریقہ کار کے گوشوارے مع ان مخصوص طبقے کے شیئر ہولڈرز کی شیئر ہولڈنگ جن کا رپورٹنگ فریم ورک میں واضح ہونا مطلوب ہے نیز ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی بکریٹری اور ان کے گھر والے بشمول چھوٹے بچوں کی جانب سے دوران سال خرید و فروخت کئے گئے شیئرز کا گوشوارہ اس رپورٹ میں بعد ازاں دکھایا جائے گا۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز 65% (6.5 روپے فی شیئر) کے منافع منقسمہ کی اجازت دیتے ہوئے مسرت محسوس کرتے ہیں، جو ان شیئر ہولڈرز کو جاری کئے جائیں گے، جن کے نام، سالانہ اجلاس عام کے اختتامی وقت کی شروعات پر شیئر ہولڈرز کے رجسٹر میں ظاہر ہوں۔

کاروباری استحکام

ہمارا یقین ہے کہ ہم جس معاشرے کا حصہ ہیں، اس معاشرے کی بہبود کے لیے ہمیں کچھ کرنا بھی چاہیے۔ اسماعیل انڈسٹریز لمیٹڈ میں کارپوریٹ سوشل ریسپانسیبیلٹی کوئی ذمہ داری نہیں ہے، بلکہ اس کے برعکس، ہمارے معاشرے کی خدمت کرنا ہمارا استحقاق ہے۔

ہیومن ریسورس اور معاوضہ کمیٹی

ہیومن ریسورس اور معاوضہ کمیٹی، مینجمنٹ کمیٹی کے سینئر ایگزیکٹوز، ایگزیکٹو ڈائریکٹرز اور دیگر ممبرز سے متعلق معاوضے، ادارے اور ملازمین کی بہبود کے حوالے سے پالیسیز کے ازسرنو جائزے اور سفارشات کے لیے ملتی ہے۔ اس میں دونوں ایگزیکٹو ڈائریکٹرز، ایک ایگزیکٹو ڈائریکٹر اور ایک آزاد خود مختار ڈائریکٹر سمیت کل چار ممبرز ہیں۔ سال 2016 میں کمیٹی کی دو میٹنگز ہوئیں۔

ہمارے لوگ اور ہم

کمپنی کی ترقی کی ایک بڑی وجہ ہمارے ملازمین کی انتھک محنت ہے۔ کامیابی کا ایک اہم عنصر یہ بھی ہے کہ یہ لوگ ادارے کو اپنا ادارہ سمجھتے ہیں۔ ہم کمپنی اور انفرادی قوت کے مفادات کو ہم آہنگ کر کے اس بات کو یقینی بناتے ہیں۔ ہمارے لائحہ عمل کے ہر پہلو کے پیچھے ہمارے ملازمین ہیں۔ ہمارا یقین ہے کہ کاروبار کی ترقی کاراز ہمارے لوگوں کی اجتماعی و انفرادی ترقی اور پُر عزم ارادے میں مضمر ہے۔ اس معاملے میں اٹھائے گئے ہر قدم، جیسا کہ ایک تفصیلی Training Needs Analysis، سالانہ کانفرنسز و دیگر پرہم فخر کرتے ہیں۔

ہمارے لائحہ عمل کی کامیابی کا انحصار ہمارے ملازمین کا ہم پر یقین ہے اور اسی لیے ہم Employee Engagement Survey کے ذریعے اپنا تقابلی جائزہ لیتے رہتے ہیں، جو کمپنی کا حصہ ہونے پر ان کے اطمینان کا احاطہ کرتا ہے۔ اس کے ساتھ ساتھ مرتب کردہ باقاعدہ ڈوبڈوسیشنز ان کے جذبے کو قائم رکھنے اور ٹیم ممبرز کے درمیان اجنبیت کو دور کرنے میں معاون ہیں۔

کمپنی نے لیڈر شپ، انتظامی و فنی مہارت و صلاحیتوں کے ساتھ اپنے ملازمین کو ترقی کے مواقع فراہم کرنے کا سلسلہ جاری رکھا ہوا ہے، تاکہ نہ صرف ان کی مخفی صلاحیتوں کو ابھارا جائے بلکہ ان کے انفرادی مقاصد اور ادارے کے اپنے اہداف کی بھی تکمیل ممکن ہو سکے۔

ادارتی ضابطہ اخلاق کی تکمیل

کمپنی اعلیٰ ترین ادارتی ضابطہ اخلاق کے عہد کی پابند ہے۔ کسی کو بھی ان ضابطہ اخلاق سے عاری قرار نہیں دیا جاسکتا ہے۔ کمپنی ادارتی ضابطہ اخلاق کی بہترین روایات اور پاکستان میں اشاک ایکس چینجر کے ساتھ جڑی رہے گی۔

سال ختمہ 30 جون 2016 کے حوالے سے کمپنی کی انتظامیہ کی جانب سے تیار شدہ مالی گوشوارے اس کے معاملات، آپریشنز کے نتائج، زرفند کی ترسیل اور ایکویٹی میں تبدیلی کو واضح کرتے ہیں۔

کمپنی نے کمپنیز آرڈیننس 1984 کے ضرورت کے مطابق کھاتوں کے مخصوص کتابچے تیار کئے ہوئے ہیں۔

کمپنی مالی گوشواروں کی تیاری میں مستقل اور مخصوص اکاؤنٹنگ پالیسیز پر عمل پیرا ہے۔ اس میں کی جانے والی تبدیلیوں کو بتایا گیا ہے۔ اکاؤنٹ کی تخمینیت موزوں اور محتاط اندازے کی بنیاد پر ہے۔

میں ذمے داری کی تسلی بخش تفویض کے ذریعے کرتی ہے۔ باوجود اس کے کہ ہمیں یقین ہے کہ ہم ان خطرے کے عوامل کی نشاندہی اور ذیل میں ان پر بات کر چکے ہیں جو ہمارے کاروبار پر اثر انداز ہوتے ہیں، تو وہیں کچھ اضافی خطرات اور غیر یقینی صورتحال ایسی بھی ہیں جن سے یا تو ہم تاحال ناواقف ہیں یا ہمیں یقین ہے کہ یہ ہمارے کاروبار، کارکردگی یا مالیاتی حالت کے لیے اتنے نقصان دہ نہیں۔

تحقیق وحدت (ریسرچ اینڈ ڈیولپمنٹ)

کمپنی کی ترقی میں ریسرچ اینڈ ڈیولپمنٹ واحد اور اہم ترین عنصر ہے۔ جیسا کہ کنزیومر انڈسٹری لاگت پر کنٹرول کرنے پر توجہ دے رہی ہے اور مجموعی طور پر جو ”کم میں زیادہ“ کا رجحان بنتا جا رہا ہے، یہی دراصل گیم چیئر ہے۔ ریسرچ اینڈ ڈیولپمنٹ ڈپارٹمنٹ صارفین کی ضروریات کو سمجھنے اور عالمی ترجحات کے مطابق پراڈکٹس کے اسٹریکچر میں معیار، پائیداری، ڈیزائن میں جدت لانے کے لیے انھیں محنت کر رہا ہے۔ ڈپارٹمنٹ، لاگت پر کنٹرول (خاص طور پر پلاسٹک فلم شعبہ میں) کے لیے بھی کسٹمرز سے بھرپور تعاون کر رہا ہے، کیونکہ ہم اپنے کسٹمرز کے کاروبار میں ترقی کو اپنی کامیابی سمجھتے ہیں۔

انفارمیشن ٹیکنالوجی

آئی ٹی گورننس، معلومات کی شیئرنگ، ہر وقت اور بر ملا فیصلہ کرنے کی صلاحیت اور خطرات کی مینجمنٹ پر توجہ دیتے ہوئے آج کل کے کاروبار میں ایک اہم کردار ادا کرتی ہے۔ اس مقصد کا حصول ایک منظم سسٹم اور قواعد کے تحت کام کی شروعات اور تکمیل سے کیا جاتا ہے۔ اس کے ساتھ ساتھ آئی ٹی گورننس، انفارمیشن، کاروباری طریقہ کار، ایپلی کیشنز اور انفراسٹرکچر کو ان کی متعلقہ پالیسیز کے مطابق انجام دہی کو یقینی بناتی ہے۔ مستقبل میں اسماعیل انڈسٹریز لمیٹڈ میں انفارمیشن ٹیکنالوجی کی بھرپور توجہ مربوط کاروباری معاملات کے اندرونی و بیرونی استعمال کنندگان کی ضروریات کی تکمیل پر رہے گی۔

انٹرنل کنٹرول فریم ورک

انٹرنل کنٹرول فریم ورک، کاروباری معاملات کے بہتر انتظام و انصرام کے ساتھ ساتھ مندرجہ ذیل مقاصد کے لیے ہے:

- کمپنی کے اثاثہ جات کی حفاظت
- دھوکا دہی اور بھول چوک کی نشاندہی اور ان سے تحفظ
- فنانشل ریکارڈز کی تکمیل اور درستگی کا یقین
- مینجمنٹ پالیسیز اور طریقوں پر عملدرآمد

ہماری کمپنی کی مینجمنٹ اچھی کارپوریٹ گورننس پر یقین رکھتی ہے، جو مستعدی سے رائج کیے گئے ”چیک اینڈ بیلنس“ سسٹم اور درست، شفاف اور معلومات کی بروقت مینجمنٹ کے ذریعے ممکن ہے۔ بورڈ آف ڈائریکٹرز کے وضع کردہ مضبوط انٹرنل کنٹرول کا سسٹم کمپنی میں ہر سطح پر رائج ہے۔ بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی باقاعدگی سے اثرات اور دوبارہ وقوع پذیر ہونے اور مارکیٹ کے حالات کے تجزیے اور ان پر بحل فیصلوں کے حوالے سے کمپنی کی صلاحیت کے حوالے سے ممکنہ خطرات کا جائزہ لے گی۔

سینئر مینجمنٹ کے ذریعے، بورڈ آف ڈائریکٹرز، انٹرنل کنٹرول سسٹم درست انداز میں چلانے کا ذمے دار ہے جس میں کاروباری اور مالیاتی دونوں پہلوؤں کا احاطہ ہوتا ہے۔ انٹرنل کنٹرول سسٹم اور ضروریات کے مطابق عملدرآمد کو جامع اسٹینڈرڈ آپریٹنگ پروسیجرز (SOPs) اور آڈٹ کے جائزوں اور وقتاً فوقتاً کارکردگی کے تجزیوں کے ذریعے جانچا جاتا ہے۔

بورڈ کی آڈٹ کمیٹی

مالیاتی اور عمومی انفارمیشن بالخصوص آڈٹ کا طریقہ کار، انٹرنل کنٹرول سسٹم اور خطرات کی مینجمنٹ کی جانچ اور شیئر ہولڈرز تک ترسیل کے لیے کمیٹی سال میں چار مرتبہ مل کر بورڈ کو معاونت فراہم کرتی ہے۔ مینجمنٹ سے انفارمیشن کا مطالبہ اور بیرونی آڈیٹرز اور انڈانرزز سے براہ راست رابطے کے اختیارات اسے تفویض کیے گئے ہیں۔

ہماری آڈٹ کمیٹی، تین نان ایگزیکٹو ممبرز سمیت گل چارمبرز پر مشتمل ہے۔ کمیٹی کا چیئر مین آزاد و خود مختار ڈائریکٹر ہے۔ اکاؤنٹ انفارمیشن پیش کرنے کے لیے چیف فنانشل آفیسر کو باقاعدگی سے کمیٹی کی میٹنگز میں مدعو کیا جاتا ہے۔ ہر میٹنگ کے بعد کمیٹی کا چیئر مین بورڈ کو رپورٹ فراہم کرتا ہے۔

- ☆ کمابٹنگ ڈیپلیٹ فنکشنز
- ☆ سرمایہ کی لاگت میں کمی
- ☆ ایک یادوں اداروں میں زائد گنجائش کا بہتر استعمال
- ☆ کیش اور انویسٹری مینجمنٹ میں بہتری
- ☆ معیاری معیشت کا حصول
- ☆ مارکیٹ میں زیادہ موجودگی
- ☆ خطرے کا پھیلاؤ

ہڈن فارما (پرائیویٹ) لمیٹڈ میں سرمایہ کاری

ہڈن فارما کا مقصد توسیع پسندانہ حکمت عملی کے تحت، کمپنی نے ہڈن فارما (پرائیویٹ) لمیٹڈ میں، کمپنی کے شیئرز ہولڈرز کو پیش کردہ غیر فروخت شدہ رائے شیئرز کی خریداری کر کے 605 ملین روپے کی سرمایہ کاری کی، جو کہ کل سرمائے کا 71.29% بنتا ہے۔ اس حساب سے ہڈن فارما (پرائیویٹ) لمیٹڈ، اب اسماعیل انڈسٹریز کا ذیلی ادارہ بن چکا ہے۔ ہسپتالوں اور صحت کے اداروں کو انجیکشن کے ذریعے دی جانے والی ادویات کی پالی اتھلیٹین ایپوز اور بوتلوں میں فراہمی ہڈن فارما کا نصب العین ہے، جو کہ جراثیم سے پاک، استعمال میں آسان اور محفوظ ہے۔ پاکستان میں ہماری پہلی ایسی کمپنی ہے جو انجیکشن کے ذریعے دی جانے والی ادویات کو پلاسٹک کی بوتلوں میں فراہم کرتی ہے اور ہم اس کا بھرپور فائدہ اٹھانا چاہتے ہیں۔ ادویات کی دیگر اقسام سے مسابقت میں انجیکشن کے ذریعے دی جانے والی ادویات میں مقامی و بین الاقوامی سطح پر کم مسابقت پائی جاتی ہے، کیونکہ اس شعبے میں داخل ہونے کے لیے بڑے سبب میل عبور کرنے پڑتے ہیں۔ اگر انجیکشن کا استعمال کرنے والے تمام متعلقین کو کوئی فائدہ پہنچایا جائے تو ہمارے مطابق پاکستان میں پلاسٹک کے استعمال میں اضافے کا رجحان نسبتاً تیز ہوگا، انجیکشن کے ساتھ ساتھ ہم سنگل ڈوز پلاسٹک ایمپول انہیلر فراہم کرنے والوں میں بھی لیڈر بننے کا ارادہ رکھتے ہیں۔

برق رفتار عملدرآمد کے لیے کمپنی، پہلے ہی سے پورٹ قاسم اتھارٹی میں 12.5 ایکڑ زمین حاصل کر کے بلڈنگ لے آؤٹ کی، ڈرگ ریگولیشن اتھارٹی آف پاکستان (سابقہ وزارت صحت) اور پورٹ قاسم اتھارٹی سے منظوری حاصل کر چکی ہے۔ کمپنی پہلے ہی تیز رفتار Blow-Fill-Seal مشین، Water-for-Injection پلانٹ، Autoclave، Manufacturing Vessels، اور لیبلنگ مشین، امریکہ اور یورپین ممالک سے درآمد کر کے انسٹال کر چکی ہے، جس میں سے HVAC سسٹم کے لیے اہم مشینری یورپ سے تعلق رکھتی ہے۔ ہم نے اپنے سرمائے کو بہتر انداز میں استعمال کرنے کے لیے بڑے ہسپتالوں/اداروں میں اپنی مصنوعات کو خود تقسیم کرنے، جبکہ چھوٹے اور دیہی علاقوں کے ہسپتالوں/اداروں میں تھریڈ پارٹی ڈسٹری بیوٹرز کے ذریعے تقسیم کا منصوبہ بنایا ہے۔

بینک آف خیبر میں سرمایہ کاری اور نفع

بینک آف خیبر میں کمپنی کی سرمایہ کاری، کمپنی کے لیے انتہائی منافع بخش ثابت ہو رہی ہے۔ 30 جون 2016 کو ختم شدہ مالی سال میں کمپنی کا قبل از ٹیکس منافع 1.746 بلین روپے رہا جو کہ گزشتہ سال کے منافع 1.289 بلین روپے کے مقابلے میں 35.45% زائد تھا۔ ہم انتہائی مسرت کے ساتھ آپ کو آگاہ کرتے ہیں کہ 31 دسمبر 2015 کو ختم شدہ سال کے لیے 12.50% کا منافع منقسمہ ادا کیا جا چکا ہے، اس لیے بینک میں آپ کی سرمایہ کاری پر 302 ملین روپے دیئے جارہے ہیں، جو کہ 31 دسمبر 2014 کو ختم شدہ سال میں 242 ملین روپے تھا۔

متعلقہ پارٹیز

متعلقہ پارٹیز کے مابین کاروباری معاملات غیر جانبدار انداز میں طے پائے، جو کہ غیر منضبط قیمتوں کے طریقہ کار کے مطابق تھے۔ کمپنی نے ایسے تمام معاملات کو ڈ آف کارپوریٹ گورننس کی روشنی میں طے کیے۔

خطرات کا انتظامی فریم ورک

خطرات کو عمومی طور پر اسٹریٹجک، کمرشل، آپریشنل اور فنانشل خطرات کی کیٹیگریز میں تقسیم کیا جاتا ہے۔ خطرے کی نشاندہی پرفوری لائحہ عمل تشکیل دیا جاتا ہے اور اس کے اثرات کی جانچ پڑتال سینئر مینجمنٹ، بہت تن دہی سے کرتی ہے۔ کسی بھی خطرے کے قابل برداشت اثرات کی جانچ پڑتال کے لیے ہماری کمپنی باقاعدگی سے موجودہ رائج شدہ اسٹریٹجی کا تجزیہ، ادارے

کے باوجود مجموعی منافع کی حدود میں بہتر مینجمنٹ پورٹفو لیو کے باعث 16% تک اضافہ ہوا ہے۔ کمپنی نے جدت اور سیکلز اور مارکیٹنگ میں مسلسل سرمایہ کاری کر کے منافع میں 8% تک اضافہ حاصل کیا ہے۔

غذائی شعبہ جات تین ڈیویژنز کینڈی لینڈ، بسکونی اور اسٹیک سٹی پر مشتمل ہے، جو کہ بالترتیب کنفیکشری، بسکٹ اور سیوری اسٹیکس مصنوعات بنارہے ہیں۔ آمدن اور مجموعی منافع میں دو ہرے ہندسہ کے اضافہ کی وجہ کمپنی کا جدت اور مارکیٹنگ میں مسلسل جدوجہد ہے۔ اس حکمت عملی کے مطابق کمپنی نئے مارکیٹس پر توجہ دے رہی ہے اور ساتھ ہی ان نئے ایریاز میں فروخت بڑھا رہی ہے۔ اضافی منافع بخش مصنوعات جن میں کینڈی لینڈ ریش میں جیلیز، چوکولیس اور کوکیز اور بسکونی پورٹفو لیو میں فلڈ بسکٹس ہیں، میں بہتر پورٹفو لیو مینجمنٹ پر توجہ کے باعث تمام تر غذائی شعبہ جات میں بہتری آئی ہے۔

کمپنی بسکٹ ڈیویژن کی گنجائش بڑھانے میں کوشاں ہے تاکہ ہماری پروڈکٹس کو کمزور نوٹا کی دستیاب طلب پوری کی جاسکے۔

مینجمنٹ، مڈل ایسٹ کی برآمدی مارکیٹس کے حالیہ چیلنجز ماحول سے نمٹنے کے لیے ویلیو ایڈڈ آئیٹمز کی برآمدات کے کئی آپشنز دریافت کر رہی ہے۔ آپ کی کمپنی کی ساکھ کو مزید مستحکم کرنے اور بحیثیت با اعتماد مینوفیکچرر بنانے کے لیے کنفیکشری، بسکٹ اور اسٹیک مینوفیکچرنگ کے لیے بہترین عالمی طریقے اپنا رہی ہے۔ آپ کی کمپنی ایسی نئی اور بہتر مصنوعات کا آغاز کرنے میں کوشاں ہے جو قیمت کا تناسب برقرار رکھتے ہوئے صارفین کی امیدوں پر پورا اترے۔ آپ کی کمپنی بہترین کوریج کی حکمت عملی پر توجہ دینے کا ارادہ رکھتی ہے تاکہ ہم گنجائش کا استعمال بڑھا سکیں اور معیشت بھی بڑھے۔

پلاسٹک شعبہ جات آپریشنز:

ترقی یافتہ ممالک کے لیے ہر سیکٹر کے ساتھ بزنس لینڈ اسکیپ مقابلتا بڑھ رہا ہے اور عالمی مارکیٹ کنڈیشنز میں تنزل کی کیفیت برقرار ہے۔ خام مال کی بین الاقوامی قیمتوں میں ردوبدل ہوتا رہتا ہے اور یہ رجحان مستقبل میں بھی رائج رہے گا۔ اس سے خرید میں مزید مشکلات کا سامنا رہے گا اور ساتھ ہی پاکستانی روپے کی قیمت گرے گی اور توانائی کی لاگت بڑھے گی۔ پلاسٹک شعبہ جات کی کارکردگی اچھی رہی ہے اور دونوں سطحوں یعنی گنجائش کے استعمال اور منافع کے معیارات میں بہتری حاصل ہوئی ہے۔ کمپنی تحقیقی شعبہ میں سرمایہ کاری کرنے کا عزم رکھتی ہے اور بہترین مینوفیکچرنگ کر رہی ہے تاکہ یہ یقین دلایا جاسکے کہ فائل پروڈکٹ صارف کو درکار معیار کی توقعات پر پورا اترتی ہے۔ ہم پر اعتماد ہیں کہ مستقبل میں کمپنی مثبت نتائج کے لیے مارکیٹ چیلنجز کا سامنا کرنے کی صلاحیت رکھتی ہے۔

ایسٹرو پلاسٹک (پرائیویٹ) لمیٹڈ کا اسمبلنگ انڈسٹریز کے ساتھ ضم ہونا:

قابل احترام ہائی کورٹ سندھ نے 22 ستمبر 2016 کو انضمام کی اسکیم کی منظوری دے دی ہے، جس کے تحت یکم جولائی، 2015 کو ایسٹرو پلاسٹک (پرائیویٹ) لمیٹڈ، اسمبلنگ انڈسٹریز کے ساتھ ضم ہوا۔ ہم یہاں اس بات کی وضاحت کرنا چاہیں گے کہ اس انضمامی اسکیم کو پہلے ہر کمپنی کے ممبران کی طرف سے اُن کے غیر معمولی اجلاس عام میں منظور کیا گیا تھا۔ نتیجتاً کمپنی کو اسمبلنگ انڈسٹریز کے 10 روپے کے 9 عام شیئرز، جبکہ ایسٹرو پلاسٹک (پرائیویٹ) لمیٹڈ کے ہر 10 روپے کے 100 عام شیئرز مؤثر تاریخ سے نوے دن کے اندر اندر اُن کے شیئرز ہولڈرز کو جاری کرنا ہو گئے۔

یہ انضمام کامیابی کے ساتھ پورا کیا گیا اور ہم اس انضمام کے تحت منسلک مالیاتی گوشوارے پیش کرنے میں انتہائی خوشی محسوس کرتے ہیں۔

اس انضمام کی بدولت اور غذائی اور پلاسٹک شعبہ جات کے مختلف پورٹفو لیو کے باعث اسمبلنگ انڈسٹریز لمیٹڈ کی حیثیت ملک کی ایک بڑی کمپنی کے طور پر مزید مستحکم ہوئی ہے۔ مزید یہ کہ یہ انضمام کمپنی کو اس قابل بھی بناتا ہے کہ وہ اس سال کے اپنے آپریشنز کے دوران سب سے زیادہ آمدن پیدا کرے۔ یہ سب ممکن ہوا جب ہماری مصنوعات پر عزیز صارفین نے بھروسہ کیا اور نئی کاروباری آسامیاں پیدا ہوئیں کیونکہ آپ کی کمپنی ہمیشہ کچھ نیا دریافت کرنے میں کوشاں رہی ہے۔ اس انضمام کا مقصد ایک واحد مینجمنٹ کے تحت کئی کاروبار چلانا ہے، اس طرح معیاری معیشت اور آپریشنز میں کارکردگی نظر آ رہی ہے۔

ایک بڑا فائدہ جو اس طرح کے انضمام سے حاصل ہوتا ہے وہ ہے آپریشنز میں باہمی تعاون، جو کہ اس کی ایک اہم خصوصیت ہے۔ باہمی تعاون کے تحت جو فوائد حاصل ہوتے ہیں، وہ یہ ہیں:

کمپنی کے ڈائریکٹر 30 جون 2016 کو ختم ہونے والے سال کے لیے کارکردگی کا جائزہ، آڈٹ رپورٹ اور کمپنی کی مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کرتے ہیں۔

کاروباری جھلکیاں:

جائزے کے تحت اس سال کو ملک میں چیلنجنگ معاشی اور کاروباری ماحول کے لحاظ سے بیان کیا گیا ہے، باوجود اس کے کہ آپ کی کمپنی نے 20 بلین روپے کا مجموعی ٹرن اوور اور 1 بلین روپے کا کل منافع حاصل کیا۔ اس سال کے دوران کمپنی اپنے قابل قدر اسٹاک ہولڈرز کو زیادہ سے زیادہ منافع فراہم کرنے کے لیے ایسٹروپلاسٹک (پرائیویٹ) لمیٹڈ کے ساتھ ضم ہونے کا فیصلہ کیا ہے۔ اس انضمام کا مقصد ایک مینجمنٹ کے تحت کئی کاروباروں کو چلانا ہے اور آپریشنز میں باہمی تعاون حاصل کرنا ہے۔ مینجمنٹ اس انضمام کے ذریعے فائدے اٹھانا چاہتی ہے، بذریعہ معیشت میں بہتری اور مینجمنٹ کے مہارت۔ آخر کار شیئر ہولڈرز کی قدر قیمت میں اضافہ ہو رہا ہے۔

اس سال کے مالیاتی نتائج شیئر ہولڈرز کی امیدوں پر پورے اترتے ہیں جس کی بنیادی وجہ کمپنی کی پورے سال کی کارکردگی ہے۔ کمپنی نے یہ سال 40% کی پیداوار کے ساتھ مکمل کیا ہے اور آمدنی میں اضافہ 24% رہا۔ مجموعی حد میں اس ضم کے باعث معمولی کمی آئی ہے کیونکہ پلاسٹک شعبہ جات کے خام مال کی لاگت کل لاگت کے بڑے حصے پر مشتمل ہوتی ہے نسبتاً غذائی شعبہ جات کے۔ تاہم مینجمنٹ مستقبل میں ان رجحانات میں اضافے کی امید رکھتی ہے۔

بتایا گیا ہے کہ حالیہ معاشی پالیسیز اور مستحکم میکرو اکنامک ماحول کے رائج ہونے سے کمپنی مستقبل میں بھی اچھی کارکردگی دینے کے لیے تیار ہے۔ عالمی سطح پر تیل کی قیمتوں میں کمی کے باعث صارفین کی خرید میں اضافہ ہوا ہے۔ جس سے استعمال میں معمولی اضافہ ہوا ہے۔ مہنگائی کی شرح سب سے کم سطح پر آگئی ہے، اس طرح پروڈیکٹس کے لیے اچھا سرمایہ کارانہ ماحول پیدا ہو رہا ہے جس سے مستقبل کی پیداوار میں اضافہ ہوگا۔ نتیجتاً کمپنی کو نئی سرمایہ کاریاں اور پروڈیکٹس کرنے میں مالیاتی سطح پر استحکام ملے گا۔

مالیاتی کارکردگی:

سال کے لیے مالیاتی کارکردگی مندرجہ ذیل ہے:

تفصیل	30 جون 2016	30 جون 2015	تبدیلی فیصد
مجموعی فروخت	20,004	14,317	40%
کل فروخت	17,008	12,242	39%
مجموعی منافع	3,109	2,476	26%
کل فروخت کا فیصد	18.3%	20.2%	-9%
قبل از ٹیکس منافع	1,292	771	68%
کل فروخت کا فیصد	7.6%	6.3%	21%
بعد از ٹیکس منافع	1,002	640	57%
کل فروخت کا فیصد	5.9%	5.2%	13%
فی شیئر آمدنی۔ روپے	15.70	12.66	24%

غذائی شعبہ جات کے آپریشنز:

تمام کارکردگی غذائی شعبہ جات میں 16% کی تمام تر مجموعی فروخت کے ساتھ مثبت رجحان دیتی ہے۔ مقامی فروخت کی پیداوار 18% تھی جبکہ معاشی فقدان اور جی سی سی اور دیگر مڈل ایسٹ مالک میں قانون کے فقدان کی وجہ سے برآمدی فروخت میں 27% تک کمی آئی ہے۔ تمام حد طلب میں کمی، سستی درآمدات اور کمپنی کی مصنوعات کی فروخت کی قیمتوں میں دباؤ

Statement of Compliance with the Code of Corporate Governance

Ismail Industries Limited **For the year ended June 30, 2016**

This statement is being presented to comply with the Code of Corporate Governance (the Code), set out in the listing regulations of Pakistan Stock Exchange Limited, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code, in the following manner:

1. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Mr. Jawed Abdullah
Executive Directors	Mr. Maqsood Ismail Mr. Hamid Maqsood Ismail Mr. Munsarim Saifullah
Non-Executive Directors	Mr. Muhammad M. Ismail Mr. Ahmed Muhammad Ms. Farzana Muhammad Ms. Almas Maqsood Ms. Reema Ismail Ahmed

The independent director meets the criteria of independence under clause 5.19.1 (b) of the Code.

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to Banking Company, a Development Financial Institution or a Non-Banking Financial Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has adopted 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.

6. The Company has developed a Vision/Mission Statement and traditionally, maintains and follows the overall corporate strategy and significant policies designed to best practices. The Board considers any significant amendments to the policies, as and when required. However, a complete record of particulars of significant policies along with the dates on which these were enacted has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, based on the significance of the matters involved, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other Executive Directors, have been taken by the Board.
8. All 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least 7 days before the meetings except for meetings held on short notice to discuss the urgent matters. The minutes of the meetings were appropriately recorded and circulated.
9. Three directors meet the criteria of exemption under clause (xi) of the Code, and are accordingly exempted from directors training program. The Company will take necessary steps for training of rest of the directors before the end of June 30, 2018.
10. The Chief Financial Officer, including his remuneration and terms and conditions of employment were duly approved by the Board. Whereas Company Secretary and Head of Internal Audit were appointed prior to the implementation of the Code. The remuneration and terms and conditions in case of future appointments on these positions will be approved by the Board.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The Financial Statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of four members, three of whom are Non-Executive Directors and one is an Independent Director who is Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of four members, two of whom are Non-Executive Directors, One Executive Director and one is an Independent Director. The Chairperson of the Committee is a Non-Executive Director.
18. The Board has set-up an effective Internal Audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company and involved in the Internal Audit function on a full time basis.
19. 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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed International Federation of Accountants guidelines in this regard.
21. The “closed period”, prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company’s Securities, was determined and intimated to Directors, employees and Stock Exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchanges.
23. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors.
24. We confirm that all material principles enshrined in the Code have been complied with except for any exception already disclosed hereinabove.

On behalf of the Board of Directors

(Maqsood Ismail)
Chief Executive

Karachi: October 17, 2016

Review Report to the Members on Statement of compliance with the Code of Corporate Governance

We have reviewed the enclosed statement of compliance (the statement) with the best practices contained in the Code of Corporate Governance (the code) prepared by the board of directors of Ismail Industries Limited (the Company) for the year ended June 30, 2016 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the code is that of the board of directors (the Board) of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the code and report if it does not and to highlight any non-compliance with the requirements of the code. 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 code.

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's 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 code requires 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 of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the statement does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the code as applicable to the Company for the year ended June 30, 2016.

Grant Thornton Anjum Rahman

Chartered Accountants
Khaliq-ur-Rahman

Karachi

Dated: October 17, 2016

Auditors' Report to the Members of Ismail Industries Limited

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

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

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

- a. in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b. in our opinion-
 - i. The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - ii. The expenditure incurred during the year was for the purpose of the Company's business; and
 - iii. The business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

- c. In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d. In our opinion 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.

Emphasis of Matter

We draw attention to note 1.2 and note 16.1 to the financial statements which describe effects of the merger of Astro Plastics (Private) Limited (APL) with and into the Company in the current year. As the merger is effective from July 01, 2015, the current year profit and loss includes results of operations of APL from July 01, 2015 to June 30, 2016. The comparative figures are not restated as mentioned in the same note. Our opinion is not qualified on this matter.

Karachi
Date: October 17, 2016

Grant Thornton Anjum Rahman
Chartered Accountants
Khaliq ur Rahman
Engagement Partner

Balance Sheet

as at June 30, 2016

	Note	2016	2015
		----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	7,978,134,510	4,372,072,916
Long term investments	5	4,272,437,640	3,178,355,067
Long term deposits	6	56,549,476	47,687,783
Total non-current assets		12,307,121,626	7,598,115,766
Current assets			
Stores and spares	7	152,434,952	84,765,314
Stock-in-trade	8	5,749,920,212	5,196,389,762
Trade debts	9	1,181,827,121	778,548,491
Advances-considered good	10	143,600,964	115,953,099
Short term investments	11	37,447,999	-
Trade deposits and short term prepayments	12	32,346,886	30,276,202
Other receivables	13	439,041,263	34,482,045
Taxation-net	14	499,693,704	408,344,617
Cash and bank balances	15	60,140,043	29,092,389
Total current assets		8,296,453,144	6,677,851,919
Total assets		20,603,574,770	14,275,967,685

The annexed notes 1 to 45 form an integral part of these financial statements.

Balance Sheet

as at June 30, 2016

	Note	2016	2015
		----- Rupees -----	
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorized capital 250,000,000 (2015: 100,000,000) ordinary shares of Rs. 10 each		2,500,000,000	1,000,000,000
Issued, subscribed and paid-up capital	16	505,207,500	505,207,500
Capital to be issued pursuant to amalgamation	16.2	132,840,000	-
Reserves	17	5,360,837,355	3,469,954,968
Total shareholders' equity		5,998,884,855	3,975,162,468
Non-current liabilities			
Sponsors' loan-subordinated	18	902,151,770	602,151,770
Long term finances-secured	19	4,346,412,901	2,736,454,358
Liabilities against assets subject to finance lease	20	148,441,628	84,436,492
Deferred liabilities	21	800,247,964	647,740,169
Total non-current liabilities		6,197,254,263	4,070,782,789
Current liabilities			
Trade and other payables	22	1,583,216,525	820,336,751
Accrued mark-up	23	80,996,630	92,907,394
Short term finances-secured	24	4,447,779,750	4,039,905,924
Current portion of:			
- long term finances	19	2,073,367,018	1,098,327,169
- liabilities against assets subject to finance lease	20	112,247,286	41,597,336
Advances from customers		109,828,443	136,947,854
Total current liabilities		8,407,435,652	6,230,022,428
Total liabilities		14,604,689,915	10,300,805,217
Contingencies and commitments	25		
Total equity and liabilities		20,603,574,770	14,275,967,685

The annexed notes 1 to 45 form an integral part of these financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Profit and Loss Account

for the year ended June 30, 2016

	Note	2016 ----- Rupees -----	2015
Sales	27.1	20,004,048,716	14,317,046,845
Sales tax	26	(2,996,077,699)	(2,075,516,907)
Net Sales		17,007,971,017	12,241,529,938
Cost of sales	27.2	(13,898,515,479)	(9,765,721,666)
Gross profit		3,109,455,538	2,475,808,272
Selling and distribution expenses	29	(1,367,414,895)	(1,053,432,207)
Administrative expenses	30	(191,999,710)	(142,082,691)
Operating profit		1,550,040,933	1,280,293,374
Other operating expenses	31	(131,731,992)	(77,856,734)
Other income	32	166,135,001	91,216,593
		1,584,443,942	1,293,653,233
Finance cost	33	(798,382,202)	(730,350,564)
		786,061,740	563,302,669
Share of profit from associated undertaking	5.2.3	506,400,223	207,684,856
Profit before tax		1,292,461,963	770,987,525
Taxation	36	(290,595,071)	(131,421,060)
Profit for the year		1,001,866,892	639,566,465
Earnings per share - basic and diluted	37	15.70	12.66

The annexed notes 1 to 45 form an integral part of these financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Statement of Comprehensive Income

for the year ended June 30, 2016

	Note	2016 ----- Rupees -----	2015
Profit for the year		1,001,866,892	639,566,465
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Loss on remeasurements of post employment benefit obligations-net of tax	21.1.7	(7,403,824)	(16,598,100)
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Unrealized appreciation during the year on re-measurement of investment classified as available for sale-net of tax	5.3.1 & 11	8,174,613	4,900,000
Share of other comprehensive income from associate-net of tax	5.2.3	274,507,139	95,002,267
Other comprehensive income-net of tax		275,277,928	83,304,167
Total comprehensive income for the year		<u>1,277,144,820</u>	<u>722,870,632</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Cash Flow Statement

for the year ended June 30, 2016

	Note	2016 ----- Rupees -----	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	39	1,957,353,346	1,737,754,759
Gratuity paid	21.1.3	(18,900,707)	(12,452,794)
Income tax paid (net of refund)		(214,233,283)	(234,277,795)
Long term deposits (paid) / received		(2,380,384)	5,100,464
Net cash generated from operating activities		1,721,838,972	1,496,124,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(1,598,151,069)	(966,555,134)
Long term investment		(605,984,000)	(1,796,335,105)
Short term investment		(36,545,584)	-
Dividend received		302,048,789	241,639,031
Proceeds from disposal of property, plant and equiprr	4.2	4,163,000	76,940,301
Net cash used in investing activities		(1,934,468,864)	(2,444,310,907)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from long term financing-net		1,320,568,184	1,338,466,881
Lease repayments net of sale and lease back		122,593,335	(35,593,726)
Payment against purchase of shares		(9,333,303)	-
Sponsors' Loan		-	250,000,000
Interest / mark-up paid		(866,463,857)	(746,250,962)
Dividend paid		(302,595,909)	(783,732)
Net cash generated from financing activities		264,768,450	805,838,461
Net increase / (decrease) in cash and cash equivalents		52,138,558	(142,347,812)
Cash and cash equivalents at beginning of the year		(630,342,533)	(487,994,721)
Transfer from APL		(1,068,721,172)	-
Cash and cash equivalents as at end of the year		(1,646,925,147)	(630,342,533)
Cash and cash equivalents as at end of the year comprise of:			
Cash and bank balances	15	60,140,043	29,092,389
Running finance utilized under mark-up arrangements	24	(1,707,065,190)	(659,434,922)
		(1,646,925,147)	(630,342,533)

The annexed notes 1 to 45 form an integral part of these financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Statement of Changes in Equity

for the year ended June 30, 2016

	Share capital	Capital to be issued pursuant to amalgamation	Capital reserve			Revenue reserve	Total reserves	Total shareholders' equity
			Share premium	Amalgamation reserves	Share of AFS remeasurement from associate	Unappropriated profit		
----- Rupees -----								
Balance as at July 01, 2014	505,207,500	-	579,265,000	-	13,296,291	2,155,365,472	2,747,926,763	3,253,134,263
Profit for the year	-	-	-	-	-	639,566,465	639,566,465	639,566,465
Other comprehensive income	-	-	-	-	95,002,267	(11,698,100)	83,304,167	83,304,167
Total comprehensive income for the year	-	-	-	-	95,002,267	627,868,365	722,870,632	722,870,632
Transactions with owners recognized directly in equity:								
Final dividend for the year ended June 30, 2014 @ Rs. 2.25 per share	-	-	-	-	-	(842,427)	(842,427)	(842,427)
Balance as at June 30, 2015	505,207,500	-	579,265,000	-	108,298,558	2,782,391,410	3,469,954,968	3,975,162,468
Profit for the year	-	-	-	-	-	1,001,866,892	1,001,866,892	1,001,866,892
Other comprehensive income	-	-	-	-	274,507,139	770,789	275,277,928	275,277,928
Total comprehensive income for the year	-	-	-	-	274,507,139	1,002,637,681	1,277,144,820	1,277,144,820
Capital to be issued pursuant to amalgamation	-	132,840,000	-	-	-	-	-	132,840,000
Reverse be arising on amalgamation	-	-	-	916,862,067	-	-	916,862,067	916,862,067
Transactions with owners recognized directly in equity:								
Final dividend for the year ended June 30, 2015 @ Rs. 6 per share	-	-	-	-	-	(303,124,500)	(303,124,500)	(303,124,500)
Balance as at June 30, 2016	505,207,500	132,840,000	579,265,000	916,862,067	382,805,697	3,481,904,591	5,360,837,355	5,998,884,855

The annexed notes 1 to 45 form an integral part of these financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Notes to the Financial Statements

for the year ended June 30, 2016

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 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 effective January 11, 2016 the shares of the company are now quoted on Pakistan Stock Exchange. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astro films' respectively.
- 1.2 **AMALGAMATION OF ASTRO PLASTICS (PVT) LIMITED (APL) WITH AND INTO ISMAIL INDUSTRIES LIMITED**

On February 01, 2016, the Board of Directors of the Company had passed a resolution authorizing the Company to explore the viability of the potential merger between Astro Plastics (Private) limited (APL) with and into the Company. The Company had engaged the services of various consultants and decided on a swap ratio in exchange of shares for APL and a scheme of amalgamation (the scheme) was filed in High Court of Sindh after approval from the Board of Directors and shareholders of the Company and APL on May 30, 2016.

The High Court of Sindh through its order dated September 22, 2016 has sanctioned the scheme. Pursuant to this sanction, the entire business of APL including Properties, Assets, Liabilities, and the Rights and Obligations of APL have been amalgamated into and vest in the Company with effect from the effective date as mentioned in the scheme i.e., on July 1, 2015. In consideration, 13,284,000 fully paid ordinary shares of Rs. 10 each are to be issued to the registered shareholders of Astro Plastics (Private) limited. For division of shares, the registered shareholders of APL will be given 9 ordinary shares of Ismail Industries Limited for 100 ordinary shares of Astro Plastics (Private) limited on the basis of swap ratio 0.09 : 1.

This amalgamation was accounted for in the books using predecessor's accounting method as it was a business combination of entities under common control and therefore scoped out of IFRS-3 'Business Combinations'. The net assets of APL have been incorporated at their net carrying amount in the books as on June 30, 2015 and the difference in value of the net assets and shares as issued above has been carried in the equity under the head "Amalgamation Reserve". Furthermore, the acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination occurred. Consequently, these financial statements do not reflect the results of the acquired entity for the period before the transaction occurred and the corresponding amounts for the previous year presented are also not restated.

2 Basis of Preparation

2.1 Statement of compliance

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

2.2 Standards, Amendments and Interpretations to Approved Accounting Standards

2.2.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation	Effective Date
IFRS 10 - Consolidated Financial Statements	January 1, 2015
IFRS 11 - Joint Arrangements	January 1, 2015
IFRS 12 - Disclosure of Interests in other Entities	January 1, 2015
IFRS 13 - Fair Value Measurement	January 1, 2015
IAS 27 - Separate Financial Statements	January 1, 2015
IAS 28 - Investments in Associates and Joint Ventures	January 1, 2015

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended June 30, 2015 and 2016.

2.2.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on June 01, 2015 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

2.2.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date
IAS 1 - Disclosure Initiative (Amendments to IAS 1 Presentation of Financial Statements)	January 1, 2016
IFRS 10, IFRS 12 and IAS 28 - Investment Entities : Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
Annual Improvements to IFRSs 2012 - 2014 Cycle	January 1, 2016
IAS 16 and IAS 41 - Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	January 1, 2016
IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 1, 2016

IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	January 1, 2016
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IAS 7 - Disclosure Initiative (Amendments to IAS 7)	January 1, 2017
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IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	January 1, 2017
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The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

2.2.4 Standards, amendments and interpretations to the published standards that are early adopted by the Company

Standard or Interpretation

IAS 27 - Equity method in Separate Financial Statements (Amendments to IAS 27)	January 1, 2016
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2.2.5 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP).

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 15 - Revenue from Contracts with Customers	January 1, 2018
IFRS 9 - Financial Instruments (2014)	January 1, 2018
IFRS 16 - Leases	January 1, 2019

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention except certain financial assets and liabilities which have been stated at fair value or amortized cost and staff retirement benefits which have been recognized at values determined by independent actuary.

These financial statements comprise balance sheet, profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity and notes to the financial statements and have been prepared under the accrual basis of accounting except for cash flow information.

2.4 Use of critical accounting estimates and judgments

The preparation of 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 financial statements:

	Note
a) Property, plant and equipment	2.4.1
b) Stock-in-trade, stores and spares	2.4.2
c) Trade debts and other receivables	2.4.3
d) Income taxes	2.4.4
e) Staff retirement benefits	2.4.5
f) Impairment	2.4.6

2.4.1 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.

2.4.2 Stock-in-trade, stores and spares

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

2.4.3 Trade debts and other receivables

Impairment loss against doubtful trade and other debts is made on a judgmental basis, where provision may differ in the future years based on the actual experience.

2.4.4 Income taxes

In making the estimate for income taxes currently payable by the Company, the management refer to the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 21.1.1 to the 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.

2.4.6 Impairment

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If such evidence exists, the recoverable amount of the asset is estimated and impairment losses are recognized as an expense in the profit and loss account.

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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

3.1.1 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. Capital work-in-progress is stated at cost. 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 profit and loss as and when incurred. Major renewals and improvements are capitalized.

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 4 to the financial statements. Depreciation on leasehold land is charged to income applying the straight-line method at rates given in note 4 to the financial statements whereby the cost is written off over the lease term. Depreciation on additions is charged from the month in which they are put to use and on disposals up to the month of disposal.

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

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

3.1.2 Leased

Leased assets in terms of which the Company assumes substantially all the risks and rewards incidental to ownership are capitalized at the inception of the lease at the fair value of leased assets or, if lower, at the present value of the minimum lease payments.

The outstanding obligations under the lease excluding finance charges allocated to future periods are shown as liability. Financial charges are allocated to the accounting periods in a manner so as to provide a constant rate of charge on the outstanding obligation.

3.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost. 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.

3.2 Investment

The Company determines the classification of its investments at the time of acquisition of investment and re-evaluate this classification on a regular basis. The existing investment portfolio of the Company has been categorized as follows.

Classification of investments

3.2.1 Investments in subsidiaries

Investment in subsidiaries are initially recognized and carried at cost. 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 profit and loss account. 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 profit and loss account.

3.2.2 Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting. 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 of the associate after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

3.2.3 Investment - Available for sale

These are investments that are intended to be held for an indefinite period of time which may be sold in response to need for liquidity or changes to interest rates, exchange rates or equity prices.

Available for sale investments are initially recognized at fair value plus transaction costs, and are subsequently carried at fair value. Changes in the fair value are recognized in other comprehensive income.

3.3 Financial instruments

All financial assets and liabilities are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the instrument, These are initially measured at fair value, and subsequently re-measured at fair value or amortized cost as the case may be.

Financial assets carried on the balance sheet include long term investments (note 5), long term deposits (note 6), trade debts (note 9), advances (note 10), trade deposits (note 12), other receivables (note 13), cash and bank balances (note 15).

Financial liabilities carried on the balance sheet include Sponsors' loans (note 18), long term finances (note 19), liabilities against assets subject to finance lease (note 20), trade and other payables (note 22), accrued mark-up (note 23) and short term finances (note 24).

Financial assets or a part thereof is derecognized when the Company loses control of the contractual rights that comprise the financial asset or part thereof. Financial liabilities or a part thereof is removed when it is extinguished, i.e. the obligation specified in contract is discharged, cancelled or expired.

3.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.5 Long term deposits

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

3.6 Stores and spare parts

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

3.7 Stock-in-trade

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

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

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

3.8 Trade debts and other receivables

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

3.9 Cash and cash equivalents

For the purposes of cash flow statement, 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 running finances under mark up arrangements. In the balance sheet, finances under mark-up arrangements are included in current liabilities.

3.10 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 recognized in the profit and loss account except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

3.11 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 profit and loss account in the period in which they are incurred.

3.12 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 21.1, using the projected unit credit method.

3.13 Taxation

3.13.1 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.

3.13.2 Deferred

Deferred tax is recognized using the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

3.14 Provisions

Provisions are recognized in the balance sheet 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.

3.15 Ijarah

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as Ijarah. Payments made under Ijarah contracts are charged to profit and loss on a straight-line basis over the period of the Ijarah.

3.16 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.

3.17 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. It is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates / discounts, sales tax and other similar allowances. Revenue is recognized on the following basis:

- 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.
- b) Processing income is recognized when services are rendered.
- c) Gain and 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 income, other than those from investments in associates, are recognized at the time the right to receive payment is established.

3.18 Foreign currency translation

Transactions in foreign currencies are accounted for in rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the balance sheet date are expressed in rupee at rates of exchange prevailing on that date except where forward exchange cover is obtained for payment of monetary liabilities, in which case the contracted rates are applied. 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 profit and loss account.

3.19 Functional and presentation currency

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

3.20 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.

3.21 Dividend distribution

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

3.22 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.

3.23 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.

4 PROPERTY, PLANT AND EQUIPMENT

Operating assets

Capital work in progress - at cost

Note 2016 2015
Rupees Rupees

4.3
7,277,200,910 4,132,933,736
700,933,600 239,139,180
7,978,134,510 4,372,072,916

2016	Owned assets										Leased assets		Grand total
	Leasehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles	Sub-total	Plant and machinery	Vehicles	Sub-total		
Rupees													
As at June 30, 2015													
Cost	53,136,745	1,084,369,625	4,782,729,617	41,459,562	62,650,392	13,402,365	152,569,559	6,190,317,865	200,156,071	54,822,382	254,978,453	6,445,296,318	
Accumulated depreciation	(4,174,600)	(342,754,439)	(1,773,594,666)	(19,161,127)	(26,046,156)	(8,707,702)	(73,805,366)	(2,248,244,056)	(49,877,074)	(14,241,452)	(64,118,526)	(2,312,362,582)	
Net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	4,132,933,736	
June 30, 2015													
Opening net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	4,132,933,736	
Transfer from APL													
Cost	148,313,358	490,225,952	2,729,978,134	10,611,361	11,803,718	1,397,584	7,502,798	3,399,832,905	24,581,143	-	24,581,143	3,424,414,048	
Accumulated depreciation	(12,638,809)	(68,695,617)	(589,042,631)	(3,278,030)	(3,100,761)	(735,608)	(3,891,380)	(702,382,636)	(5,312,874)	-	(5,312,874)	(707,695,710)	
	135,674,549	400,530,335	2,140,935,503	7,333,331	8,702,957	661,976	3,611,418	2,697,450,069	19,268,269	-	19,268,269	2,716,718,338	
Additions / Transfers from CWIP	225,000,000	59,526,140	721,375,853	5,629,707	10,795,051	3,807,159	3,237,026	1,029,370,936	64,098,224	46,193,810	110,292,034	1,139,682,970	
Transfer from leased assets to owned assets													
Cost	-	-	72,629,407	-	-	-	5,108,535	77,737,942	(72,629,407)	(5,108,535)	(77,737,942)	-	
Accumulated depreciation	-	-	(28,009,413)	-	-	-	(2,183,940)	(30,193,353)	28,009,413	2,183,940	30,193,353	-	
	-	-	44,619,994	-	-	-	2,924,595	47,544,589	(44,619,994)	(2,924,595)	(47,544,589)	-	
Disposal													
Cost	-	-	-	-	-	(48,000)	(5,783,298)	(5,831,298)	-	-	-	(5,831,298)	
Accumulated depreciation	-	-	-	-	-	13,122	4,133,007	4,146,129	-	-	-	4,146,129	
	-	-	-	-	-	(34,878)	(1,650,291)	(1,685,169)	-	-	-	(1,685,169)	
Depreciation charge	(5,024,575)	(110,165,780)	(543,619,481)	(2,934,847)	(4,949,086)	(1,279,983)	(15,211,000)	(683,184,752)	(17,303,798)	(9,940,415)	(27,244,213)	(710,428,965)	
Closing net book amount	404,612,119	1,091,505,881	5,372,446,820	32,326,626	51,153,158	7,848,937	71,675,941	7,031,569,482	171,721,698	73,909,730	245,631,428	7,277,200,910	
As at June 30, 2016													
Cost	426,450,103	1,634,121,717	8,306,713,011	57,700,630	85,249,161	18,559,108	162,634,620	10,691,426,350	216,206,031	95,907,657	312,113,688	11,003,542,038	
Accumulated depreciation	(21,837,984)	(542,615,836)	(2,934,266,191)	(25,374,004)	(34,096,003)	(10,710,171)	(90,958,679)	(3,659,858,868)	(44,484,333)	(21,997,927)	(66,482,260)	(3,726,341,128)	
Net book amount	404,612,119	1,091,505,881	5,372,446,820	32,326,626	51,153,158	7,848,937	71,675,941	7,031,569,482	171,721,698	73,909,730	245,631,428	7,277,200,910	
Depreciation rate (%)	1 to 3.03	10	10 to 3.33	10	10	20	20	20	10	20	20	20	

*The company has purchased Head office building amounting to Rs. 263,403,500 from Mr. Maqsood Ismail, CEO of Ismail Industries Limited. The title of the property is in process of transferring.

4.1 The depreciation expense has been allocated as follows:

	Note	2016	2015
		Rupees	
Cost of sales	28	690,109,434	372,543,499
Selling and distribution expenses	29	8,018,011	6,480,958
Administrative expenses	30	12,301,520	15,433,481
		710,428,965	394,457,938

The following is a statement of operating assets:

2015	Owned assets										Leased assets			Grand total
	Leasehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles	Sub-total	Plant and machinery	Vehicles	Sub-total			
Rupees														
As at June 30, 2014														
Cost	87,352,995	990,712,377	3,806,144,367	40,248,862	55,326,340	12,565,986	97,965,718	5,090,316,645	200,156,071	67,677,876	267,833,947	5,358,150,592		
Accumulated depreciation	(9,074,506)	(269,159,282)	(1,500,215,697)	(16,877,992)	(23,013,558)	(7,744,752)	(50,034,742)	(1,876,120,329)	(33,426,802)	(22,006,887)	(55,433,689)	(1,931,554,016)		
Net book amount	78,278,489	721,553,095	2,305,928,670	23,370,870	32,312,982	4,821,234	47,930,976	3,214,196,316	166,729,269	45,670,989	212,400,258	3,426,596,574		
June 30, 2015														
Opening net book amount	78,278,489	721,553,095	2,305,928,670	23,370,870	32,312,982	4,821,234	47,930,976	3,214,196,316	166,729,269	45,670,989	212,400,258	3,426,596,574		
Additions / Transfers from CWIP	-	93,657,248	976,585,250	1,210,700	7,785,822	960,379	39,864,827	1,120,064,226	-	23,570,044	23,570,044	1,143,634,270		
Transfer from leased assets to owned assets	-	-	-	-	-	-	-	-	-	-	-	-		
Cost	-	-	-	-	-	-	36,425,538	36,425,538	-	(36,425,538)	(36,425,538)	-		
Accumulated depreciation	-	-	-	-	-	-	(16,101,369)	(16,101,369)	-	16,101,369	16,101,369	-		
Disposal	-	-	-	-	-	-	20,324,169	20,324,169	-	(20,324,169)	(20,324,169)	-		
Cost	(34,216,250)	-	-	-	(461,770)	(124,000)	(21,686,524)	(56,488,544)	-	-	-	(56,488,544)		
Accumulated depreciation	5,915,990	-	-	-	378,203	39,513	7,315,667	13,649,373	-	-	-	13,649,373		
	(28,300,260)	-	-	-	(83,567)	(84,487)	(14,370,857)	(42,839,171)	-	-	-	(42,839,171)		
Depreciation charge for the year	(1,016,084)	(73,595,157)	(273,378,969)	(2,283,135)	(3,411,001)	(1,002,463)	(14,984,922)	(369,671,731)	(16,450,272)	(8,335,934)	(24,786,206)	(394,457,937)		
Closing net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	4,132,933,736		
As at June 30, 2015														
Cost	53,136,745	1,084,369,625	4,782,729,617	41,459,562	62,650,392	13,402,365	152,569,559	6,190,317,865	200,156,071	54,822,382	254,978,453	6,445,296,318		
Accumulated depreciation	(4,174,600)	(342,754,439)	(1,773,594,666)	(19,161,127)	(26,046,156)	(8,707,702)	(73,805,366)	(2,248,244,056)	(49,877,074)	(14,241,452)	(64,118,526)	(2,312,362,582)		
Net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	4,132,933,736		
Depreciation rate (%)	1 to 3.03	10	10 to 33	10	10	20	20	3,942,073,809	150,278,997	40,580,930	190,859,927	4,132,933,736		

4.2 Following items of property, plant and equipment were disposed off during the year:

	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain	Mode of disposal	Particulars of buyer
..... Rupees							
Mode of disposal - negotiation							
<i>Vehicles</i>							
Honda Civic	1,879,000	1,238,122	640,878	1,065,000	424,122	Negotiation	Sumera Mansoori
	837,520	735,527	101,993	540,000	438,007	Negotiation	Auto Mall
Toyota Corolla	1,479,000	957,307	521,693	1,250,000	728,307	Insurance claim	EFU General Insurance
Toyota Hilux	834,000	725,806	108,194	700,000	591,806	Negotiation	M. Islam Khan
Suzuki Mehran	449,000	341,400	107,600	335,000	227,400	Negotiation	M. Islam Khan
Sub-total	5,478,520	3,998,162	1,480,358	3,890,000	2,409,642		
Aggregate of assets disposed off having net book amount below Rs. 50,000 each							
Vehicles	304,778	144,201	160,577	223,000	62,423		
Computer	48,000	3,766	44,234	50,000	5,766		
Sub-total	352,778	147,967	204,811	273,000	68,189		
2016 - total	5,831,298	4,146,129	1,685,169	4,163,000	2,477,831		
2015 - total	56,488,544	13,649,373	42,839,171	76,940,301	34,101,130		

Note 2016 2015
-----Rupees-----

4.3 Capital work-in-progress

Civil works	663,357,334	132,818,371
Plant and machinery	37,576,266	106,225,807
Equipment and fittings	-	95,002
4.3.1	700,933,600	239,139,180

4.3.1 Movement of capital work in progress:

	Civil works	Plant and machinery	Equipment and fittings	Total
-----Rupees-----				
Balance as at July 1, 2014	64,098,212	352,120,105	-	416,218,317
Capital expenditure incurred during the year	162,377,407	730,690,952	7,880,824	900,949,183
Transferred to operating fixed assets	(93,657,248)	(976,585,250)	(7,785,822)	(1,078,028,320)
Balance as at June 30, 2015	132,818,371	106,225,807	95,002	239,139,180
Transfer from APL	-	3,306,321	-	3,306,321
Capital expenditure incurred during the year	590,065,103	649,419,991	10,700,049	1,250,185,143
Transferred to operating fixed assets	(59,526,140)	(721,375,853)	(10,795,051)	(791,697,044)
Balance as at June 30, 2016	663,357,334	37,576,266	-	700,933,600

5	LONG TERM INVESTMENTS	Note	2016	2015
			-----Rupees-----	
5.1	Investment in subsidiary Company - unquoted shares			
	Hudson Pharma (Private) Limited	5.1.1	605,984,000	-
5.2	Investment in associated undertakings			
	Novelty Enterprises (Private) Limited	5.2.1	228,763,991	229,724,069
	The Bank of Khyber	5.2.2	3,142,849,649	2,663,030,998
			<u>3,371,613,640</u>	<u>2,892,755,067</u>
5.3	Other investment - Available for sale			
	Bank Islami Pakistan Limited	5.3.1	294,840,000	285,600,000
			<u>4,272,437,640</u>	<u>3,178,355,067</u>
5.1.1	Hudson Pharma (Private) Limited			

During the year, Ismail Industries Limited acquired 60,598,400 shares of Hudson Pharma (Private) Limited, which is equivalent to 71.29% of total paid up capital, as a result of right issue which was not fully subscribed by the existing shareholders. The company is incorporated under companies ordinance 1984 as a private company limited by shares. The registered office of the company is located at 17 Bangalore Town, Main Shahrah-e-Faisal Karachi. Principal activities of the company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical drugs and medicines. However, the company has not commenced commercial operations yet. The shares of Hudson Pharma (Private) Limited are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of Hudson Pharma (Private) Limited is June 30. Fair value of shares as at April 23, 2016 is 45.12 per share.

5.2.1 Novelty Enterprises (Private) Limited

The Company holds 33% (2015: 33%) voting and equity interest in Novelty Enterprises (Private) Limited (NEL). The shares of NEL are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of NEL is June 30.

Total equity / net assets of NEL as at June 30, 2016 based on un-audited financial statements amounted to Rs. 561.53 million (2015: Rs. 561.57 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated August 12, 2011 fair value of fixed assets of NEL amounted to Rs. 730.48 million resulting in surplus on fixed assets of Rs. 196.767 million. Revised net assets after the revaluation surplus amounted to Rs.758.30 million (2015: Rs. 758.34 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

NEL has not commenced operations as of the reporting date and hence the investment is stated at cost.

5.2.2 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (2015: 24.16%). 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 financial statements have been taken from reviewed condensed interim financial information of the Bank for the six-month periods ended June 30, 2016 and June 30, 2015. 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, 2016 was Rs. 3,032.57 million (June 30, 2015: Rs. 2,658.029 million)

These investments are accounted for under the equity method. The aggregate amount of the associates recognized in these financial statements are as follows:

5.2.3

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	2016	2015	2016	2015
	-----Rupees-----			
Balance as at July 1	2,663,030,998	1,085,647,801	229,724,069	229,724,069
Purchase during the year	-	1,516,335,105	-	-
Share of profit/(loss) relating to profit and loss account	507,360,301	207,684,856	(960,078)	-
Dividend received	(302,048,789)	(241,639,031)	-	-
Share of other comprehensive income/(loss)	313,722,444	108,574,019	-	-
Related deferred tax on OCI	(39,215,305)	(13,571,752)	-	-
	274,507,139	95,002,267	-	-
Balance as at June 30	3,142,849,649	2,663,030,998	228,763,991	229,724,069

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	2016	2015	2016	2015
	-----Rupees-----			
Assets	174,742,697,000	142,457,192,000	561,548,132	561,799,657
Liabilities	157,644,972,000	127,507,833,000	12,695	230,195
Revenue	4,446,644,000	4,102,330,000	-	-
Profit / (loss)	2,100,192,000	1,385,721,000	(34,025)	(56,825)

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 associates. The Company has received cash dividend from Bank of Khyber during the year amounting to Rs 1.25 per shares (2015: Rs. 1.00)

	Note	2016	2015
		-----Rupees-----	
5.3.1 Bank Islami Pakistan Limited			
Carrying value of investment		285,600,000	280,000,000
Unrealized appreciation in value of investments		9,240,000	5,600,000
Fair value of investments		294,840,000	285,600,000
6 LONG TERM DEPOSITS			
Lease - Conventional		40,104,601	41,231,346
Less: Current maturity - Conventional		(1,760,700)	(9,160,535)
		38,343,901	32,070,811
Lease - Islamic		1,350,634	1,350,634
Less: Current maturity - Islamic	12	(1,350,634)	-
		-	1,350,634
Utilities		10,648,503	9,566,461
Others		7,557,072	4,699,877
		56,549,476	47,687,783
7 STORES AND SPARES			
Stores		88,026,477	61,368,692
Spare parts		53,655,983	21,466,073
Diesel and liquefied petroleum gas (LPG)		1,252,300	1,928,149
Others		9,500,192	2,400
		152,434,952	84,765,314

7.1 Reconciliation of provision for slow moving spare parts

	Note	2016			
		Stores	Spare parts	Diesel and LPG	Others
		----- Rupees -----			
Stock - gross		95,537,897	53,655,983	1,252,300	9,500,192
Provision for slow moving					
- opening		(6,971,420)	-	-	-
- charge for the year	28.3	(540,000)	-	-	-
- closing		(7,511,420)	-	-	-
Stock - net		88,026,477	53,655,983	1,252,300	9,500,192
		2015			
		Stores	Spare parts	Diesel and LPG	Others
		----- Rupees -----			
Stock - gross		68,340,112	21,466,073	1,928,149	2,400
Provision for slow moving					
- opening		(6,431,420)	-	-	-
- charge for the year	28.3	(540,000)	-	-	-
- closing		(6,971,420)	-	-	-
Stock - net		61,368,692	21,466,073	1,928,149	2,400

	Note	2016	2015
----- Rupees -----			
8 STOCK-IN-TRADE			
Raw materials	8.1 & 8.2	3,951,251,890	3,100,457,782
Packing materials	8.1 & 8.2	354,703,036	437,320,823
Work-in-process	28	65,927,451	36,844,384
Finished goods	8.1	1,378,037,835	1,621,766,773
		<u>5,749,920,212</u>	<u>5,196,389,762</u>

	Note	2016		
		Raw materials	Packing materials	Finished goods
----- Rupees -----				
8.1 Reconciliation of provision for stock-in-trade		3,964,656,168	505,035,141	1,378,037,835
Stock-in-trade (gross)				
Provision for slow moving				
- opening		(13,404,278)	(149,276,255)	-
- charge for the year		-	(32,400,000)	-
- written off	28.2	-	31,344,150	-
- closing		(13,404,278)	(150,332,105)	-
Stock-in-trade (net)		<u>3,951,251,890</u>	<u>354,703,036</u>	<u>1,378,037,835</u>

	Note	2015		
		Raw materials	Packing materials	Finished goods
----- Rupees -----				
8.1.1		3,113,862,060	586,597,078	1,621,766,773
Stock-in-trade (gross)				
Provision for slow moving				
- opening		(13,404,278)	(136,820,000)	-
- charge for the year		-	(33,647,770)	-
- written off	28.2	-	21,191,515	-
- closing		(13,404,278)	(149,276,255)	-
Stock-in-trade (net)		<u>3,100,457,782</u>	<u>437,320,823</u>	<u>1,621,766,773</u>

- 8.2 This includes raw materials and packing materials in transit amounting to Rs. 148,924,096 (June 30, 2015: Rs. 56,861,972) and Rs. Nil (June 30, 2015: Rs. 6,870,951).

	Note	2016	2015
		-----Rupees-----	
9 TRADE DEBTS			
Considered good			
-export-secured		138,962,888	84,094,131
-local- unsecured		1,042,864,233	694,454,360
		1,181,827,121	778,548,491
Considered doubtful		39,964,885	36,364,885
Trade debts - gross		1,221,792,006	814,913,376
Provision for doubtful debts - opening balance		(36,364,885)	(28,264,885)
Charge for the year	29	(3,600,000)	(8,100,000)
Provision for doubtful debts - closing balance		(39,964,885)	(36,364,885)
Trade debts - net		1,181,827,121	778,548,491

- 9.1 Certain trade debts were found to be doubtful and provision has been recorded accordingly. The doubtful trade debts are mostly due from customers in the business-to-business market.

	Note	2016	2015
		-----Rupees-----	
9.2 Age analysis			
More than 45 days but not more than 3 months		117,994,471	66,560,600
More than 3 months but not more than 6 months		86,321,571	54,728,202
More than 6 months but not more than 1 year		72,572,721	25,197,087
		276,888,763	146,485,889
10 ADVANCES - considered good			
Secured, considered good			
- advances to employees	10.1	16,487,156	11,425,460
Unsecured			
- advances to suppliers		122,683,014	98,948,774
- advances to others		4,430,794	5,578,865
		143,600,964	115,953,099

- 10.1 These include advances to employees against salary. The reconciliation of amounts due from executives and non-executives of the Company is given as follows:

	2016	2015
	-----Rupees-----	
Amount due from executives		
Opening balance	2,496,500	435,000
Disbursement during the year	7,169,500	3,725,000
Repayments during the year	(3,474,170)	(1,663,500)
Closing balance	6,191,830	2,496,500
Amount due from other than executives		
Opening balance	8,928,960	7,106,162
Transfer From APL	110,691	-
Disbursement during the year	57,561,671	29,994,401
Repayments during the year	(56,305,996)	(28,171,603)
Closing balance	10,295,326	8,928,960

	Note	2016 -----Rupees-----	2015
11 Short term investment - available for sale			
Cost of investment	11.1	36,545,584	-
Unrealized appreciation in value of investments		902,415	-
Fair value of investments		<u>37,447,999</u>	<u>-</u>

11.1 During the year, the company has purchased 100,000 shares each of United Bank Limited and Habib Bank Limited.

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - unsecured		9,194,168	4,049,304
Short term prepayments		20,041,384	17,066,363
Current maturity of lease deposits-			
<i>Conventional</i>	6	1,760,700	9,160,535
<i>Islamic</i>	6	1,350,634	-
		<u>32,346,886</u>	<u>30,276,202</u>

13 OTHER RECEIVABLES

Export rebate		34,012,974	32,815,701
Sales tax receivable		299,166,683	-
Collector of customs		-	97,221
Federal excise duty		2,885,549	1,568,223
Other receivables	13.2	102,976,057	900
		<u>439,041,263</u>	<u>34,482,045</u>

13.1 Other receivables have been reviewed for impairment and none have been found to be impaired.

13.2 This amounts includes Rs.100.217 million due from Nazir of the High court as refer in note 25.1.6.

	Note	2016 -----Rupees-----	2015
14 TAXATION - net			
Advance income tax		666,825,126	498,212,928
Provision for taxation	36	(167,131,422)	(89,868,311)
		<u>499,693,704</u>	<u>408,344,617</u>

15 CASH AND BANK BALANCES

Cash in hand		2,460,524	2,095,344
Cash with banks in:			
- current accounts - conventional		47,091,543	25,780,553
- current accounts - islamic		10,587,976	1,216,492
		<u>60,140,043</u>	<u>29,092,389</u>

16 ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL

2016	2015		
50,520,750	50,520,750	Ordinary shares of Rs. 10 each fully paid in cash	505,207,500
			<u>505,207,500</u>

16.1 RESERVE ARISING ON AMALGAMATION

As detailed in Note 1.2, following are the carrying amounts of assets and liabilities transferred from Astro Plastics (Private) Limited pursuant to the scheme of merger. The difference between the net assets acquired and share capital to be issued against those net assets as at June 30, 2015 has been recorded as 'Amalgamation Reserve'. Subsequent to merger, adjustments have been made to the carrying amount of assets for changes in estimates and significant judgment areas and this has been accounted for in the amalgamation reserve.

Assets		Rupees
Property, plant and equipment		2,720,024,659
Long term deposits		6,481,309
Stores and spares		30,040,851
Stock-in-trade		1,242,895,469
Trade debts		407,484,399
Advances - considered good		29,895,516
Trade deposits and short term prepayments		375,000
Other receivables		396,592,052
Taxation - net		46,241,157
Cash and bank balances		3,615,288
Total Assets - A		4,883,645,700
Sponsors' loan - subordinated		300,000,000
Advance against future issue of shares		9,333,303
Long term finances - secured		1,264,430,208
Liabilities against assets subject to finance lease		12,061,751
Deferred liabilities		7,802,351
Trade and other payables		622,996,459
Accrued mark-up		56,170,891
Short term finances - secured		1,561,148,670
Total Liabilities - B		3,833,943,633
Net assets acquired (A-B)		1,049,702,067
Less: Shares to be issued pursuant to amalgamation	16.2	132,840,000
Amalgamation reserves		916,862,067

16.2 This represent the amount of share capital to be issued as a consideration for net assets acquired due to the merger. The company is presently in process of completing certain legal requirements with respect to issuance and allotment of shares.

17 RESERVES	Note	2016	2015
		-----Rupees-----	
Capital Reserve			
- Share premium	17.1	579,265,000	579,265,000
- Share of AFS re-measurement from associate		382,805,697	108,298,558
- Reserve arising due to amalgamation	16.1	916,862,067	-
Revenue Reserve			
- Unappropriated profit		3,481,904,591	2,782,391,410
		5,360,837,355	3,469,954,968

17.1 This represents share premium on right shares issued @ Rs. 20 per share. This reserve can be utilized by the Company for the purpose specified in section 83(2) of the Companies Ordinance, 1984.

18 SPONSORS' LOAN - subordinated	2016	2015
	-----Rupees-----	
Opening balance	602,151,770	352,151,770
Additions received during the year	-	250,000,000
Transfer from APL	300,000,000	-
Closing balance	902,151,770	602,151,770

18.1 The Company has obtained interest free loan from its sponsors. The sponsors have entered into agreements with the Company and various banks in which they have undertaken to sub-ordinate their loans and their claims over the Company's assets. These loans will convert within one year to ordinary shares after the merger of Astro Plastics (Private) Limited with the Company and are under advance stage of discussion for conversion to ordinary shares. The required formalities would be completed once final decision and agreement has been reached.

19 LONG TERM FINANCES - secured

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of installments	2016 ----- Rupees -----	2015 -----
<u>Loans from banking companies and financial institutions</u>						
CONVENTIONAL						
Habib Bank Limited						
- Term finance	Quarterly	2012-2017	3 month KIBOR + 1.75%	19	7,894,736	39,473,684
- Term finance	Monthly	2013-2017	1 month KIBOR + 1.60%	42	23,809,522	80,952,380
- Term finance	Monthly	2017-2019	1 month KIBOR + 0.5%	36	300,000,000	-
Bank Al-Habib Limited						
- Term finance	Monthly	2014-2019	1 month KIBOR + 1%	48	90,000,000	120,000,000
MCB Bank Limited						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1.5%	54	49,780,000	74,668,000
NIB Bank Limited						
- Term finance	Monthly	2014-2017	1 month KIBOR + 1.5%	42	28,568,343	74,999,550
United Bank limited						
- Term finance	Monthly	2011-2016	1 month KIBOR + 1%	60	-	7,499,982
Allied Bank Limited						
- Term finance	Monthly	2015-2020	3 month KIBOR + 1%	60	364,359,701	459,410,045
- Term finance	Monthly	2011-2016	3 month KIBOR + 1.5%	60	-	73,333,366
- Term finance	Monthly	2011-2016	3 month KIBOR + 1.5%	60	-	8,333,314
- Term finance	Monthly	2016-2021	3 months KIBOR + 1%	60	314,670,000	-
Askari Bank Limited						
- Term finance	Monthly	2015-2018	1 month KIBOR + 0.75%	36	319,447,196	486,111,111
Pak Brunei Investment Company Limited						
- Term finance	Quarterly	2017-2020	3 month KIBOR + 1%	12	200,000,000	-
Balance carried forward					1,698,529,498	1,424,781,432

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of installments	2016 ----- Rupees -----	2015
<u>Loans from banking companies and financial institutions</u>						
<i>CONVENTIONAL</i>						
Balance brought forward					1,698,529,498	1,424,781,432
Pak Oman Investment Company						
- Term finance	Quarterly	2014-2018	3 month KIBOR + 1%	20	86,558,000	126,562,000
- Term finance	Monthly	2016-2021	1 month KIBOR + 1%	60	275,000,000	-
- Term finance	Monthly	2014-2019	1 month KIBOR + 1%	60	116,666,675	156,666,671
Bank Alfalah Limited						
- Term finance	Monthly	2014-2018	3 month KIBOR + 1%	60	80,000,000	120,000,000
- Term finance / LTFF	Quarterly	2017-2027	3 month KIBOR + 1% / SBP+1%	40	148,460,000	-
Soneri Bank Limited						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	50,000,008	75,000,004
The Bank of Punjab						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	99,999,992	149,999,996
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	124,999,994	174,999,998
Samba Bank Ltd						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	150,800,000	213,200,000
- Term finance	Monthly	2017-2019	1 month KIBOR + 0.5%	36	500,000,000	-
JS Bank Limited						
- Term finance	Monthly	2014-2017	1 month KIBOR + 1.25%	42	10,833,335	29,404,763
- Term finance	Monthly	2016-2020	1 month KIBOR + 0.75%	42	193,069,498	-
Faysal Bank Limited						
- Term finance	Quarterly	2013-2018	3 months KIBOR + 1.5%	20	45,000,000	-
Balance carried forward					3,579,917,000	2,470,614,864

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of installments	2016 ----- Rupees -----	2015
Balance brought forward					3,579,917,000	2,470,614,864
- Term finance	Quarterly	2016-2019	3 months KIBOR + 1.5%	13	407,029,760	-
- Term finance	Quarterly	2018-2021	3 months KIBOR + 10%	16	300,000,000	-
National Bank of Pakistan						
- Term finance	Quarterly	2013-2018	3 months KIBOR + 1.5%	20	45,000,000	-
- Term finance	Quarterly	2016-2019	3 months KIBOR + 1.1%	13	408,666,500	-
Islamic						
Habib Bank Limited						
- Islamic financing	Monthly	2014-2018	1 month KIBOR + 1%	48	99,999,992	149,999,996
- Islamic financing	Monthly	2016-2021	1 month KIBOR + 0.75%	60	500,000,000	500,000,000
MCB Islamic Bank Ltd						
- Islamic finance	Quarterly	2018-2022	3 month KIBOR + 0.75%	20	350,000,000	-
Dubai Islamic Bank Pakistan Limited						
- Term finance	Monthly	2014-2019	1 month KIBOR + 1%	60	175,000,000	235,000,000
- Term finance	Monthly	2015-2019	1 month KIBOR + 0.75%	48	354,166,667	479,166,667
- Term finance	Monthly	2017-2021	3 months KIBOR + 1%	16	200,000,000	-
					6,419,779,919	3,834,781,527
Less: Current portion of long term finances shown under current liabilities - conventional					(1,725,867,014)	(863,327,161)
Less: Current portion of long term finances shown under current liabilities - islamic					(347,500,004)	(235,000,008)
					<u>4,346,412,901</u>	<u>2,736,454,358</u>

19.1 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.

20 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

Under the agreements, lease rentals are payable in 36 to 60 equal monthly 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 7.14% to 8.49% (2015: 8.51% to 11.98%) per annum and financing from islamic banks carry mark-up at rates ranging from 7.10% to 8.49% 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 the assets held under finance lease arrangement is Rs. 245.631 million (2015: Rs. 190.860 million) (refer note 4).

These are secured against deposits of Rs 40.10 million (2015: Rs 42.582 million), title of ownership of leased assets and personal guarantees of the directors of the Company.

The minimum lease payments for which the Company has committed to pay in future under the lease agreements are due as follows:

	2016			2015		
	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments
----- (Rupees in '000) -----						
<i>Conventional</i>						
Up to one year	81,832,728	10,839,659	70,993,069	46,844,700	8,614,664	38,230,036
Later than one year but not later than five years	120,324,780	5,566,043	114,758,737	87,546,525	6,292,008	81,254,316
	<u>202,157,508</u>	<u>16,405,702</u>	<u>185,751,806</u>	<u>134,391,225</u>	<u>14,906,672</u>	<u>119,484,352</u>
<i>Islamic</i>						
Up to one year	45,773,598	4,519,381	41,254,217	3,753,920	386,620	3,367,300
Later than one year but not later than five years	38,168,879	4,485,988	33,682,891	3,249,536	67,561	3,182,176
	<u>83,942,477</u>	<u>9,005,369</u>	<u>74,937,108</u>	<u>7,003,456</u>	<u>454,181</u>	<u>6,549,476</u>
			Note	2016	2015	
				----- Rupees -----		

21 DEFERRED LIABILITIES

Provision for staff gratuity scheme - unfunded	21.1	125,731,188	93,334,560
Deferred tax liability	21.2	674,516,776	554,405,609
		<u>800,247,964</u>	<u>647,740,169</u>

21.1 Staff retirement benefits - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2016, using the "Projected Unit Credit Method". Provision has been made in the 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:

21.1.1 Significant actuarial assumptions	Note	2016	2015
<i>Financial assumptions</i>			
Discount rate (per annum)		9.00%	11.00%
Expected rate of increase in salaries (per annum)		9.00%	11.00%
<i>Demographic assumptions</i>			
Mortality rates (for death in service)		Adjusted SLIC 2001-2005 60 years	Adjusted SLIC 2001-2005 60 years
Retirement assumption			
21.1.2 Balance sheet reconciliation			
Present value of defined benefit obligation	21.1.3	125,731,191	93,334,560
Fair value of plan assets		-	-
Net liability in balance sheet		<u>125,731,191</u>	<u>93,334,560</u>

	Note	2016	2015
		----- Rupees -----	
21.1.3 Movement in the defined benefit obligation			
Present value of defined benefit obligation as at July 1		93,334,560	60,300,119
Transfer from APL		7,802,351	-
Current service cost		22,809,176	14,048,680
Interest cost		9,955,631	7,029,584
Re-measurement on obligation	21.1.7	10,730,180	24,408,971
Payments during the year		(18,900,707)	(12,452,794)
Present value of defined benefit obligation as at June 30		125,731,191	93,334,560

21.1.4 Movement in the net liability in the balance sheet is as follows:

Opening balance of net liability		93,334,560	60,300,119
Transfer from APL		7,802,351	-
Charge for the year	21.1.5	32,764,807	21,078,264
Re-measurements recognized in 'Other Comprehensive Income'	21.1.7	10,730,180	24,408,971
Payments during the year		(18,900,707)	(12,452,794)
Closing balance of net liability		125,731,191	93,334,560

21.1.5 The amounts recognized in the profit and loss account against defined benefit scheme are as follows:

Current service cost		22,809,176	14,048,680
Interest cost		9,955,631	7,029,584
Expected return on plan assets		-	-
Charge for the year		32,764,807	21,078,264

21.1.6 For the year ended June 30, 2016, expected provisions to the staff retirement benefit scheme is Rs.29.448 million (2015 Rs.18.65 million).

	2016	2015
	----- Rupees -----	
21.1.7 Re-measurement recognized in 'other comprehensive income'		
Experience losses	10,730,180	24,408,971
Re-measurement of fair value of plan assets	-	-
	10,730,180	24,408,971
Related deferred tax	(3,326,356)	(7,810,871)
	7,403,824	16,598,100

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

Comparison for five years	2016	2015	2014	2013	2012
	-----Rupees-----				
Present value of defined benefit obligation	125,731,191	93,334,560	60,300,119	46,968,464	34,073,599

21.1.9 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%	105,321,538	(130,424,346)
Salary growth rate	1%	129,709,356	(105,696,319)

21.1.10 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 balance sheet.

	Note	2016	2015
		----- Rupees -----	
21.2 Deferred taxation			
Credit balance arising in respect of:			
- accelerated tax depreciation allowances		1,039,228,278	610,163,601
Debit balance arising in respect of:			
- provision for gratuity		(38,848,276)	(29,867,059)
- provision for doubtful debts		(12,389,114)	(11,636,763)
- investment in associates		76,753,668	40,034,455
- investment in AFS		1,967,802	-
- unabsorbed depreciation loss		(339,108,763)	-
- provision for stock in trade		(53,086,819)	(54,288,625)
Deferred tax liability		<u>674,516,776</u>	<u>554,405,609</u>
22 TRADE AND OTHER PAYABLES			
Trade creditors		1,345,421,041	612,057,321
Accrued liabilities		92,895,653	93,766,117
Workers' profit participation fund	22.1	73,917,434	42,985,133
Workers' welfare fund		42,181,216	16,000,537
Unclaimed dividend		1,526,021	997,430
Sales tax payable		-	48,741,297
Other liabilities		27,275,160	5,788,916
		<u>1,583,216,525</u>	<u>820,336,751</u>
22.1 Workers' profit participation fund			
Balance at beginning of the year		42,985,133	32,343,091
Contribution for the year	31	67,931,688	41,406,419
Interest on funds utilized in the Company's business	33	7,834,246	1,578,714
		<u>118,751,067</u>	<u>75,328,224</u>
Less: Payments made during the year		(44,833,633)	(32,343,091)
Balance at end of the year		<u>73,917,434</u>	<u>42,985,133</u>
23 ACCRUED MARK-UP			
Accrued mark-up on:			
Conventional			
- long term finances - secured		24,347,792	16,108,389
- short term finances - secured		38,510,464	54,477,072
Islamic			
- long term finances - secured		7,812,187	747,802
- short term finances - secured		10,326,187	21,574,131
		<u>80,996,630</u>	<u>92,907,394</u>
24 SHORT TERM FINANCES - Secured			
From banking companies			
Term finances - conventional	24.1	1,573,404,789	1,790,963,157
Term finances - islamic	24.2	999,309,771	1,589,507,845
Export refinances	24.3	168,000,000	-
Running finance utilized under mark-up arrangements	24.4	1,707,065,190	659,434,922
		<u>4,447,779,750</u>	<u>4,039,905,924</u>
24.1	These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 3,825 million (2015: Rs. 2,250 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 6.42% to 7.49% per annum (2015: 7.24% to 11.21% per annum).		
24.2	These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,700 million (2015: Rs. 2,144 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 6.39% to 7.86% per annum (2015: 7.26% to 10.96% per annum).		
24.3	These represented facilities for export refinance arranged from various banks aggregating to Rs. 490 million (2015: Rs. 380 million). These were secured against pari-passu 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 0.75% to 1% above the State Bank of Pakistan (SBP) rate per annum (2015: 1% above SBP rate per annum).		
24.4	The facilities for running finances available from various banks aggregated to Rs. 3,325 million (2015: Rs. 2,675 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 6.50% to 8.51% per annum (2015: 7.30% to 11.21% per annum).		

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 The Company has filed a suit against a debtor for recovery of Rs. 960,450. The suit was decreed in favour of the Company but as the debtor did not have any tangible property within the territorial jurisdiction of Court at Hub, the case has been transferred to the District Judge, Lahore for execution. As the case has been decided in favour of the Company and the debtor is being pursued to pay the decretal amount, the amount due has not been written off.

25.1.2 Suit no. 17 of 2009 was filed against the Company and Lasbella Industrial Estates Development Authority (LIEDA) for illegal allotment of Plot No. C-386 Hub Industrial Trading Estate (HITE) which was set aside by the High Court of Balochistan, Quetta and the Court of Senior Civil Judge decreed in favor of plaintiff.

The Company has preferred appeal to High Court of Balochistan, Quetta. No provision has been made in these financial statements against this aforementioned suit as the management of the Company, based on the advice of its legal counsel, is of the opinion that the abovementioned judgment is contrary to the facts and law and not based on proper appraisal of evidence and correct appreciation of law. Further, the Company has completed construction and is running factory on the land in dispute, therefore, it is not viable to restore possession of the suit property to the plaintiff and the Company shall contest the case in the higher Courts if warranted. The High Court of Balochistan, Quetta has set aside the case on February 24, 2014 and the case shall start afresh in the next hearing.

Further, in case of any adverse decision, LIEDA would be required to allot alternative plot to the plaintiff and the Company would not be affected by any adverse decision of the Court.

25.1.3 The Company has filed appeal before the Commissioner (Appeals), LTU, Karachi against certain add-backs out of expenses claimed and short tax credit allowed during the proceeding u/s 122 5A of the Ordinance. As per the tax advisor of the Company the order by the commissioner will not have any impact on the tax liability of the Company as its falls under minimum tax. However, if tax credit is allowed by the commissioner Appeal the Company's tax refund will increase by Rs. 26.376 million.

25.1.4 As the Ministry of Industries has declared BOPET film manufacturing project of the Company as Pioneer industry, after which imports of capital goods shall be duty free. The Company approached Board of Investment (BOI) for the permission of imports who entertained the request and is 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 post dated cheques amounting to Rs. 557.403 million (2015: Rs. 557.403 million) for provisional clearance in favour of Collector of Custom. However, due to delay on 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 petition 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 Ministry of Industries dated August 15, 2012. The Hon'ble High Court vide order dated May 13, 2015, has passed interim orders in favor of the company, which are still operative. 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 retrospectively.

25.1.5 The Company has filed suit against Federation of Pakistan, Federal Board of Revenue, Collectors of Custom and Collectorate of Custom in Sindh High Court against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% import duty on import of Poly Ethylene Terephthalate (PET). In this connection Sindh High Court vide order dated March 12, 2013 directed that custom duties at the rate of 3% to be paid by the Company and insofar as differential amount is concerned 2.5% shall be deposited in cash with the Nazir of the Honorable High Court and 2.5% shall be paid through post dated cheques to the Nazir. In this connection the Company has deposited pay orders amounting to Rs. 100.217 million (2015: Rs. 100.217 million) and issued post dated cheques amounting to Rs. 100.217 million (2015: Rs. 100.217 million) in favour of Nazir of High Court as directed. Further, the Company has filed petition for rationalization of duty structure on PET Resin. Subsequent to the year end, the main grievance of the Company 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 major 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 Honorable High Court which has been challenged in Honorable Supreme Court of Pakistan. As per legal Counsel, there is no immediate financial liability against the Company in the abovementioned matter and has a good prima facie case.

25.2 Commitments

Outstanding letters of guarantee

Outstanding letters of credit for:

- capital expenditure
- others

Rentals under Ijarah contracts

Not later than one year

Over one year to five years

	2016	2015
	----- Rupees -----	
Outstanding letters of guarantee	432,740,600	246,253,376
Outstanding letters of credit for:		
- capital expenditure	1,345,595,856	508,489,475
- others	1,819,393,537	378,383,637
Rentals under Ijarah contracts		
Not later than one year	44,412,224	44,412,224
Over one year to five years	63,633,725	108,045,948
	108,045,949	152,458,172

26 OPERATING RESULTS

Sales

Note	Food segment		Plastic segment		Total	
	2016	2015	2016	2015	2016	2015
-----Rupees-----						
Local sales	15,360,946,687	12,989,238,384	4,629,420,252	1,119,622,844	19,990,366,939	14,108,861,228
Inter-segment sales	-	-	23,460,000	353,883,392	23,460,000	353,883,392
Export sales	523,759,417	715,196,274	318,320,713	57,450,229	842,080,130	772,646,503
	15,884,706,104	13,704,434,658	4,971,200,965	1,530,956,465	20,855,907,069	15,235,391,123
Sales returns and discounts	(816,244,113)	(575,211,852)	(24,003,950)	(3,877,534)	(840,248,063)	(579,089,386)
	15,068,461,991	13,129,222,806	4,947,197,015	1,527,078,931	20,015,659,006	14,656,301,737
Add: Export rebate	10,441,200	12,817,955	1,408,510	1,810,545	11,849,710	14,628,500
Sales tax	(2,295,254,198)	(1,910,761,797)	(700,823,501)	(164,755,110)	(2,996,077,699)	(2,075,516,907)
	12,783,648,993	11,231,278,964	4,247,782,024	1,364,134,366	17,031,431,017	12,595,413,330
Cost of sales	10,106,841,554	8,917,803,073	3,815,133,925	1,201,801,985	13,921,975,479	10,119,605,058
Gross profit	2,676,807,439	2,313,475,891	432,648,099	162,332,381	3,109,455,538	2,475,808,272
Selling and distribution expenses	(1,245,237,614)	(1,007,433,732)	(122,177,281)	(45,998,475)	(1,367,414,895)	(1,053,432,207)
Administrative expenses	(171,293,315)	(141,130,056)	(20,706,395)	(952,635)	(191,999,710)	(142,082,691)
	(1,416,530,929)	(1,148,563,788)	(142,883,676)	(46,951,110)	(1,559,414,605)	(1,195,514,898)
Operating profit	1,260,276,510	1,164,912,103	289,764,423	115,381,271	1,550,040,933	1,280,293,374
Other operating expense					(131,731,992)	(77,856,734)
Other income					166,135,001	91,216,593
Finance cost					(798,382,202)	(730,350,564)
Share of profit from associate					506,400,223	207,684,856
Profit before tax					1,292,461,963	770,987,525
Taxation					(290,595,071)	(131,421,060)
Profit for the year					1,001,866,892	639,566,465

Note	Food segment		Plastic segment		Total	
	2016	2015	2016	2015	2016	2015
-----Rupees-----						
26.1 Segment assets	9,583,674,404	9,513,714,555	6,405,019,562	1,516,625,732	15,988,693,966	11,030,340,287
26.2 Unallocated assets	-	-	-	-	4,614,880,804	3,245,627,398
	9,583,674,404	9,513,714,555	6,405,019,562	1,516,625,732	20,603,574,770	14,275,967,685
-----Rupees-----						
26.3 Segment liabilities	1,775,537,286	4,323,388,715	4,572,015,250	860,043,768	6,347,552,536	5,183,432,483
26.4 Unallocated liabilities	-	-	-	-	8,257,137,379	5,117,372,734
	1,775,537,286	4,323,388,715	4,572,015,250	860,043,768	14,604,689,915	10,300,805,217
-----Rupees-----						
26.5 Non-cash items						
-depreciation	410,598,882	374,061,934	299,830,083	20,396,004	710,428,965	394,457,938
-others	27,846,750	19,090,377	831,724	1,987,887	32,764,807	21,078,264
	438,445,632	393,152,311	300,661,807	22,383,891	743,193,772	415,536,202
26.6 Capital expenditure	1,222,209,931	944,296,281	375,941,138	22,258,853	1,598,151,069	966,555,134

26.7 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

26.8 The Company's export sales have been primarily made to countries in the Middle East, Africa and South Asia. However, no material amount of export sales have been made to any one or more particular countries.

26.9 There were no major customers of the Company which constituted 10 percent or more of the Company's revenue.

	Note	2016	2015
		----- Rupees -----	
27 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES			
27.1 Sales			
Total sales for reportable segments		20,027,508,716	14,670,930,237
Elimination of inter-segments sales		(23,460,000)	(353,883,392)
Total sales		20,004,048,716	14,317,046,845
27.2 Cost of sales			
Total cost of sales for reportable segments		13,921,975,479	10,119,605,058
Elimination of inter-segments purchases		(23,460,000)	(353,883,392)
Total cost of sales		13,898,515,479	9,765,721,666
27.3 Assets			
Total assets for reportable segments	26.1	15,988,693,966	11,030,340,287
Administrative capital assets		342,443,164	67,272,331
Long term investments	5	4,272,437,640	3,178,355,067
Total assets		20,603,574,770	14,275,967,685
27.4 Liabilities			
Total liabilities for reportable segments	26.3	6,347,552,536	5,183,432,483
Sponsors' loan - subordinated	18	902,151,770	602,151,770
Deferred liabilities	21.2	674,516,776	554,405,609
Long term finance	18	6,419,779,919	3,834,781,527
Liabilities against assets subject to finance lease	19	260,688,914	126,033,828
Total liabilities		14,604,689,915	10,300,805,217

	Note	Food segment		Plastic segment		Total	
		2016	2015	2016	2015	2016	2015
		-----Rupees-----					
28 COST OF SALES							
Raw materials consumed	28.1	5,538,343,948	4,473,384,269	2,821,511,888	988,953,115	8,359,855,836	5,462,337,384
Packing materials consumed	28.2	2,850,176,569	3,033,737,814	121,262,700	32,172,846	2,971,439,269	3,065,910,660
Stores and spares consumed	28.3	176,173,618	139,330,316	68,170,222	24,612,083	244,343,840	163,942,399
Salaries, wages and other benefits		474,970,499	425,615,308	158,576,300	36,377,247	633,546,799	461,992,555
Electricity, gas, fuel and lubricants		314,758,953	307,226,361	181,204,529	67,323,042	495,963,482	374,549,403
Repairs and maintenance		25,022,709	23,376,995	10,806,668	1,927,212	35,829,377	25,304,207
Cold storage - rent & maintenance		16,147,625	2,152,000	-	-	16,147,625	2,152,000
Printing and stationery		586,251	269,820	208,043	-	794,294	269,820
Insurance		15,128,130	15,709,032	11,809,541	1,574,733	26,937,671	17,283,765
Rent, rates and taxes		43,214,959	45,386,751	805,577	351,000	44,020,536	45,737,751
Water charges		26,824,075	38,157,087	6,710,950	1,099,660	33,535,025	39,256,747
Postage and telephone		2,532,459	1,888,869	826,187	158,415	3,358,646	2,047,284
Travelling and conveyance		1,376,420	1,279,498	153,185	-	1,529,605	1,279,498
Vehicle running and maintenance		7,929,686	7,497,620	2,987,628	704,119	10,917,314	8,201,739
Depreciation	4.1	390,844,570	352,206,137	299,264,864	20,337,362	690,109,434	372,543,499
Laboratory expenses		2,187,721	1,136,084	-	-	2,187,721	1,136,084
Fees and subscription		663,383	660,612	153,000	76,432	816,383	737,044
Cartage		3,095,226	3,567,064	30,100	6,000	3,125,326	3,573,064
Procurement expenses		2,774,347	2,548,662	-	-	2,774,347	2,548,662
Processing charges		-	-	-	41,083,440	-	41,083,440
Other manufacturing expenses		488,201	1,851,421	954,325	(67,674)	1,442,526	1,783,747
		9,893,239,349	8,876,981,720	3,685,435,707	1,216,689,032	13,578,675,056	10,093,670,752
Work-in-process at the beginning	8	8,467,144	12,541,484	28,377,240	37,650,672	36,844,384	50,192,156
Transfer from APL		-	-	40,759,158	-	40,759,158	-
Work-in-process at the end	8	(9,354,573)	(8,467,144)	(56,572,878)	(28,377,240)	(65,927,451)	(36,844,384)
		(887,429)	4,074,340	12,563,520	9,273,432	11,676,091	13,347,772
Cost of goods manufactured		9,892,351,920	8,881,056,060	3,697,999,227	1,225,962,464	13,590,351,147	10,107,018,524
Stock of finished goods at beginning of the year	8	1,583,304,050	1,573,592,967	38,462,723	8,815,344	1,621,766,773	1,582,408,311
Transfer from APL		-	-	38,590,164	-	38,590,164	-
Purchase of finished goods		44,992,507	46,458,096	86,812,722	5,486,900	131,805,229	51,944,996
Insurance claim		(82,500,000)	-	-	-	(82,500,000)	-
Stock of finished goods at end of the year	8	(1,331,306,923)	(1,583,304,050)	(46,730,911)	(38,462,723)	(1,378,037,834)	(1,621,766,773)
		214,489,634	36,747,013	117,134,698	(24,160,479)	331,624,332	12,586,534
		10,106,841,554	8,917,803,073	3,815,133,925	1,201,801,985	13,921,975,479	10,119,605,058

Note	Food Segment		Plastic Segment		Total	
	2016	2015	2016	2015	2016	2015
-----Rupees-----						
8	2,193,952,268	1,866,879,647	919,909,792	961,582,280	3,113,862,060	2,828,461,927
	-	-	1,157,932,780	-	1,157,932,780	-
	5,091,063,747	4,769,830,708	2,944,219,531	947,280,627	8,035,283,278	5,717,111,335
	20,426,681	33,842,572	-	-	20,426,681	33,842,572
	(2,992,795)	(3,216,390)	-	-	(2,992,795)	(3,216,390)
	7,302,449,901	6,667,336,537	5,022,062,103	1,908,862,907	12,324,512,004	8,576,199,444
8	(1,764,105,953)	(2,193,952,268)	(2,200,550,215)	(919,909,792)	(3,964,656,168)	(3,113,862,060)
	5,538,343,948	4,473,384,269	2,821,511,888	988,953,115	8,359,855,836	5,462,337,384
8	583,483,942	686,045,637	3,113,136	2,099,768	586,597,078	688,145,405
	-	-	5,612,797	-	5,612,797	-
	2,740,451,655	2,566,104,547	119,620,442	33,008,914	2,860,072,097	2,599,113,461
	4,800	-	896,600	177,300	901,400	177,300
27.2	23,460,000	353,883,392	-	-	23,460,000	353,883,392
	(1,224,812)	(1,268,075)	-	-	(1,224,812)	(1,268,075)
8	3,346,175,585	3,604,765,501	129,242,975	35,285,982	3,475,418,560	3,640,051,483
	1,055,850	12,456,255	-	-	1,055,850	12,456,255
8	(497,054,866)	(583,483,942)	(7,980,275)	(3,113,136)	(505,035,141)	(586,597,078)
	2,850,176,569	3,033,737,814	121,262,700	32,172,846	2,971,439,269	3,065,910,660
7	76,144,566	61,088,043	13,661,619	10,656,117	89,806,185	71,744,160
	-	-	30,040,851	-	30,040,851	-
	195,731,449	153,725,723	76,713,352	27,698,165	272,444,801	181,423,888
	695,215	278,856	85,572	8,084	780,787	286,940
	(49,680)	(157,740)	(25,224)	(88,664)	(74,904)	(246,404)
	272,521,550	214,934,882	120,476,170	38,273,702	392,997,720	253,208,584
7.1	540,000	540,000	-	-	540,000	540,000
7	(96,887,932)	(76,144,566)	(52,305,948)	(13,661,619)	(149,193,880)	(89,806,185)
	176,173,618	139,330,316	68,170,222	24,612,083	244,343,840	163,942,399
4.1	297,316,563	240,644,556	14,712,230	10,962,111	312,028,793	251,606,667
	378,236,746	306,552,044	79,580,610	22,281,330	457,817,356	328,833,374
	20,031,699	45,642,025	19,289,443	3,244,848	39,321,142	48,886,873
	408,094,890	296,502,326	-	-	408,094,890	296,502,326
	2,903,881	2,948,875	91,840	130,399	2,995,721	3,079,274
	63,827,514	55,465,984	1,547,990	1,416,629	65,375,504	56,882,613
	6,612,507	5,756,905	251,556	260,610	6,864,063	6,017,515
	9,562,337	8,466,285	520,620	435,351	10,082,957	8,901,636
	15,101,867	9,591,863	2,357,457	597,025	17,459,324	10,188,888
	727,865	475,032	3,500	-	731,365	475,032
	3,853,103	4,112,876	331,249	171,959	4,184,352	4,284,835
	2,128,878	1,960,805	913,548	742,546	3,042,426	2,703,351
	22,073,551	15,374,833	1,591,000	732,050	23,664,551	16,106,883
	7,955,489	6,423,506	62,522	57,452	8,018,011	6,480,958
10,000	-	-	-	10,000	-	
3,200,724	3,066,384	923,716	466,165	4,124,440	3,532,549	
9	3,600,000	3,600,000	-	4,500,000	3,600,000	8,100,000
	-	849,433	-	-	-	849,433
	1,245,237,614	1,007,433,732	122,177,281	45,998,475	1,367,414,895	1,053,432,207

Note	Food Segment		Plastic Segment		Total	
	2016	2015	2016	2015	2016	2015
	-----Rupees-----					
30 ADMINISTRATIVE EXPENSES						
Salaries and other benefits including						
director's remuneration	96,662,311	80,098,595	10,969,741	863,028	107,632,052	80,961,623
Conveyance and travelling	10,046,557	3,635,365	342,580	-	10,389,137	3,635,365
Postage and telephone	5,756,623	7,259,184	182,521	-	5,939,144	7,259,184
Printing and stationery	4,517,203	2,717,032	202,896	-	4,720,099	2,717,032
Repairs and maintenance	2,842,488	3,863,215	-	-	2,842,488	3,863,215
Electricity and utilities	6,053,117	5,548,090	-	-	6,053,117	5,548,090
Insurance	3,888,600	3,123,275	24,768	23,534	3,913,368	3,146,809
Advertisement	590,696	853,145	-	-	590,696	853,145
Entertainment	757,655	626,211	8,820	100	766,475	626,311
Vehicle running and maintenance	6,801,240	6,975,167	92,289	1,850	6,893,529	6,977,017
Rent, rates and taxes	900,250	1,221,992	-	-	900,250	1,221,992
Fee and subscription	9,216,119	4,024,296	380,283	62,393	9,596,402	4,086,689
Legal and professional charges	11,344,054	5,674,617	7,999,800	-	19,343,854	5,674,617
Depreciation	4.1 11,798,823	15,432,291	502,697	1,190	12,301,520	15,433,481
General meeting expenses	117,579	77,581	-	540	117,579	78,121
	171,293,315	141,130,056	20,706,395	952,635	191,999,710	142,082,691

	Note	2016	2015
		----- Rupees -----	
31 OTHER OPERATING EXPENSES			
Contribution to:			
- workers' profits participation fund		67,931,688	41,406,419
- workers' welfare fund		25,814,038	15,734,439
Auditors' remuneration	31.1	2,747,360	1,121,966
Exchange loss		28,539,082	12,242,347
Loss on sale of shares		-	6,013,469
Donations	31.2	4,087,000	1,300,000
Other		2,612,824	38,094
		131,731,992	77,856,734
31.1 Auditor's remuneration			
Audit fee -		1,400,000	700,000
Audit fee - consolidated		300,000	-
Fee for other certification		139,450	-
Fee for half yearly review		250,000	150,000
Out-of-pocket expense		657,910	271,966
		2,747,360	1,121,966
31.2 None of the directors or their spouses had any interest in the donees.			
32 OTHER INCOME			
Income from financial assets			
Dividend Income		-	1,381,500
Income from non-financial assets			
Recovery from sale of production scrap		131,305,194	24,466,103
Gain on disposal of property, plant and equipment		2,477,831	34,101,130
Processing income		31,761,590	27,250,210
Others		590,386	4,017,650
		166,135,001	91,216,593

Note

2016

2015

----- Rupees -----

33 FINANCE COST

Mark up on:

- long term finances-conventional	258,829,164	221,703,156
- long term finances-islamic	115,608,238	52,722,264
- short term finances-conventional	267,296,436	273,363,001
- short term finances-islamic	111,931,305	160,175,836
Interest on workers' profits participation fund	7,834,246	1,578,714
Finance charge on finance leases	15,936,178	13,090,766
Bank charges	20,946,635	7,716,827
	<u>798,382,202</u>	<u>730,350,564</u>

34 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2016			2015		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Managerial remuneration	5,700,000	10,296,000	125,945,156	3,600,000	6,000,000	74,539,257
Gratuity	-	-	37,037,388	-	-	21,117,520
Reimbursement of expenses						
Utilities	1,000,000	700,000	-	1,000,000	1,400,000	-
	<u>6,700,000</u>	<u>10,996,000</u>	<u>162,982,544</u>	<u>4,600,000</u>	<u>7,400,000</u>	<u>95,656,777</u>
Number of persons	1	2	84	1	3	57

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

34.1 The remuneration has been allocated as follows:

	2016			2015		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Cost of goods sold	-	-	72,730,418	-	-	37,704,699
Selling and distribution expenses	-	-	61,775,132	-	-	37,459,600
Administrative expenses	6,700,000	10,996,000	28,476,994	4,600,000	7,400,000	20,492,478
	<u>6,700,000</u>	<u>10,996,000</u>	<u>162,982,544</u>	<u>4,600,000</u>	<u>7,400,000</u>	<u>95,656,777</u>
Number of persons	1	2	84	1	2	57

35 CLASSIFICATION OF EXPENSES

		2016			
	Note	Local	Export	Common expenses	Total
-----Rupees-----					
Selling and distribution expenses	28	1,317,778,918	49,635,977	-	1,367,414,895
Administrative expenses	29	-	-	191,999,710	191,999,710
Finance cost	32	782,925,423	15,456,779	-	798,382,202
2015					
		Local	Export	Common expenses	Total
-----Rupees-----					
Selling and distribution expenses	28	999,354,868	54,077,339	-	1,053,432,207
Administrative expenses	29	-	-	142,082,691	142,082,691
Finance cost	32	706,194,810	24,155,754	-	730,350,564
				2016	2015
----- Rupees -----					

36 TAXATION

Current	167,131,422	89,868,311
Prior year	1,993,931	-
Deferred	121,469,718	41,552,749
	<u>290,595,071</u>	<u>131,421,060</u>

36.1 The relationship between accounting profit and tax expense

The Company is subject to minimum tax under section 113 of Income Tax Ordinance 2001. Under the provisions of the said section the Company can carry forward any excess of minimum tax liability over and above the normal tax liability for subsequent five years. The Company estimates that its normal tax liability will continue to be less than its minimum tax in the future periods. Therefore, the Company has not recorded deferred tax assets on any excess of minimum tax over normal tax liability which may arise under the provisions of IAS 12 'Income taxes'.

37 EARNING PER SHARES

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

Basic earnings per share

	2016	2015
	----- Rupees -----	
Profit for the year	<u>1,001,866,892</u>	<u>639,566,465</u>
	Number of shares	
Weighted average number of ordinary shares during the year	<u>50,520,750</u>	<u>50,520,750</u>
Number of ordinary shares to be issued pursuant to amalgamation	<u>13,284,000</u>	<u>-</u>
Weighted average number of shares outstanding as at year end	<u>63,804,750</u>	<u>50,520,750</u>
Basic earnings per share	<u>15.70</u>	<u>12.66</u>

38 NUMBER OF EMPLOYEES

	2016	2015
Number of employees as at the year end	<u>1,547</u>	<u>1,277</u>
Average number of employees during the year	<u>1,459</u>	<u>1,243</u>

	Note	2016	2015
		----- Rupees -----	
39 CASH GENERATED FROM OPERATIONS			
Profit before income tax		1,292,461,963	770,987,525
Adjustments for non-cash and other items:			
Depreciation	4.1	710,428,965	394,457,938
Gain on disposal of property, plant and equipment - net	4.2	(2,477,831)	(34,101,130)
Provision for staff gratuity scheme - unfunded	21.1.5	32,764,807	21,078,264
Finance cost	33	798,382,202	730,350,564
Share of profit from associated undertaking	5.2.3	(506,400,223)	(207,684,856)
Provision for slow moving - stores and spares		540,000	540,000
Provision for slow moving - stock in trade		32,400,000	33,647,770
Provision for doubtful trade debts		3,600,000	8,100,000
Exchange loss		28,539,082	12,242,347
		2,390,238,965	1,729,618,422
<i>Increase / (decrease) in working capital</i>			
(Increase) / Decrease in current assets			
Stores and spares		(38,168,787)	(13,546,238)
Stock in trade		656,965,019	(231,054,012)
Trade debts		(27,933,313)	90,826,337
Advances - considered good		2,247,651	(14,747,442)
Trade deposits and short term prepayments		(1,695,684)	(22,240,144)
Other receivables		(7,967,166)	(3,641,463)
		583,447,720	(194,402,962)
(Decrease) / Increase in current liabilities			
Trade and other payables		139,354,724	311,525,649
Short term finances		(1,128,568,652)	(177,702,622)
Advance from customers		(27,119,411)	68,716,272
		(1,016,333,339)	202,539,299
Net (decrease) / increase in working capital		(432,885,619)	8,136,337
Cash generated from operations		1,957,353,346	1,737,754,759
40 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES			
40.1 Financial instruments by category			
Financial assets			
Available for sale			
Long term investments	5	294,840,000	285,600,000
Short term investments	11	37,447,999	-
Loans and receivables at amortized cost			
Long term deposits	6	56,549,476	47,687,783
Trade debts	9	1,181,827,121	778,548,491
Advances - considered good	10	20,917,950	17,004,325
Trade deposits	12	9,194,168	4,049,304
Cash and bank balances	15	57,679,519	26,997,045
Total financial assets		1,658,456,233	1,159,886,948
Financial liabilities			
Financial liabilities at amortized cost			
Sponsors' loan - subordinated (interest-free)	18	902,151,770	602,151,770
Long term finances	19	6,419,779,919	3,834,781,527
Liabilities against assets			
subject to finance lease	20	260,688,914	126,033,828
Trade and other payables	22	1,583,216,525	820,336,751
Accrued mark-up	23	80,996,630	92,907,394
Short term finances	24	4,447,779,750	4,039,905,924
Total financial liabilities		13,694,613,508	9,516,117,194

40.2 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 recognises 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 Occured includes Monetoring of the Following Factors:

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

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

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, 2016:

Financial assets	2016			
	Level 1	Level 2	Level 3	Total
	-----Rupees -----			
Financial investments: Available	332,287,999	-	-	332,287,999
Financial assets	2015			
	Level 1	Level 2	Level 3	Total
	-----Rupees -----			
Financial investments: Available	332,287,999	-	-	332,287,999

40.3 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

40.3.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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

The maximum exposure to credit risk at the reporting date is as follows:

	Note	2016	2015
		----- Rupees -----	
Trade debts	9	1,181,827,121	778,548,491
Advances	10	20,917,950	17,004,325
Trade deposits	12	9,194,168	4,049,304
Bank balances	15	57,679,519	26,997,045
		<u>1,269,618,758</u>	<u>826,599,165</u>

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:

	2016	2015
	----- Rupees -----	
More than 45 days but not more than 3 months	117,994,471	66,560,600
More than 3 months but not more than 6 months	86,321,571	54,728,202
More than 6 months but not more than 1 year	72,572,721	25,197,087
	<u>276,888,763</u>	<u>146,485,889</u>

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.

40.3.2 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 asset. 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.

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

		2016			
	Note	Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
-----Rupees-----					
Financial liabilities					
Interest bearing					
Long term finances - secured (Conventional)	19	5%	4,740,613,260	1,725,867,014	3,014,746,246
Long term finances - secured		7%	1,679,166,659	347,500,004	1,331,666,655
Liabilities against assets subject to finance lease-conventional	20	7.04% to 8.49%	185,751,806	70,993,069	114,758,737
Liabilities against assets subject to finance lease-islamic		7.04% to 8.34%	74,937,108	41,254,217	33,682,891
Short term finances - secured - conventional	24	6.42% to 8.51%	3,448,469,979	3,448,469,979	-
Short term finances - secured-islamic	19	6.39% to 7.78%	999,309,771	999,309,771	-
Non - interest bearing					
Sponsors' loan - subordinated	18	-	902,151,770	-	902,151,770
Trade and other payables	22	-	1,583,216,525	1,583,216,525	-
Accrued mark-up	23	-	80,996,630	80,996,630	-
			<u>13,694,613,508</u>	<u>8,297,607,209</u>	<u>5,397,006,299</u>
2015					
Financial liabilities					
Interest bearing					
Long term finances - secured -conventional	19	9%	2,470,614,864	863,327,161	1,607,287,703
Long term finances - secured -islamic		4%	1,364,166,663	235,000,008	1,129,166,655
Liabilities against assets subject to finance lease-conventional	20	8.51% to 11.98%	119,484,352	38,230,036	81,254,316
Liabilities against assets subject to finance lease-islamic		8.51% to 11.98%	6,549,476	336,7300	318,2176
Short term finances - secured -conventional	24		2,450,398,079	2,450,398,079	-
Short term finances - secured -islamic		7.24.% to 11.21%	1,589,507,845	1,589,507,845	-
Non - interest bearing					
Sponsors' loan - subordinated	18	-	602,151,770	-	602,151,770
Trade and other payables	22	-	820,336,751	820,336,751	-
Accrued mark-up	23	-	92,907,394	92,907,394	-
			<u>19,816,922,411</u>	<u>12,323,097,002</u>	<u>7,493,825,409</u>

40.3.3 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 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.

As at 30 June 2016, 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. 241 million (2015: Rs. 19.91 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	2016	2015
		----- Rupees -----	
Export debtors	9	138,962,888	84,094,131
Import creditors		751,055,634	316,019,122
		<u>890,018,522</u>	<u>400,113,253</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 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 balance sheet date the interest rate profile of the Company's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2016	2015
	----- Rupees -----	
Fixed rate instruments	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	11,128,248,583	18,301,526,496
	<u>11,128,248,583</u>	<u>18,301,526,496</u>

As at 30 June 2015, 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. 111.28 million. (2015: Rs. 80.01 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. Currently, the Company has no investments which are exposed to such risk.

41 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 balance sheet date the capital of the Company is as follows:

	2016	2015
	----- Rupees -----	
Share capital	505,207,500	505,207,500
Reserves	5,360,837,355	3,469,954,968
	<u>5,866,044,855</u>	<u>3,975,162,468</u>

42 PLANT CAPACITY AND ACTUAL PRODUCTION

	2016		2015	
	Metric Ton		Metric Ton	
	Rated Capacity	Actual Production	Rated Capacity	Actual Production
Food processing	93,250	63,559	90,750	60,540
Plastic film	32,720	21,489	5,720	5,550

43 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 financial statements, are as follows:

	2016	2015
	----- Rupees -----	
Plasitflex Films (Private) Limited		
- Receivable against service (Transfer from APL)	(9,600,000)	-
- Purchase of Fixed Assets	378,812,072	-
- Purchase of Raw Materials	300,184,410	-
- Purchase of Packing Materials	45,594,055	40,998,879
- Purchase of Work in process	41,137,708	-
- Purchase of Stores & Spares	797,057	-
- Purchase of Finished goods	60,262,712	-
- Transfer of Staff Loan from APL	60,000	-
- Payment against purchases	(806,216,941)	(36,216,456)
- Payable to associate	17,532,872	6,501,799
Key management personnel		
Payment to chief executive officer against purchase of land	283,403,500	-
Rent paid to chief executive officer	1,663,750	1,512,500

44 NON - ADJUSTING EVENT AFTER THE BALANCE SHEET

- 44.1 The board of directors in its meeting held on October 17, 2016 has proposed dividend in respect of the year ended June 30, 2016 of Rs. 6.50/- per share (2015: Rs. 6/- per share) for approval of the members at the annual general meeting. The financial statements for the year ended June 30, 2016 do not include the effect of proposed dividend, which will be accounted for in the financial statements for the year ending June 30, 2017.

The proposed dividend for the year ended June 30, 2016 complies with the requirement of Section 5A of the Income Tax Ordinance 2001, therefore, no provision for tax on undistributed reserves has been recognized in these financial statements.

45 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 17, 2016 by the board of directors of the Company.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Auditors' Report on Consolidated Financial Statements to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Ismail Industries Limited (the Holding Company) and its subsidiary company Hudson Pharma (Private) Limited (the subsidiary) as at June 30, 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding Company. Subsidiary company Hudson Pharma (Private) Limited were audited by other firm of auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included for such companies are based solely on the report of such other auditors. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary company as at June 30, 2016 and the results of their operations for the year then ended.

Emphasis of matter

We draw attention to note 1.2 and note 16.1 to the consolidated financial statements which describe effects of the merger of Astro Plastics (Private) Limited (APL) with and into the Holding Company in the current year. As the merger is effective from July 01, 2015, the current year profit and loss includes results of operations of APL from July 01, 2015 to June 30, 2016. The comparative figures are not restated as mentioned in the same note. Our opinion is not qualified on this matter.

Karachi

Date: October 17, 2016

Grant Thornton Anjum Rahman

Chartered Accountants

Khaliq-ur-Rahman

Engagement Partner

Consolidated Balance Sheet

as at June 30, 2016

	Note	2016	2015
		----- Rupees -----	
ASSETS			
Non-current assets			
Property, plant and equipment	4	8,803,735,131	4,372,072,916
Goodwill	5	11,959,187	-
Long term investments	6	3,666,453,640	3,178,355,067
Long term deposits	7	58,594,534	47,687,783
Total non-current assets		12,540,742,492	7,598,115,766
Current assets			
Stores and spares	8	152,434,952	84,765,314
Stock-in-trade	9	5,749,920,212	5,196,389,762
Trade debts	10	1,181,827,121	778,548,491
Advances-considered good	11	167,254,994	115,953,099
Short term investments	12	37,447,999	-
Trade deposits and short term prepayments	13	32,346,886	30,276,202
Other receivables	14	439,047,661	34,482,045
Taxation-net	15	505,359,100	408,344,617
Cash and bank balances	16	61,458,777	29,092,389
Total current assets		8,327,097,702	6,677,851,919
Total assets		20,867,840,194	14,275,967,685

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Consolidated Balance Sheet

as at June 30, 2016

	Note	2016	2015
		----- Rupees -----	
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorized capital			
250,000,000 (2015: 100,000,000) ordinary shares of Rs. 10 each		2,500,000,000	1,000,000,000
Issued, subscribed and paid-up capital	17	505,207,500	505,207,500
Capital to be issued pursuant to amalgamation	17.2	132,840,000	-
Reserves	18	5,360,837,355	3,469,954,968
Non-controlling interest		239,226,433	-
Total shareholders' equity		6,238,111,288	3,975,162,468
Non-current liabilities			
Sponsors' loan-subordinated	19	902,151,770	602,151,770
Long term finances-secured	20	4,346,412,901	2,736,454,358
Liabilities against assets subject to finance lease	21	148,441,628	84,436,492
Deferred liabilities	22	801,197,655	647,740,169
Total non-current liabilities		6,198,203,954	4,070,782,789
Current liabilities			
Trade and other payables	23	1,607,305,825	820,336,751
Accrued mark-up	24	80,996,630	92,907,394
Short term finances-secured	25	4,447,779,750	4,039,905,924
Current portion of:			
- long term finances	20	2,073,367,018	1,098,327,169
- liabilities against assets subject to finance lease	21	112,247,286	41,597,336
Advances from customers		109,828,443	136,947,854
Total current liabilities		8,431,524,952	6,230,022,428
Total liabilities		14,629,728,906	10,300,805,217
Contingencies and commitments	26		
Total equity and liabilities		20,867,840,194	14,275,967,685

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Consolidated Profit and Loss Account

for the year ended June 30, 2016

	Note	2016 ----- Rupees -----	2015
Sales	28.1	20,004,048,716	14,317,046,845
Sales tax	27	(2,996,077,699)	(2,075,516,907)
Net Sales		17,007,971,017	12,241,529,938
Cost of sales	28.2	(13,898,515,479)	(9,765,721,666)
Gross profit		3,109,455,538	2,475,808,272
Selling and distribution expenses	30	(1,367,414,895)	(1,053,432,207)
Administrative expenses	31	(191,999,710)	(142,082,691)
Operating profit		1,550,040,933	1,280,293,374
Other operating expenses	32	(131,731,992)	(77,856,734)
Other income	33	166,135,001	91,216,593
		1,584,443,942	1,293,653,233
Finance cost	34	(798,382,202)	(730,350,564)
		786,061,740	563,302,669
Share of profit from associated undertaking	6.1.3	506,400,223	207,684,856
Profit before tax		1,292,461,963	770,987,525
Taxation	37	(290,595,071)	(131,421,060)
Profit for the year		1,001,866,892	639,566,465
Earnings per share - basic and diluted	38	15.70	12.66

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Consolidated Statement of Comprehensive Income

for the year ended June 30, 2016

	Note	2016 ----- Rupees -----	2015
Profit for the year		1,001,866,892	639,566,465
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>			
Loss on remeasurements of post employment benefit obligations-net of tax	22.1.7	(7,403,824)	(16,598,100)
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>			
Unrealized appreciation during the year on re-measurement of investment classified as available for sale-net of tax	6.2.1 & 12	8,174,613	4,900,000
Share of other comprehensive income from associate-net of tax	6.1.3	274,507,139	95,002,267
Other comprehensive income-net of tax		275,277,928	83,304,167
Total comprehensive income for the year		1,277,144,820	722,870,632

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Consolidated Cash Flow Statement

for the year ended June 30, 2016

	Note	2016	2015
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	1,957,353,346	1,737,754,759
Gratuity paid	22.1.3	(18,900,707)	(12,452,794)
Income tax paid (net of refund)		(214,233,283)	(234,277,795)
Long term deposits (paid) / received		(2,380,384)	5,100,464
Net cash generated from operating activities		1,721,838,972	1,496,124,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(1,598,151,069)	(966,555,134)
Net cash paid on acquisition		(604,665,266)	(1,796,335,105)
Short term investment		(36,545,584)	-
Dividend received		302,048,789	241,639,031
Proceeds from disposal of property, plant and equipment	4.2	4,163,000	76,940,301
Net cash used in investing activities		(1,933,150,130)	(2,444,310,907)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from long term financing-net		1,320,568,184	1,338,466,881
Lease repayments net of sale and lease back		122,593,335	(35,593,726)
Payment against purchase of shares		(9,333,303)	-
Sponsors' Loan		-	250,000,000
Interest / mark-up paid		(866,463,857)	(746,250,962)
Dividend paid		(302,595,909)	(783,732)
Net cash generated from financing activities		264,768,450	805,838,461
Net increase / (decrease) in cash and cash equivalents		53,457,292	(142,347,812)
Cash and cash equivalents at beginning of the year		(630,342,533)	(487,994,721)
Transfer from APL		(1,068,721,172)	-
Cash and cash equivalents as at end of the year		(1,645,606,413)	(630,342,533)
Cash and cash equivalents as at end of the year comprise of:			
Cash and bank balances	16	61,458,777	29,092,389
Running finance utilized under mark-up arrangements	25	(1,707,065,190)	(659,434,922)
		(1,645,606,413)	(630,342,533)

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Consolidated Statement of Changes in Equity

for the year ended June 30, 2016

	Share capital	Capital to be issued pursuant to amalgamation	Capital reserve			Revenue reserve	Total reserves	Non-controlling interest	Total shareholders' equity
			Share premium	Amalgamation reserves	Share of AFS remeasurement from associate	Unappropriated profit			
----- Rupees -----									
Balance as at July 01, 2014	505,207,500	-	579,265,000	-	13,296,291	2,155,365,472	2,747,926,763	-	3,253,134,263
Profit for the year	-	-	-	-	-	639,566,465	639,566,465	-	639,566,465
Other comprehensive income	-	-	-	-	95,002,267	(11,698,100)	83,304,167	-	83,304,167
Total comprehensive income for the year	-	-	-	-	95,002,267	627,868,365	722,870,632	-	722,870,632
Transactions with owners recognized directly in equity:									
Final dividend for the year ended June 30, 2014 @ Rs. 2.25 per share	-	-	-	-	-	(842,427)	(842,427)	-	(842,427)
Balance as at June 30, 2015	505,207,500	-	579,265,000	-	108,298,558	2,782,391,410	3,469,954,968	-	3,975,162,468
Profit for the year	-	-	-	-	-	1,001,866,892	1,001,866,892	-	1,001,866,892
Other comprehensive income	-	-	-	-	274,507,139	770,789	275,277,928	-	275,277,928
Total comprehensive income for the year	-	-	-	-	274,507,139	1,002,637,681	1,277,144,820	-	1,277,144,820
Acquisition of subsidiary	-	-	-	-	-	-	-	239,226,433	239,226,433
Capital to be issued pursuant to amalgamation	-	132,840,000	-	-	-	-	-	-	132,840,000
Reserve arising on amalgamation	-	-	-	916,862,067	-	-	916,862,067	-	916,862,067
Transactions with owners recognized directly in equity:									
Final dividend for the year ended June 30, 2015 @ Rs. 6 per share	-	-	-	-	-	(303,124,500)	(303,124,500)	-	(303,124,500)
Balance as at June 30, 2016	505,207,500	132,840,000	579,265,000	916,862,067	382,805,697	3,481,904,591	5,360,837,355	239,226,433	6,238,111,288

The annexed notes 1 to 46 form an integral part of these consolidated financial statements.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Notes to the Consolidated Financial Statements

for the year ended June 30, 2016

1 LEGAL STATUS AND OPERATIONS

1.1 The Group consist of:

Holding company : Ismail Industries Limited

Subsidiary company : Hudson Pharma (Private) Limited

a) 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 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 effective January 11, 2016 the shares of the company are now quoted on Pakistan Stock Exchange. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astro films' respectively.

b) Hudson Pharma (Private) Limited

The company is incorporated in Pakistan under the Companies Ordinance, 1984 (the Ordinance) as a private company limited by shares. The registered office of the company is located at 17, Bangalore Town, Main Shakra-e-Faisal, Karachi. Principal activities of the company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical drugs and medicines.

1.2 Amalgamation of Astro Plastics (Private) Limited (APL) with and into Ismail Industries Limited

On February 01, 2016, the Board of Directors of the Holding Company had passed a resolution authorizing the Company to explore the viability of the potential merger between Astro Plastics (Private) Limited (APL) with and into the Holding Company. The Holding Company had engaged the services of various consultants and decided on a swap ratio in exchange of shares for APL and a scheme of amalgamation (the scheme) was filed in High Court of Sindh after approval from the Board of Directors and shareholders of the Holding Company and APL on May 30, 2016.

The High Court of Sindh through its order dated September 22, 2016 has sanctioned the scheme. Pursuant to this sanction, the entire business of APL including Properties, Assets, Liabilities, and the Rights and Obligations of APL have been amalgamated into and vest in the Holding Company with effect from the effective date as mentioned in the scheme i.e., on July 1, 2015. In consideration, 13,284,000 fully paid ordinary shares of Rs. 10 each are to be issued to the registered shareholders of Astro Plastics (Private) Limited. For division of shares, the registered shareholders of APL will be given 9 ordinary shares of Ismail Industries Limited for 100 ordinary shares of Astro Plastics (Private) Limited on the basis of swap ratio 0.09 : 1.

This amalgamation was accounted for in the books using predecessor's accounting method as it was a business combination of entities under common control and therefore scoped out of IFRS-3 'Business Combinations'. The net assets of APL have been incorporated at their net carrying amount in the books as on June 30, 2015 and the difference in value of the net assets and shares as issued above has been carried in the equity under the head "Amalgamation Reserve". Furthermore, the acquired entity's results and balance sheet are incorporated prospectively from the date on which the business combination occurred. Consequently, these financial statements do not reflect the results of the acquired entity for the period before the transaction occurred and the corresponding amounts for the previous year presented are also not restated.

1.3 Basis of consolidation

The consolidated financial statements include the consolidated financial statements of Ismail Industries Limited and Hudson Pharma (Private) Limited. The financial statements of the subsidiary company have been consolidated on a line by line basis.

2 Basis of Preparation

2.1 Statement of compliance

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

2.2 Standards, Amendments and Interpretations to Approved Accounting Standards

2.2.1 Standards, amendments and interpretations to the published standards that are relevant to the Group and adopted in the current year

The Group has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

Standard or Interpretation	Effective Date
IFRS 10 - Consolidated consolidated financial statements	January 1, 2015
IFRS 11 - Joint Arrangements	January 1, 2015
IFRS 12 - Disclosure of Interests in other Entities	January 1, 2015
IFRS 13 - Fair Value Measurement	January 1, 2015
IAS 27 - Separate consolidated financial statements	January 1, 2015
IAS 28 - Investments in Associates and Joint Ventures	January 1, 2015

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended June 30, 2015 and 2016.

2.2.2 Standards, amendments to published standards and interpretations that are effective but not relevant

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on June 01, 2015 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations and are therefore not presented here.

2.2.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Group

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date
IAS 1 - Disclosure Initiative (Amendments to IAS 1 Presentation of consolidated financial statements)	January 1, 2016
IFRS 10, IFRS 12 and IAS 28 - Investment Entities : Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
Annual Improvements to IFRSs 2012 - 2014 Cycle	January 1, 2016
IAS 16 and IAS 41 - Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)	January 1, 2016
IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)	January 1, 2016
IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)	January 1, 2016
IAS 7 - Disclosure Initiative (Amendments to IAS 7)	January 1, 2017
IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	January 1, 2017

The Group is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the consolidated financial statements of the Group.

2.2.4 Standards, amendments and interpretations to the published standards that are early adopted by the Group

Standard or Interpretation	Effective Date
IAS 27 - Equity method in Separate consolidated financial statements (Amendments to IAS 27)	January 1, 2016

2.2.5 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP).

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	January 1, 2016
IFRS 15 - Revenue from Contracts with Customers	January 1, 2018
IFRS 9 - Financial Instruments (2014)	January 1, 2018
IFRS 16 - Leases	January 1, 2019

2.3 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except certain financial assets and liabilities which have been stated at fair value or amortized cost and staff retirement benefits which have been recognized at values determined by independent actuary.

These consolidated financial statements comprise balance sheet, profit and loss account, statement of comprehensive income, cash flow statement, statement of changes in equity and notes to the consolidated financial statements and have been prepared under the accrual basis of accounting except for cash flow information.

2.4 Use of critical accounting estimates and judgments

The preparation of 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	2.4.1
b) Stock-in-trade, stores and spares	2.4.2
c) Trade debts and other receivables	2.4.3
d) Income taxes	2.4.4
e) Staff retirement benefits	2.4.5
f) Impairment	2.4.6

2.4.1 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.

2.4.2 Stock-in-trade, stores and spares

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

2.4.3 Trade debts and other receivables

Impairment loss against doubtful trade and other debts is made on a judgmental basis, where provision may differ in the future years based on the actual experience.

2.4.4 Income taxes

In making the estimate for income taxes currently payable by the Group, the management refer to the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 22.1.1 to the 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.

2.4.6 Impairment

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If such evidence exists, the recoverable amount of the asset is estimated and impairment losses are recognized as an expense in the profit and loss account.

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.

3 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 presented.

3.1 Property, plant and equipment

3.1.1 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. Capital work-in-progress is stated at cost. 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 profit and loss as and when incurred. Major renewals and improvements are capitalized.

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 4 to the consolidated financial statements. Depreciation on leasehold land is charged to income applying the straight-line method at rates given in note 4 to the consolidated financial statements whereby the cost is written off over the lease term. Depreciation on additions is charged from the month in which they are put to use and on disposals up to the month of disposal.

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

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

3.1.2 Leased

Leased assets in terms of which the Group assumes substantially all the risks and rewards incidental to ownership are capitalized at the inception of the lease at the fair value of leased assets or, if lower, at the present value of the minimum lease payments.

The outstanding obligations under the lease excluding finance charges allocated to future periods are shown as liability. Financial charges are allocated to the accounting periods in a manner so as to provide a constant rate of charge on the outstanding obligation.

3.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost. 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.

3.2 Business combinations and investments in associates

3.2.1 Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement, if any. Acquisition costs are expensed as incurred.

The Group recognizes identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's consolidated financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

3.2.2 Investment

The Group determines the classification of its investments at the time of acquisition of investment and re-evaluate this classification on a regular basis. The existing investment portfolio of the Group has been categorized as follows.

Classification of investments

3.2.3 Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally a shareholding of between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting. 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 of the associate after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

3.2.4 Investment - Available for sale

These are investments that are intended to be held for an indefinite period of time which may be sold in response to need for liquidity or changes to interest rates, exchange rates or equity prices.

Available for sale investments are initially recognized at fair value plus transaction costs, and are subsequently carried at fair value. Changes in the fair value are recognized in other comprehensive income.

3.3 Financial instruments

All financial assets and liabilities are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument, These are initially measured at fair value, and subsequently re-measured at fair value or amortized cost as the case may be.

Financial assets carried on the balance sheet include long term investments (note 6), long term deposits (note 7), trade debts (note 10), advances (note 11), trade deposits (note 13), other receivables (note 14), cash and bank balances (note 16).

Financial liabilities carried on the balance sheet include Sponsors' loans (note 19), long term finances (note 20), liabilities against assets subject to finance lease (note 21), trade and other payables (note 23), accrued mark-up (note 24) and short term finances (note 25).

Financial assets or a part thereof is derecognized when the Group loses control of the contractual rights that comprise the financial asset or part thereof. Financial liabilities or a part thereof is removed when it is extinguished, i.e. the obligation specified in contract is discharged, cancelled or expired.

3.4 Offsetting of financial assets and financial liabilities

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

3.5 Long term deposits

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

3.6 Stores and spare parts

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

3.7 Stock-in-trade

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

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

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

3.8 Trade debts and other receivables

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

3.9 Cash and cash equivalents

For the purposes of cash flow statement, 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 running finances under mark up arrangements. In the balance sheet, finances under mark-up arrangements are included in current liabilities.

3.10 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 recognized in the profit and loss account except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

3.11 Borrowings 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 profit and loss account in the period in which they are incurred.

3.12 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 22.1, using the projected unit credit method.

3.13 Taxation

3.13.1 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.

3.13.2 Deferred

Deferred tax is recognized using the balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

3.14 Provisions

Provisions are recognized in the balance sheet 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.

3.15 Ijarah

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as Ijarah. Payments made under Ijarah contracts are charged to profit and loss on a straight-line basis over the period of the Ijarah.

3.16 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.

3.17 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. It is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates / discounts, sales tax and other similar allowances. Revenue is recognized on the following basis:

- 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.
- b) Processing income is recognized when services are rendered.
- c) Gain and 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 income, other than those from investments in associates, are recognized at the time the right to receive payment is established.

4 PROPERTY, PLANT AND EQUIPMENT

Operating assets

Capital work in progress - at cost

Note

2016

2015

Rupees

7,301,104,101	4,132,933,736
1,502,631,030	239,139,180
8,803,735,131	4,372,072,916

4.3

2016	Owned assets										Leased assets			Grand total
	Leasehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipment's	Computers	Vehicles	Sub-total	Plant and machinery	Vehicles	Sub-total			
----- Rupees -----														
As at June 30, 2015														
Cost	53,136,745	1,084,369,625	4,782,729,617	41,459,562	62,650,392	13,402,365	152,569,559	6,190,317,865	200,156,071	54,822,382	254,978,453	6,445,296,318		
Accumulated depreciation	(4,174,600)	(342,754,439)	(1,773,594,666)	(19,161,127)	(26,046,156)	(8,707,702)	(73,805,366)	(2,248,244,056)	(49,877,074)	(14,241,452)	(64,118,526)	(2,312,362,582)		
Net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	4,132,933,736		
June 30, 2015														
Opening net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	4,132,933,736		
Transfer from APL														
Cost	148,313,358	490,225,952	2,729,978,134	10,611,361	11,803,718	1,397,584	7,502,798	3,399,832,905	24,581,143	-	24,581,143	3,424,414,048		
Accumulated depreciation	(12,638,809)	(89,695,617)	(589,042,631)	(3,278,030)	(3,100,761)	(735,608)	(3,891,380)	(702,362,836)	(5,312,874)	-	(5,312,874)	(707,695,710)		
Transfer from Hudson Pharma (Private) Limited														
Cost	13,382,795	-	-	-	2,871,153	1,205,168	7,115,610	24,574,726	-	-	-	24,574,726		
Accumulated depreciation	-	-	-	-	(100,251)	(107,502)	(463,782)	(671,535)	-	-	-	(671,535)		
Additions / Transfers from CWIP														
Transfer from leased assets to owned assets	225,000,000	59,526,140	721,375,853	5,629,707	10,795,051	3,807,159	3,237,026	1,029,370,936	64,098,224	46,193,810	110,292,034	1,139,662,970		
Disposal														
Cost	-	-	72,629,407	-	-	-	5,108,535	77,737,942	(72,629,407)	(5,108,535)	(77,737,942)	-		
Accumulated depreciation	-	-	(28,009,413)	-	-	-	(2,183,940)	(30,193,353)	28,009,413	2,183,940	30,193,353	-		
Disposal														
Cost	-	-	44,619,994	-	-	-	2,924,595	47,544,589	(44,619,994)	(2,924,595)	(47,544,589)	-		
Accumulated depreciation	-	-	-	-	-	(48,000)	(5,783,298)	(5,831,298)	-	-	-	(5,831,298)		
Depreciation charge	(5,024,575)	(110,165,780)	(543,619,481)	(2,934,847)	(4,949,086)	(1,279,983)	(15,211,000)	(683,184,752)	(17,303,798)	(9,940,415)	(27,244,213)	(710,428,965)		
Closing net book amount	417,994,914	1,091,505,881	5,372,446,820	32,326,626	53,924,060	8,946,603	78,327,769	7,055,472,673	171,721,698	73,909,730	245,631,428	7,301,104,101		
As at June 30, 2016														
Cost	439,832,898	1,634,121,717	8,306,713,011	57,700,630	88,120,314	19,764,276	169,750,230	10,716,003,076	216,206,031	95,907,657	312,113,688	11,028,116,764		
Accumulated depreciation	(21,837,984)	(542,615,836)	(2,934,266,191)	(25,374,004)	(34,196,254)	(10,817,673)	(91,422,461)	(3,660,530,403)	(44,484,333)	(21,997,927)	(66,482,260)	(3,727,012,663)		
Net book amount	417,994,914	1,091,505,881	5,372,446,820	32,326,626	53,924,060	8,946,603	78,327,769	7,055,472,673	171,721,698	73,909,730	245,631,428	7,301,104,101		
Depreciation rate (%)	1 to 3.03	10	10 to 33	10	10	20	20		10	20				

*The Holding Company has purchased Head office building amounting to Rs. 283,403,500 from Mr. Maqsood Ismail, CEO of Ismail Industries Limited. The title of the property is in process of transferring.

4.1 The depreciation expense has been allocated as follows:

Cost of sales
Selling and distribution expenses
Administrative expenses

Note	2016	2015
	Rupees	
	2016	2015
	690,109,434	372,543,499
	8,018,011	6,490,958
	12,301,520	15,433,481
	710,428,965	394,457,938

The following is a statement of operating assets:

2015	Rupees											Grand total
	Owned assets					Leased assets						
	Leasehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipment's	Computers	Vehicles	Sub-total	Plant and machinery	Vehicles	Sub-total	
As at June 30, 2014												
Cost	87,352,995	990,712,377	3,806,144,367	40,248,862	55,326,340	12,565,986	97,965,718	5,090,316,645	200,156,071	67,677,876	267,833,947	
Accumulated depreciation	(9,074,506)	(269,159,282)	(1,500,215,697)	(16,877,992)	(23,013,358)	(7,744,752)	(50,034,742)	(1,876,120,329)	(33,426,802)	(22,006,887)	(55,433,689)	
Net book amount	78,278,489	721,553,095	2,305,928,670	23,370,870	32,312,982	4,821,234	47,930,976	3,214,196,316	166,729,269	45,670,989	212,400,258	
June 30, 2015												
Opening net book amount	78,278,489	721,553,095	2,305,928,670	23,370,870	32,312,982	4,821,234	47,930,976	3,214,196,316	166,729,269	45,670,989	212,400,258	
Additions / Transfers from CWIP	-	93,657,248	976,585,250	1,210,700	7,785,822	960,379	39,864,827	1,120,064,226	-	23,570,044	23,570,044	
Transfer from leased assets to owned assets	-	-	-	-	-	-	-	-	-	-	-	
Cost	-	-	-	-	-	-	36,425,538	36,425,538	-	(36,425,538)	(36,425,538)	
Accumulated depreciation	-	-	-	-	-	-	(16,101,369)	(16,101,369)	-	16,101,369	16,101,369	
	-	-	-	-	-	-	20,324,169	20,324,169	-	(20,324,169)	(20,324,169)	
Disposal												
Cost	(34,216,250)	-	-	-	(461,770)	(124,000)	(21,686,524)	(56,488,544)	-	-	-	
Accumulated depreciation	5,915,990	-	-	-	378,203	39,513	7,315,667	13,649,373	-	-	-	
	(28,300,260)	-	-	-	(83,567)	(84,487)	(14,370,857)	(42,839,171)	-	-	-	
Depreciation charge for the year	(1,016,084)	(73,595,157)	(273,378,969)	(2,283,135)	(3,411,001)	(1,002,463)	(14,984,922)	(369,671,731)	(16,450,272)	(8,335,934)	(24,786,206)	
Closing net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	
As at June 30, 2015												
Cost	53,136,745	1,084,369,625	4,782,729,617	41,459,562	62,650,392	13,402,365	152,569,559	6,190,317,865	200,156,071	54,822,382	254,978,453	
Accumulated depreciation	(4,174,600)	(342,754,439)	(1,773,594,666)	(19,161,127)	(26,046,156)	(8,707,702)	(73,805,366)	(2,248,244,056)	(49,877,074)	(14,241,452)	(64,118,526)	
Net book amount	48,962,145	741,615,186	3,009,134,951	22,298,435	36,604,236	4,694,663	78,764,193	3,942,073,809	150,278,997	40,580,930	190,859,927	
Depreciation rate (%)	1 to 3.03	10	10 to 33	10	10	20	20	10	10	20	20	

4.2 Following items of property, plant and equipment were disposed off during the year:

	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain	Mode of disposal	Particulars of buyer
 Rupees						
Mode of disposal - negotiation							
<i>Vehicles</i>							
Honda Civic	1,879,000	1,238,122	640,878	1,065,000	424,122	Negotiation	Sumera Mansoori
	837,520	735,527	101,993	540,000	438,007	Negotiation	Auto Mall
Toyota Corolla	1,479,000	957,307	521,693	1,250,000	728,307	Insurance claim	EFU General Insurance
Toyota Hilux	834,000	725,806	108,194	700,000	591,806	Negotiation	M. Islam Khan
Suzuki Mehran	449,000	341,400	107,600	335,000	227,400	Negotiation	M. Islam Khan
Sub-total	5,478,520	3,998,162	1,480,358	3,890,000	2,409,642		
Aggregate of assets disposed off having net book amount below Rs. 50,000 each							
Vehicles	304,778	144,201	160,577	223,000	62,423		
Computer	48,000	3,766	44,234	50,000	5,766		
Sub-total	352,778	147,967	204,811	273,000	68,189		
2016 - total	5,831,298	4,146,129	1,685,169	4,163,000	2,477,831		
2015 - total	56,488,544	13,649,373	42,839,171	76,940,301	34,101,130		

Note 2016 2015
-----Rupees-----

4.3 Capital work-in-progress

Civil works	968,594,689	132,818,371
Plant and machinery	487,550,267	106,225,807
Equipment and fittings	46,486,074	95,002
4.3.1	1,502,631,030	239,139,180

4.3.1 Movement of capital work in progress:

	Civil works	Plant and machinery	Equipment and fittings	Total
	-----Rupees-----			
Balance as at July 1, 2014	64,098,212	352,120,105	-	416,218,317
Capital expenditure incurred during the year	162,377,407	730,690,952	7,880,824	900,949,183
Transferred to operating fixed assets	(93,657,248)	(976,585,250)	(7,785,822)	(1,078,028,320)
Balance as at June 30, 2015	132,818,371	106,225,807	95,002	239,139,180
Transfer from APL	-	3,306,321	-	3,306,321
Transfer from Hudson Pharma (Private) Limited	305,237,355	449,974,001	46,486,074	801,697,430
Capital expenditure incurred during the year	590,065,103	649,419,991	10,700,049	1,250,185,143
Transferred to operating fixed assets	(59,526,140)	(721,375,853)	(10,795,051)	(791,697,044)
Balance as at June 30, 2016	968,594,689	487,550,267	46,486,074	1,502,631,030

	Note	2016	2015
		-----Rupees-----	
5 INTANGIBLES		11,959,187	-
5.1 This represents amount recognized on acquisition of subsidiary.			
6 LONG TERM INVESTMENTS			
6.1 Investment in associated undertakings			
Novelty Enterprises (Private) Limited	6.1.1	228,763,991	229,724,069
The Bank of Khyber	6.1.2	3,142,849,649	2,663,030,998
		3,371,613,640	2,892,755,067
6.2 Other investment - Available for sale			
Bank Islami Pakistan Limited	6.2.1	294,840,000	285,600,000
		3,666,453,640	3,178,355,067

6.1.1 Novelty Enterprises (Private) Limited

The Holding Company holds 33% (2015: 33%) voting and equity interest in Novelty Enterprises (Private) Limited (NEL). The shares of NEL are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of NEL is June 30.

Total equity / net assets of NEL as at June 30, 2016 based on un-audited financial statements amounted to Rs. 561.53 million (2015: Rs. 561.57 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated August 12, 2011 fair value of fixed assets of NEL amounted to Rs. 730.48 million resulting in surplus on fixed assets of Rs. 196.767 million. Revised net assets after the revaluation surplus amounted to Rs.758.30 million (2015: Rs. 758.34 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

NEL has not commenced operations as of the reporting date and hence the investment is stated at cost.

6.1.2 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (2015: 24.16%). 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 financial statements have been taken from reviewed condensed interim financial information of the Bank for the six-month periods ended June 30, 2016 and June 30, 2015. 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, 2016 was Rs. 3,032.57 million (June 30, 2015: Rs. 2,658.029 million)

These investments are accounted for under the equity method. The aggregate amount of the associates recognized in these financial statements are as follows:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	2016	2015	2016	2015
	-----Rupees-----			
Balance as at July 1	2,663,030,998	1,085,647,801	229,724,069	229,724,069
Purchase during the year	-	1,516,335,105	-	-
Share of profit/(loss) relating to profit and loss account	507,360,301	207,684,856	(960,078)	-
Dividend received	(302,048,789)	(241,639,031)	-	-
Share of other comprehensive income/(loss)	313,722,444	108,574,019	-	-
Related deferred tax on OCI	(39,215,305)	(13,571,752)	-	-
	274,507,139	95,002,267	-	-
Balance as at June 30	3,142,849,649	2,663,030,998	228,763,991	229,724,069

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	
	2016	2015	2016	2015
	-----Rupees-----		-----Rupees-----	
Assets	174,742,697,000	142,457,192,000	561,548,132	561,799,657
Liabilities	157,644,972,000	127,507,833,000	12,695	230,195
Revenue	4,446,644,000	4,102,330,000	-	-
Profit / (loss)	2,100,192,000	1,385,721,000	(34,025)	(56,825)

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 associates. The Holding Company has received cash dividend from the Bank of Khyber during the year amounting to Rs 1.25 per shares (2015: Rs. 1.00)

	Note	2016	2015
		-----Rupees-----	
6.2.1 Bank Islami Pakistan Limited			
Carrying value of investment		285,600,000	280,000,000
Unrealized appreciation in value of investments		9,240,000	5,600,000
Fair value of investments		294,840,000	285,600,000
7 LONG TERM DEPOSITS			
Lease - Conventional		40,104,601	41,231,346
Less: Current maturity - Conventional		(1,760,700)	(9,160,535)
		38,343,901	32,070,811
Lease - Islamic		1,350,634	1,350,634
Less: Current maturity - Islamic	13	(1,350,634)	-
		-	1,350,634
Utilities		12,693,561	9,566,461
Others		7,557,072	4,699,877
		58,594,534	47,687,783
8 STORES AND SPARES			
Stores		88,026,477	61,368,692
Spare parts		53,655,983	21,466,073
Diesel and liquefied petroleum gas (LPG)		1,252,300	1,928,149
Others		9,500,192	2,400
		152,434,952	84,765,314

8.1 Reconciliation of provision for slow moving spare parts

	Note	2016			
		Stores	Spare parts	Diesel and LPG	Others
		----- Rupees -----			
Stock - gross		95,537,897	53,655,983	1,252,300	9,500,192
Provision for slow moving					
- opening		(6,971,420)	-	-	-
- charge for the year	29.3	(540,000)	-	-	-
- closing		(7,511,420)	-	-	-
Stock - net		88,026,477	53,655,983	1,252,300	9,500,192

	Note	2015			
		Stores	Spare parts	Diesel and LPG	Others
		----- Rupees -----			
Stock - gross		68,340,112	21,466,073	1,928,149	2,400
Provision for slow moving					
- opening		(6,431,420)	-	-	-
- charge for the year	29.3	(540,000)	-	-	-
- closing		(6,971,420)	-	-	-
Stock - net		61,368,692	21,466,073	1,928,149	2,400

9 STOCK-IN-TRADE

	Note	2016 -----Rupees-----	2015
Raw materials	9.1 & 9.2	3,951,251,890	3,100,457,782
Packing materials	9.1 & 9.2	354,703,036	437,320,823
Work-in-process	29	65,927,451	36,844,384
Finished goods	9.1	1,378,037,835	1,621,766,773
		<u>5,749,920,212</u>	<u>5,196,389,762</u>

9.1 Reconciliation of provision for stock-in-trade

	Note	2016		
		Raw materials	Packing materials	Finished goods
		----- Rupees -----		
Stock-in-trade (gross)		3,964,656,168	505,035,141	1,378,037,835
Provision for slow moving				
- opening		(13,404,278)	(149,276,255)	-
- charge for the year		-	(32,400,000)	-
- written off	29.2	-	31,344,150	-
- closing		(13,404,278)	(150,332,105)	-
Stock-in-trade (net)		<u>3,951,251,890</u>	<u>354,703,036</u>	<u>1,378,037,835</u>

9.1.1

		2015		
		Raw materials	Packing materials	Finished goods
		----- Rupees -----		
Stock-in-trade (gross)		3,113,862,060	586,597,078	1,621,766,773
Provision for slow moving				
- opening		(13,404,278)	(136,820,000)	-
- charge for the year		-	(33,647,770)	-
- written off	29.2	-	21,191,515	-
- closing		(13,404,278)	(149,276,255)	-
Stock-in-trade (net)		<u>3,100,457,782</u>	<u>437,320,823</u>	<u>1,621,766,773</u>

- 9.2 This includes raw materials and packing materials in transit amounting to Rs. 148,924,096 (June 30, 2015: Rs. 56,861,972) and Rs. Nil (June 30, 2015: Rs. 6,870,951).

	Note	2016 -----Rupees-----	2015
10 TRADE DEBTS			
Considered good			
-export-secured		138,962,888	84,094,131
-local- unsecured		1,042,864,233	694,454,360
		1,181,827,121	778,548,491
Considered doubtful		39,964,885	36,364,885
Trade debts - gross		1,221,792,006	814,913,376
Provision for doubtful debts - opening balance		(36,364,885)	(28,264,885)
Charge for the year	30	(3,600,000)	(8,100,000)
Provision for doubtful debts - closing balance		(39,964,885)	(36,364,885)
Trade debts - net		1,181,827,121	778,548,491

10.1 Certain trade debts were found to be doubtful and provision has been recorded accordingly. The doubtful trade debts are mostly due from customers in the business-to-business market.

	Note	2016 -----Rupees-----	2015
10.2 Age analysis			
More than 45 days but not more than 3 months		117,994,471	66,560,600
More than 3 months but not more than 6 months		86,321,571	54,728,202
More than 6 months but not more than 1 year		72,572,721	25,197,087
		276,888,763	146,485,889
11 ADVANCES - considered good			
Secured, considered good			
- advances to employees	11.1	16,537,152	11,425,460
Unsecured			
- advances to suppliers		146,287,048	98,948,774
- advances to others		4,430,794	5,578,865
		167,254,994	115,953,099

11.1 These include advances to employees against salary. The reconciliation of amounts due from executives and non-executives of the Group is given as follows:

	2016 -----Rupees-----	2015
Amount due from executives		
Opening balance	2,496,500	435,000
Disbursement during the year	7,169,500	3,725,000
Repayments during the year	(3,474,170)	(1,663,500)
Closing balance	6,191,830	2,496,500
Amount due from other than executives		
Opening balance	8,928,960	7,106,162
Transfer From APL	110,691	-
Disbursement during the year	57,611,667	29,994,401
Repayments during the year	(56,305,996)	(28,171,603)
Closing balance	10,345,322	8,928,960

	Note	2016	2015
		-----Rupees-----	
12 Short term investments - available for sale			
Cost of investments	12.1	36,545,584	-
Unrealized appreciation in value of investments		902,415	-
Fair value of investments		<u>37,447,999</u>	<u>-</u>

12.1 During the year, the company has purchased 100,000 shares each of United Bank Limited and Habib Bank Limited.

13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - unsecured		9,194,168	4,049,304
Short term prepayments		20,041,384	17,066,363
Current maturity of lease deposits-			
<i>Conventional</i>	7	1,760,700	9,160,535
<i>Islamic</i>	7	1,350,634	-
		<u>32,346,886</u>	<u>30,276,202</u>

14 OTHER RECEIVABLES

Export rebate		34,012,974	32,815,701
Sales tax receivable		299,166,683	-
Collector of customs		-	97,221
Federal excise duty		2,891,947	1,568,223
Other receivables	14.2	102,976,057	900
		<u>439,047,661</u>	<u>34,482,045</u>

14.1 Other receivables have been reviewed for impairment and none have been found to be impaired.

14.2 This amount includes Rs. 100.217 million due from Nazir of the High Court as refer in note. 26.1.5.

	Note	2016	2015
		-----Rupees-----	
15 TAXATION - net			
Advance income tax		672,490,522	498,212,928
Provision for taxation	37	(167,131,422)	(89,868,311)
		<u>505,359,100</u>	<u>408,344,617</u>
16 CASH AND BANK BALANCES			
Cash in hand		2,547,471	2,095,344
Cash with banks in:			
- current accounts - conventional		48,323,330	25,780,553
- current accounts - islamic		10,587,976	1,216,492
		<u>61,458,777</u>	<u>29,092,389</u>
17 ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL			
2016	2015		
<u>50,520,750</u>	<u>50,520,750</u>	Ordinary shares of Rs. 10 each fully paid in cash	
		<u>505,207,500</u>	<u>505,207,500</u>

17.1 RESERVE ARISING ON AMALGAMATION

As detailed in Note 1.2, following are the carrying amounts of assets and liabilities transferred from Astro Plastics (Private) Limited pursuant to the scheme of merger. The difference between the net assets acquired and share capital to be issued against those net assets as at June 30, 2015 has been recorded as 'Amalgamation Reserve'. Subsequent to merger, adjustments have been made to the carrying amount of assets for changes in estimates and significant judgment areas and this has been accounted for in the amalgamation reserve.

Assets		Rupees
Property, plant and equipment		2,720,024,659
Long term deposits		6,481,309
Stores and spares		30,040,851
Stock-in-trade		1,242,895,469
Trade debts		407,484,399
Advances - considered good		29,895,516
Trade deposits and short term prepayments		375,000
Other receivables		396,592,052
Taxation - net		46,241,157
Cash and bank balances		3,615,288
Total Assets - A		4,883,645,700
Sponsors' loan - subordinated		300,000,000
Advance against future issue of shares		9,333,303
Long term finances - secured		1,264,430,208
Liabilities against assets subject to finance lease		12,061,751
Deferred liabilities		7,802,351
Trade and other payables		622,996,459
Accrued mark-up		56,170,891
Short term finances - secured		1,561,148,670
Total Liabilities - B		3,833,943,633
Net assets acquired (A-B)		1,049,702,067
Less: Shares to be issued pursuant to amalgamation	17.2	132,840,000
Amalgamation reserves		916,862,067

17.2 This represent the amount of share capital to be issued as a consideration for net assets acquired due to the merger. The Holding Company is presently in process of completing certain legal requirements with respect to issuance and allotment of shares.

18 RESERVES	Note	2016	2015
		-----Rupees-----	
Capital Reserve			
- Share premium	18.1	579,265,000	579,265,000
- Share of AFS re-measurement from associate		382,805,697	108,298,558
- Reserve arising due to amalgamation	17.1	916,862,067	-
Revenue Reserve			
- Unappropriated profit		3,481,904,591	2,782,391,410
		5,360,837,355	3,469,954,968

18.1 This represents share premium on right shares issued @ Rs. 20 per share. This reserve can be utilized by the Holding Company for the purpose specified in section 83(2) of the Companies Ordinance, 1984.

19 SPONSORS' LOAN - subordinated	2016	2015
	-----Rupees-----	
Opening balance	602,151,770	352,151,770
Additions received during the year	-	250,000,000
Transfer from APL	300,000,000	-
Closing balance	902,151,770	602,151,770

19.1 The Holding Company has obtained interest free loan from its sponsors. The sponsors have entered into agreements with the Holding Company and various banks in which they have undertaken to sub-ordinate their loans and their claims over the Holding Company's assets. These loans will convert within one year to ordinary shares after the merger of Astro Plastics (Private) Limited with the Holding company and are under advance stage of discussion for conversion to ordinary shares. The required formalities would be completed once final decision and agreement has been reached.

20 LONG TERM FINANCES - secured

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of installments	2016 ----- Rupees -----	2015 -----
<u>Loans from banking companies and financial institutions</u>						
CONVENTIONAL						
Habib Bank Limited						
- Term finance	Quarterly	2012-2017	3 month KIBOR + 1.75%	19	7,894,736	39,473,684
- Term finance	Monthly	2013-2017	1 month KIBOR + 1.60%	42	23,809,522	80,952,380
- Term finance	Monthly	2017-2019	1 month KIBOR + 0.5%	36	300,000,000	-
Bank Al-Habib Limited						
- Term finance	Monthly	2014-2019	1 month KIBOR + 1%	48	90,000,000	120,000,000
MCB Bank Limited						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1.5%	54	49,780,000	74,668,000
NIB Bank Limited						
- Term finance	Monthly	2014-2017	1 month KIBOR + 1.5%	42	28,568,343	74,999,550
United Bank limited						
- Term finance	Monthly	2011-2016	1 month KIBOR + 1%	60	-	7,499,982
Allied Bank Limited						
- Term finance	Monthly	2015-2020	3 month KIBOR + 1%	60	364,359,701	459,410,045
- Term finance	Monthly	2011-2016	3 month KIBOR + 1.5%	60	-	73,333,366
- Term finance	Monthly	2011-2016	3 month KIBOR + 1.5%	60	-	8,333,314
- Term finance	Monthly	2016-2021	3 months KIBOR + 1%	60	314,670,000	-
Askari Bank Limited						
- Term finance	Monthly	2015-2018	1 month KIBOR + 0.75%	36	319,447,196	486,111,111
Pak Brunei Investment Company Limited						
- Term finance	Quarterly	2017-2020	3 month KIBOR + 1%	12	200,000,000	-
Balance carried forward					1,698,529,498	1,424,781,432

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of installments	2016 ----- Rupees -----	2015
<u>Loans from banking companies and financial institutions</u>						
<i>CONVENTIONAL</i>						
Balance brought forward					1,698,529,498	1,424,781,432
Pak Oman Investment Company						
- Term finance	Quarterly	2014-2018	3 month KIBOR + 1%	20	86,558,000	126,562,000
- Term finance	Monthly	2016-2021	1 month KIBOR + 1%	60	275,000,000	-
- Term finance	Monthly	2014-2019	1 month KIBOR + 1%	60	116,666,675	156,666,671
Bank Alfalah Limited						
- Term finance	Monthly	2014-2018	3 month KIBOR + 1%	60	80,000,000	120,000,000
- Term finance / LTFF	Quarterly	2017-2027	3 month KIBOR + 1% / SBP+1%	40	148,460,000	-
Soneri Bank Limited						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	50,000,008	75,000,004
The Bank of Punjab						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	99,999,992	149,999,996
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	124,999,994	174,999,998
Samba Bank Limited						
- Term finance	Monthly	2014-2018	1 month KIBOR + 1%	48	150,800,000	213,200,000
- Term finance	Monthly	2017-2019	1 month KIBOR + 0.5%	36	500,000,000	-
JS Bank Limited						
- Term finance	Monthly	2014-2017	1 month KIBOR + 1.25%	42	10,833,335	29,404,763
- Term finance	Monthly	2016-2020	1 month KIBOR + 0.75%	42	193,069,498	-
Faysal Bank Limited						
- Term finance	Quarterly	2013-2018	3 months KIBOR + 1.5%	20	45,000,000	-
Balance carried forward					3,579,917,000	2,470,614,864

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of installments	2016 ----- Rupees -----	2015 ----- Rupees -----
Balance brought forward					3,579,917,000	2,470,614,864
- Term finance	Quarterly	2016-2019	3 months KIBOR + 1.5%	13	407,029,760	-
- Term finance	Quarterly	2018-2021	3 months KIBOR + 10%	16	300,000,000	-
National Bank of Pakistan						
- Term finance	Quarterly	2013-2018	3 months KIBOR + 1.5%	20	45,000,000	-
- Term finance	Quarterly	2016-2019	3 months KIBOR + 1.1%	13	408,666,500	-
Islamic						
Habib Bank Limited						
- Islamic financing	Monthly	2014-2018	1 month KIBOR + 1%	48	99,999,992	149,999,996
- Islamic financing	Monthly	2016-2021	1 month KIBOR + 0.75%	60	500,000,000	500,000,000
MCB Islamic Bank Limited						
- Islamic finance	Quarterly	2018-2022	3 month KIBOR + 0.75%	20	350,000,000	-
Dubai Islamic Bank Pakistan Limited						
- Term finance	Monthly	2014-2019	1 month KIBOR + 1%	60	175,000,000	235,000,000
- Term finance	Monthly	2015-2019	1 month KIBOR + 0.75%	48	354,166,667	479,166,667
- Term finance	Monthly	2017-2021	3 months KIBOR + 1%	16	200,000,000	-
					6,419,779,919	3,834,781,527
Less: Current portion of long term finances shown under current liabilities - conventional					(1,725,867,014)	(863,327,161)
Less: Current portion of long term finances shown under current liabilities - islamic					(347,500,004)	(235,000,008)
					<u>4,346,412,901</u>	<u>2,736,454,358</u>

20.1 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 Holding Company and personal guarantees of sponsors.

21 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

Under the agreements, lease rentals are payable in 36 to 60 equal monthly 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 7.14% to 8.49% (2015: 8.51% to 11.98%) per annum and financing from islamic banks carry mark-up at rates ranging from 7.10% to 8.49% 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.245.631 million (2015: Rs.190.860 million) (refer note 4).

These are secured against deposits of Rs 40.10 million (2015: Rs 42.582 million), title of ownership of leased assets and personal guarantees of the directors of the Holding Company.

The minimum lease payments for which the Holding Company has committed to pay in future under the lease agreements are due as follows:

	2016			2015		
	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments
----- (Rupees in '000) -----						
<i>Conventional</i>						
Up to one year	81,832,728	10,839,659	70,993,069	46,844,700	8,614,664	38,230,036
Later than one year but not later than five years	120,324,780	5,566,043	114,758,737	87,546,525	6,292,008	81,254,316
	<u>202,157,508</u>	<u>16,405,702</u>	<u>185,751,806</u>	<u>134,391,225</u>	<u>14,906,672</u>	<u>119,484,352</u>
<i>Islamic</i>						
Up to one year	45,773,598	4,519,381	41,254,217	3,753,920	386,620	3,367,300
Later than one year but not later than five years	38,168,879	4,485,988	33,682,891	3,249,536	67,561	3,182,176
	<u>83,942,477</u>	<u>9,005,369</u>	<u>74,937,108</u>	<u>7,003,456</u>	<u>454,181</u>	<u>6,549,476</u>
			Note	2016	2015	
				----- Rupees -----		

22 DEFERRED LIABILITIES

Provision for staff gratuity scheme - unfunded	22.1	126,680,879	93,334,560
Deferred tax liability	22.2	674,516,776	554,405,609
		<u>801,197,655</u>	<u>647,740,169</u>

22.1 Staff retirement benefits - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2016, using the "Projected Unit Credit Method". Provision has been made in the 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:

22.1.1 Significant actuarial assumptions	Note	2016	2015
<i>Financial assumptions</i>			
Discount rate (per annum)		9.00%	11.00%
Expected rate of increase in salaries (per annum)		9.00%	11.00%
<i>Demographic assumptions</i>			

Mortality rates (for death in service)

Retirement assumption

Adjusted
SLIC 2001-2005
60 years

Adjusted
SLIC 2001-2005
60 years

Note

2016

2015

----- Rupees -----

22.1.2 Balance sheet reconciliation

Present value of defined benefit obligation

22.1.3

126,680,882

93,334,560

Fair value of plan assets

-

-

Net liability in balance sheet

126,680,882

93,334,560

22.1.3 Movement in the defined benefit obligation

Present value of defined benefit obligation as at July 1

93,334,560

60,300,119

Transfer from APL

7,802,351

Current service cost

23,758,867

14,048,680

Interest cost

9,955,631

7,029,584

Re-measurement on obligation

22.1.7

10,730,180

24,408,971

Payments during the year

(18,900,707)

(12,452,794)

Present value of defined benefit obligation as at June 30

126,680,882

93,334,560

22.1.4 Movement in the net liability in the balance sheet is as follows:

Opening balance of net liability

93,334,560

60,300,119

Transfer from APL

7,802,351

Charge for the year

22.1.5

33,714,498

21,078,264

Re-measurements recognized in 'Other Comprehensive Income'

22.1.7

10,730,180

24,408,971

Payments during the year

(18,900,707)

(12,452,794)

Closing balance of net liability

126,680,882

93,334,560

22.1.5 The amounts recognized in the profit and loss account against defined benefit scheme are as follows:

Current service cost

23,758,867

14,048,680

Interest cost

9,955,631

7,029,584

Expected return on plan assets

-

-

Charge for the year

33,714,498

21,078,264

22.1.6 For the year ended June 30, 2016, expected provisions to the staff retirement benefit scheme is Rs.29.448 million (2015 Rs.18.65 million).

2016

2015

----- Rupees -----

22.1.7 Re-measurement recognized in 'other comprehensive income'

Experience losses

10,730,180

24,408,971

Re-measurement of fair value of plan assets

-

-

Related deferred tax

10,730,180

24,408,971

(3,326,356)

(7,810,871)

7,403,824

16,598,100

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

Comparison for
five years

2016

2015

2014

2013

2012

-----Rupees-----

Present value of defined
benefit obligation

126,680,882

93,334,560

60,300,119

46,968,464

34,073,599

22.1.9 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%	105,321,538	(130,424,346)
Salary growth rate	1%	129,709,356	(105,696,319)

22.1.10 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 balance sheet.

	Note	2016	2015
		----- Rupees -----	
22.2 Deferred taxation			
Credit balance arising in respect of:			
- accelerated tax depreciation allowances		1,039,228,278	610,163,601
Debit balance arising in respect of:			
- provision for gratuity		(38,848,276)	(29,867,059)
- provision for doubtful debts		(12,389,114)	(11,636,763)
- investment in associates		76,753,668	40,034,455
- investment in AFS		1,967,802	-
- unabsorbed depreciation loss		(339,108,763)	-
- provision for stock in trade		(53,086,819)	(54,288,625)
Deferred tax liability		674,516,776	554,405,609
23 TRADE AND OTHER PAYABLES			
Trade creditors		1,352,606,045	612,057,321
Advance from director's		13,205,967	-
Accrued liabilities		93,458,658	93,766,117
Workers' profit participation fund	23.1	73,917,434	42,985,133
Workers' welfare fund		42,181,216	16,000,537
Unclaimed dividend		1,526,021	997,430
Sales tax payable		-	48,741,297
Other liabilities		30,410,484	5,788,916
		1,607,305,825	820,336,751
23.1 Workers' profit participation fund			
Balance at beginning of the year		42,985,133	32,343,091
Contribution for the year	32	67,931,688	41,406,419
Interest on funds utilized in the Group's business	34	7,834,246	1,578,714
		118,751,067	75,328,224
Less: Payments made during the year		(44,833,633)	(32,343,091)
Balance at end of the year		73,917,434	42,985,133
24 ACCRUED MARK-UP			
Accrued mark-up on:			
Conventional			
- long term finances - secured		24,347,792	16,108,389
- short term finances - secured		38,510,464	54,477,072
Islamic			
- long term finances - secured		7,812,187	747,802
- short term finances - secured		10,326,187	21,574,131
		80,996,630	92,907,394

	Note	2016	2015
		----- Rupees -----	
25 SHORT TERM FINANCES - Secured			
From banking companies			
Term finances - conventional	25.1	1,573,404,789	1,790,963,157
Term finances - islamic	25.2	999,309,771	1,589,507,845
Export refinances	25.3	168,000,000	-
Running finance utilized under mark-up arrangements	25.4	1,707,065,190	659,434,922
		4,447,779,750	4,039,905,924

25.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 3,825 million (2015: Rs. 2,250 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 6.42% to 7.49% per annum (2015: 7.24% to 11.21% per annum).

25.2 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,700 million (2015: Rs. 2,144 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 6.39% to 7.86% per annum (2015: 7.26% to 10.96% per annum).

25.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 490 million (2015: Rs. 380 million). These were secured against pari-passu 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 0.75% to 1% above the State Bank of Pakistan (SBP) rate per annum (2015: 1% above SBP rate per annum).

25.4 The facilities for running finances available from various banks aggregated to Rs. 3,325 million (2015: Rs. 2,675 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 6.50% to 8.51% per annum (2015: 7.30% to 11.21% per annum).

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 The Holding Company has filed a suit against a debtor for recovery of Rs. 960,450. The suit was decreed in favour of the Holding Company but as the debtor did not have any tangible property within the territorial jurisdiction of Court at Hub, the case has been transferred to the District Judge, Lahore for execution. As the case has been decided in favour of the Holding Company and the debtor is being pursued to pay the decretal amount, the amount due has not been written off.

26.1.2 Suit no. 17 of 2009 was filed against the Holding Company and Lasbella Industrial Estates Development Authority (LIEDA) for illegal allotment of Plot No. C-386 Hub Industrial Trading Estate (HITE) which was set aside by the High Court of Balochistan, Quetta and the Court of Senior Civil Judge decreed in favor of plaintiff.

The Holding Company has preferred appeal to High Court of Balochistan, Quetta. No provision has been made in these financial statements against this aforementioned suit as the management of the Company, based on the advice of its legal counsel, is of the opinion that the abovementioned judgment is contrary to the facts and law and not based on proper appraisal of evidence and correct appreciation of law. Further, the Holding Company has completed construction and is running factory on the land in dispute, therefore, it is not viable to restore possession of the suit property to the plaintiff and the Company shall contest the case in the higher Courts if warranted. The High Court of Balochistan, Quetta has set aside the case on February 24, 2014 and the case shall start afresh in the next hearing.

Further, in case of any adverse decision, LIEDA would be required to allot alternative plot to the plaintiff and the Holding Company would not be affected by any adverse decision of the Court.

26.1.3 The Holding Company has filed appeal before the Commissioner (Appeals), LTU, Karachi against certain add-backs out of expenses claimed and short tax credit allowed during the proceeding u/s 122 5A of the Ordinance. As per the tax advisor of the Holding Company the order by the commissioner will not have any impact on the tax liability of the Holding Company as its falls under minimum tax. However, if tax credit is allowed by the commissioner Appeal the Holding Company's tax refund will increase by Rs. 26.376 million.

26.1.4 As the Ministry of Industries has declared 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 Board of Investment (BOI) for the permission of imports who entertained the request and is 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 post dated cheques amounting to Rs. 557.403 million (2015: Rs. 557.403 million) for provisional clearance in favour of Collector of Custom. However, due to delay on 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 petition 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 Ministry of Industries dated August 15, 2012. The Hon'ble High Court vide order dated May 13, 2015, has passed interim orders in favor of the Holding Company, which are still operative. 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 retrospectively.

26.1.5 The Holding Company has filed suit against Federation of Pakistan, Federal Board of Revenue, Collectors of Custom and Collectorate of Custom in Sindh High Court against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% import duty on import of Poly Ethylene Terephthalate (PET). In this connection Sindh High Court vide order dated March 12, 2013 directed that 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 with the Nazir of the Honorable High Court and 2.5% shall be paid through post dated cheques to the Nazir. In this connection the Holding Company has deposited pay orders amounting to Rs. 100.217 million (2015: Rs. 100.217 million) and issued post dated cheques amounting to Rs. 100.217 million (2015: Rs. 100.217 million) in favour of Nazir of High Court as directed. Further, the Holding Company has filed petition for rationalization of duty structure on PET Resin. Subsequent to the year end, the main grievance of the Holding Company 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 major 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 Honorable High Court which has been challenged in Honorable Supreme Court of Pakistan. As per legal Counsel, there is no immediate financial liability against the Holding Company in the abovementioned matter and has a good prima facie case.

26.2 Commitments

Outstanding letters of guarantee

Outstanding letters of credit for:

- capital expenditure

- others

Rentals under Ijarah contracts

Not later than one year

Over one year to five years

2016
----- Rupees -----

2016	2015
390,304,201	246,253,376
1,345,595,856	508,489,475
1,819,393,537	378,383,637
44,412,224	44,412,224
63,633,725	108,045,948
108,045,949	152,458,172

Note	Food segment		Plastic segment		Pharmaceutical segment		Total
	2016	2015	2016	2015	2016	2015	
OPERATING RESULTS							
Sales							
Local sales	15,360,946,687	12,989,238,384	4,629,420,252	1,119,622,844	-	-	19,990,366,939
Inter-segment sales	-	-	23,460,000	353,883,392	-	-	23,460,000
Export sales	523,759,417	715,196,274	318,320,713	57,450,229	-	-	842,080,130
	15,884,706,104	13,704,434,658	4,971,200,965	1,530,956,465	-	-	20,855,907,069
Sales returns and discounts	(816,244,113)	(575,211,852)	(24,003,950)	(3,877,534)	-	-	(840,248,063)
	15,068,461,991	13,129,222,806	4,947,197,015	1,527,078,931	-	-	20,015,659,006
Add: Export rebate	10,441,200	12,817,955	1,408,510	1,810,545	-	-	11,849,710
Sales tax	(2,295,254,198)	(1,910,761,797)	(700,823,501)	(164,755,110)	-	-	(2,996,077,699)
	12,783,648,993	11,231,278,964	4,247,782,024	1,364,134,366	-	-	17,031,431,017
Cost of sales	10,106,841,554	8,917,803,073	3,815,133,925	1,201,801,985	-	-	13,921,975,479
Gross profit	2,676,807,439	2,313,475,891	432,648,099	162,332,381	-	-	3,109,455,538
Selling and distribution expenses	(1,245,237,614)	(1,007,433,732)	(122,177,281)	(45,998,475)	-	-	(1,367,414,895)
Administrative expenses	(171,293,315)	(141,130,056)	(20,706,395)	(952,635)	-	-	(191,999,710)
	(1,416,530,929)	(1,148,563,788)	(142,883,676)	(46,951,110)	-	-	(1,559,414,605)
Operating profit	1,260,276,510	1,164,912,103	289,764,423	115,381,271	-	-	1,550,040,933
Other operating expense							(131,731,992)
Other income							166,135,001
Finance cost							(798,382,202)
Share of profit from associate							506,400,223
Profit before tax							1,292,461,963
Taxation							(290,595,071)
Profit for the year							1,001,866,892

	Food segment		Plastic segment		Pharmaceutical segment		Total
	2016	2015	2016	2015	2016	2015	
	Rupees						
27.1 Segment assets	10,453,923,828	9,513,714,555	6,405,019,562	1,516,625,732	858,290,237	-	11,030,340,287
27.2 Unallocated assets	-	-	-	-	-	-	3,245,627,398
	10,453,923,828	9,513,714,555	6,405,019,562	1,516,625,732	858,290,237	-	14,275,967,685
	Rupees						
27.3 Segment liabilities	1,800,576,277	4,323,388,715	4,572,015,250	860,043,768	25,038,991	-	5,183,432,483
27.4 Unallocated liabilities	-	-	-	-	-	-	5,117,372,734
	1,800,576,277	4,323,388,715	4,572,015,250	860,043,768	25,038,991	-	10,300,805,217
	Rupees						
27.5 Non-cash items							
-depreciation	410,598,882	374,061,934	299,830,083	20,396,004	-	-	394,457,938
-others	27,846,750	19,090,377	831,724	1,987,887	-	-	21,078,264
	438,445,632	393,152,311	300,661,807	22,383,891	-	-	415,536,202
27.6 Capital expenditure	1,222,209,931	944,296,281	375,941,138	22,258,853	-	-	966,555,134
27.7 Inter-segment pricing							

Transactions among the business segments are recorded at estimated cost.

27.8 The Holding Company's export sales have been primarily made to countries in the Middle East, Africa and South Asia. However, no material amount of export sales have been made to any one or more particular countries.

27.9 There were no major customers of the Holding Company which constituted 10 percent or more of the Company's revenue.

	Note	2016	2015
			Rupees
28 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES			
28.1 Sales			
Total sales for reportable segments		20,027,508,716	14,670,930,237
Elimination of inter-segments sales		(23,460,000)	(353,883,392)
Total sales		20,004,048,716	14,317,046,845
28.2 Cost of sales			
Total cost of sales for reportable segments		13,921,975,479	10,119,605,058
Elimination of inter-segments purchases		(23,460,000)	(353,883,392)
Total cost of sales		13,898,515,479	9,765,721,666
28.3 Assets			
Total assets for reportable segments	27.1	16,858,943,390	11,030,340,287
Administrative capital assets		342,443,164	67,272,331
Long term investments	6	3,666,453,640	3,178,355,067
Total assets		20,867,840,194	14,275,967,685
28.4 Liabilities			
Total liabilities for reportable segments	27.3	6,372,591,527	5,183,432,483
Sponsors' loan - subordinated	19	902,151,770	602,151,770
Deferred liabilities	22.2	674,516,776	554,405,609
Long term finance	18	6,419,779,919	3,834,781,527
Liabilities against assets subject to finance lease	19	260,688,914	126,033,828
Total liabilities		14,629,728,906	10,300,805,217

Note	Food segment			Plastic segment		Pharmaceutical segment		Total
	2016	2015	2016	2015	2016	2015		
	Rupees							
	COST OF SALES							
29.1	Raw materials consumed	5,538,343,948	4,473,384,269	2,821,511,888	988,953,115	-	8,359,855,836	5,462,337,384
29.2	Packing materials consumed	2,850,176,569	3,033,737,814	121,262,700	32,172,846	-	2,971,439,269	3,065,910,660
29.3	Stores and spares consumed	176,173,618	139,330,316	68,170,222	24,612,083	-	244,343,840	163,942,399
	Salaries, wages and other benefits	474,970,499	425,615,308	158,576,300	36,377,247	-	633,546,799	461,992,555
	Electricity, gas, fuel and lubricants	314,758,953	307,226,361	181,204,529	67,323,042	-	495,963,482	374,549,403
	Repairs and maintenance	25,022,709	23,376,995	10,806,668	1,927,212	-	35,829,377	25,304,207
	Cold storage - rent & maintenance	16,147,625	2,152,000	-	-	-	16,147,625	2,152,000
	Printing and stationery	586,251	269,820	208,043	-	-	794,294	269,820
	Insurance	15,128,130	15,709,032	11,809,541	1,574,733	-	26,937,671	17,283,765
	Rent, rates and taxes	43,214,959	45,386,751	805,577	351,000	-	44,020,536	45,737,751
	Water charges	26,824,075	38,157,087	6,710,950	1,099,660	-	33,535,025	39,256,747
	Postage and telephone	2,532,459	1,888,869	826,187	158,415	-	3,358,646	2,047,284
	Travelling and conveyance	1,376,420	1,279,498	153,185	-	-	1,529,605	1,279,498
	Vehicle running and maintenance	7,929,686	7,497,620	2,987,628	704,119	-	10,917,314	8,201,739
4.1	Depreciation	390,844,570	352,206,137	299,264,864	20,337,362	-	690,109,434	372,543,499
	Laboratory expenses	2,187,721	1,136,084	-	-	-	2,187,721	1,136,084
	Fees and subscription	663,383	660,612	153,000	76,432	-	816,383	737,044
	Cartage	3,095,226	3,567,064	30,100	6,000	-	3,125,326	3,573,064
	Procurement expenses	2,774,347	2,548,662	-	-	-	2,774,347	2,548,662
	Processing charges	-	-	-	41,083,440	-	-	41,083,440
	Other manufacturing expenses	488,201	1,851,421	954,325	(67,674)	-	1,442,526	1,783,747
		9,893,239,349	8,876,981,720	3,685,435,707	1,216,689,032	-	13,578,675,056	10,093,670,752
9	Work-in-process at the beginning					-	-	
	Transfer from APL	8,467,144	12,541,484	28,377,240	37,650,672	-	36,844,384	50,192,156
9	Work-in-process at the end	(9,354,573)	(8,467,144)	(56,572,878)	(28,377,240)	-	(65,927,451)	(36,844,384)
		(887,429)	4,074,340	12,563,520	9,273,432	-	11,676,091	13,347,772
	Cost of goods manufactured	9,892,351,920	8,881,056,060	3,697,999,227	1,225,962,464	-	13,590,351,147	10,107,018,524
	Stock of finished goods at beginning of the year					-	-	
9	Transfer from APL	1,583,304,050	1,573,592,967	38,462,723	8,815,344	-	1,621,766,773	1,582,408,311
	Purchase of finished goods	-	-	38,590,164	-	-	38,590,164	-
	Insurance claim	44,992,507	46,458,096	86,812,722	5,486,900	-	131,805,229	51,944,996
		(82,500,000)	-	-	-	-	(82,500,000)	-
9	Stock of finished goods at end of the year	(1,331,306,923)	(1,583,304,050)	(46,730,911)	(38,462,723)	-	(1,378,037,834)	(1,621,766,773)
		214,489,634	36,747,013	117,134,698	(24,160,479)	-	331,624,332	12,586,534
		10,106,841,554	8,917,803,073	3,815,133,925	1,201,801,985	-	13,921,975,479	10,119,605,058

Note		Food segment		Plastic segment		Pharmaceutical segment		Total	
		2016	2015	2016	2015	2016	2015		
		Rupees							
29.1	Raw materials consumed								
9	Stock of raw materials at beginning of the year	2,193,952,268	1,866,879,647	919,909,792	961,582,280	-	-	3,113,862,060	2,828,461,927
	Transfer from APL	-	-	1,157,932,780	-	-	-	1,157,932,780	-
	Purchases	5,091,063,747	4,769,830,708	2,944,219,531	947,280,627	-	-	8,035,283,278	5,717,111,335
	Cartage inward	20,426,681	33,842,572	-	-	-	-	20,426,681	33,842,572
	Purchase discount	(2,992,795)	(3,216,390)	-	-	-	-	(2,992,795)	(3,216,390)
		7,302,449,901	6,667,336,537	5,022,062,103	1,908,862,907	-	-	12,324,512,004	8,576,199,444
9	Stock of raw materials at end of the year	(1,764,105,953)	(2,193,952,268)	(2,200,550,215)	(919,909,792)	-	-	(3,964,656,168)	(3,113,862,060)
		5,538,343,948	4,473,384,269	2,821,511,888	988,953,115	-	-	8,359,855,836	5,462,337,384
29.2	Packing materials consumed								
9	Stock of packing materials at beginning of the year	583,483,942	686,045,637	3,113,136	2,099,768	-	-	586,597,078	688,145,405
	Transfer from APL	-	-	5,612,797	-	-	-	5,612,797	-
	Purchases	2,740,451,655	2,566,104,547	119,620,442	33,008,914	-	-	2,860,072,097	2,599,113,461
	Cartage inward	4,800	-	896,600	177,300	-	-	901,400	177,300
	Inter-segment purchases	23,460,000	353,883,392	-	-	-	-	23,460,000	353,883,392
28.2	Purchase discount	(1,224,812)	(1,268,075)	-	-	-	-	(1,224,812)	(1,268,075)
		3,346,175,585	3,604,765,501	129,242,975	35,285,982	-	-	3,475,418,560	3,640,051,483
9.1	Provision for the year	1,055,850	12,456,255	-	-	-	-	1,055,850	12,456,255
9	Stock of packing materials at end of the year	(497,054,866)	(583,483,942)	(7,980,275)	(3,113,136)	-	-	(505,035,141)	(586,597,078)
		2,850,176,569	3,033,737,814	121,262,700	32,172,846	-	-	2,971,439,269	3,065,910,660
29.3	Stores and spares consumed								
8	Stock of stores and spares at beginning of the year	76,144,566	61,088,043	13,661,619	10,656,117	-	-	89,806,185	71,744,160
	Transfer from APL	-	-	30,040,851	-	-	-	30,040,851	-
	Purchases	195,731,449	153,725,723	76,713,352	27,698,165	-	-	272,444,801	181,423,888
	Cartage inward	695,215	278,856	85,572	8,084	-	-	780,787	286,940
	Purchase discounts	(49,680)	(157,740)	(25,224)	(88,664)	-	-	(74,904)	(246,404)
		272,521,550	214,934,882	120,476,170	38,273,702	-	-	392,997,720	253,208,584
8.1	Provision for the year	540,000	540,000	-	-	-	-	540,000	540,000
8	Stock of stores and spares at end of the year	(96,887,932)	(76,144,566)	(52,305,948)	(13,661,619)	-	-	(149,193,880)	(89,806,185)
		176,173,618	139,330,316	68,170,222	24,612,083	-	-	244,343,840	163,942,399

30	Note	Food Segment		Plastic Segment		Pharmaceutical segment		Total	
		2016	2015	2016	2015	2016	2015	2016	2015
SELLING AND DISTRIBUTION EXPENSES									
	Salaries and other benefits	297,316,563	240,644,556	14,712,230	10,962,111	-	-	312,028,793	251,606,667
	Cartage outward	378,236,746	308,552,044	79,580,610	22,281,330	-	-	457,817,356	328,833,374
	Export expenses	20,031,699	45,642,025	19,289,443	3,244,848	-	-	39,321,142	48,886,873
	Advertisements	408,094,890	296,502,326	-	-	-	-	408,094,890	296,502,326
	Entertainment	2,903,881	2,948,875	91,840	130,399	-	-	2,995,721	3,079,274
	Vehicle running and maintenance	63,827,514	55,465,984	1,547,990	1,416,629	-	-	65,375,504	56,882,613
	Printing and stationery	6,612,507	5,756,905	251,556	260,610	-	-	6,864,063	6,017,515
	Postage and telephone	9,562,337	8,466,285	520,620	435,351	-	-	10,082,957	8,901,636
	Conveyance and travelling	15,101,867	9,591,863	2,357,457	597,025	-	-	17,459,324	10,188,888
	Samples	727,865	475,032	3,500	-	-	-	731,365	475,032
	Utilities	3,853,103	4,112,876	331,249	171,959	-	-	4,184,352	4,284,835
	Repairs and maintenance	2,128,878	1,960,805	913,548	742,546	-	-	3,042,426	2,703,351
	Rent	22,073,551	15,374,833	1,591,000	732,050	-	-	23,664,551	16,106,883
4.1	Depreciation	7,955,489	6,423,506	62,522	57,452	-	-	8,018,011	6,480,958
	Fee and subscription	10,000	-	-	-	-	-	10,000	-
	Insurance	3,200,724	3,066,384	923,716	466,165	-	-	4,124,440	3,532,549
10	Provision for doubtful trade debts	3,600,000	3,600,000	-	4,500,000	-	-	3,600,000	8,100,000
	Miscellaneous	-	849,433	-	-	-	-	-	849,433
		1,245,237,614	1,007,433,732	122,177,281	45,998,475	-	-	1,367,414,895	1,053,432,207
31									
ADMINISTRATIVE EXPENSES									
	Salaries and other benefits including director's remuneration	96,662,311	80,098,595	10,969,741	863,028	-	-	107,632,052	80,961,623
	Conveyance and travelling	10,046,557	3,635,365	342,580	-	-	-	10,389,137	3,635,365
	Postage and telephone	5,756,623	7,259,184	182,521	-	-	-	5,939,144	7,259,184
	Printing and stationery	4,517,203	2,717,032	202,896	-	-	-	4,720,099	2,717,032
	Repairs and maintenance	2,842,488	3,863,215	-	-	-	-	2,842,488	3,863,215
	Electricity and utilities	6,053,117	5,548,090	-	-	-	-	6,053,117	5,548,090
	Insurance	3,888,600	3,123,275	24,768	23,534	-	-	3,913,368	3,146,809
	Advertisement	590,696	853,145	-	-	-	-	590,696	853,145
	Entertainment	757,655	626,211	8,820	100	-	-	766,475	626,311
	Vehicle running and maintenance	6,801,240	6,975,167	92,289	1,850	-	-	6,893,529	6,977,017
	Rent, rates and taxes	900,250	1,221,992	-	-	-	-	900,250	1,221,992
	Fee and subscription	9,216,119	4,024,296	380,283	62,393	-	-	9,596,402	4,086,689
	Legal and professional charges	11,344,054	5,674,617	7,999,800	-	-	-	19,343,854	5,674,617
4.1	Depreciation	11,798,823	15,432,291	502,697	1,190	-	-	12,301,520	15,433,481
	General meeting expenses	117,579	77,581	-	540	-	-	117,579	78,121
		171,293,315	141,130,056	20,706,395	952,635	-	-	191,999,710	142,082,691

	Note	2016	2015
		----- Rupees -----	
32 OTHER OPERATING EXPENSES			
Contribution to:			
- workers' profits participation fund		67,931,688	41,406,419
- workers' welfare fund		25,814,038	15,734,439
Auditors' remuneration	32.1	2,747,360	1,121,966
Exchange loss		28,539,082	12,242,347
Loss on sale of shares		-	6,013,469
Donations	32.2	4,087,000	1,300,000
Other		2,612,824	38,094
		<u>131,731,992</u>	<u>77,856,734</u>
32.1 Auditor's remuneration			
Audit fee - unconsolidated		1,400,000	700,000
Audit fee - consolidated		300,000	
Fee for other certification		139,450	-
Fee for half yearly review		250,000	150,000
Out-of-pocket expense		657,910	271,966
		<u>2,747,360</u>	<u>1,121,966</u>
32.2 None of the directors or their spouses had any interest in the donees.			
33 OTHER INCOME			
Income from financial assets			
Dividend Income		-	1,381,500
Income from non-financial assets			
Recovery from sale of production scrap		131,305,194	24,466,103
Gain on disposal of property, plant and equipment		2,477,831	34,101,130
Processing income		31,761,590	27,250,210
Others		590,386	4,017,650
		<u>166,135,001</u>	<u>91,216,593</u>
34 FINANCE COST			
Mark up on:			
- long term finances-conventional		258,829,164	221,703,156
- long term finances-islamic		115,608,238	52,722,264
- short term finances-conventional		267,296,436	273,363,001
- short term finances-islamic		111,931,305	160,175,836
Interest on workers' profits participation fund		7,834,246	1,578,714
Finance charge on finance leases		15,936,178	13,090,766
Bank charges		20,946,635	7,716,827
		<u>798,382,202</u>	<u>730,350,564</u>

35 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2016			2015		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Managerial remuneration	5,700,000	10,296,000	125,945,156	3,600,000	6,000,000	74,539,257
Gratuity	-	-	37,037,388	-	-	21,117,520
Reimbursement of expenses						
Utilities	1,000,000	700,000	-	1,000,000	1,400,000	-
	6,700,000	10,996,000	162,982,544	4,600,000	7,400,000	95,656,777
Number of persons	1	2	84	1	3	57

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

35.1 The remuneration has been allocated as follows:

	2016			2015		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Cost of goods sold	-	-	72,730,418	-	-	37,704,699
Selling and distribution expenses	-	-	61,775,132	-	-	37,459,600
Administrative expenses	6,700,000	10,996,000	28,476,994	4,600,000	7,400,000	20,492,478
	6,700,000	10,996,000	162,982,544	4,600,000	7,400,000	95,656,777
Number of persons	1	2	84	1	2	57

36 CLASSIFICATION OF EXPENSES

	Note	2016			
		Local	Export	Common expenses	Total
		-----Rupees-----			
Selling and distribution expenses	28	1,317,778,918	49,635,977	-	1,367,414,895
Administrative expenses	29	-	-	191,999,710	191,999,710
Finance cost	32	782,925,423	15,456,779	-	798,382,202
		-----Rupees-----			
		2015			
		Local	Export	Common expenses	Total
		-----Rupees-----			
Selling and distribution expenses	28	999,354,868	54,077,339	-	1,053,432,207
Administrative expenses	29	-	-	142,082,691	142,082,691
Finance cost	32	706,194,810	24,155,754	-	730,350,564

37 TAXATION

	2016	2015
	----- Rupees -----	
Current	167,131,422	89,868,311
Prior year	1,993,931	-
Deferred	121,469,718	41,552,749
	290,595,071	131,421,060

37.1 The relationship between accounting profit and tax expense

The Holding Company is subject to minimum tax under section 113 of Income Tax Ordinance 2001. Under the provisions of the said section the Group can carry forward any excess of minimum tax liability over and above the normal tax liability for subsequent five years. The Holding Company estimates that its normal tax liability will continue to be less than its minimum tax in the future periods. Therefore, the Holding Company has not recorded deferred tax assets on any excess of minimum tax over normal tax liability which may arise under the provisions of IAS 12 'Income taxes'.

38 EARNING PER SHARES

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

Basic earnings per share

Profit for the year

2016
----- Rupees -----

2015

Weighted average number of ordinary shares during the year
Number of ordinary shares to be issued pursuant to amalgamation
Weighted average number of shares outstanding as at year end
Basic earnings per share

1,001,866,892	639,566,465
Number of shares	
50,520,750	50,520,750
13,284,000	-
63,804,750	50,520,750
15.70	12.66

39 NUMBER OF EMPLOYEES

Number of employees as at the year end

Average number of employees during the year

2016

2015

1,547	1,277
1,459	1,243

Note

2016
----- Rupees -----

2015

40 CASH GENERATED FROM OPERATIONS

Profit before income tax

Adjustments for non-cash and other items:

Depreciation
Gain on disposal of property, plant and equipment - net
Provision for staff gratuity scheme - unfunded
Finance cost
Share of profit from associated undertaking
Provision for slow moving - stores and spares
Provision for slow moving - stock in trade
Provision for doubtful trade debts
Exchange loss

4.1
4.2
22.1.5
34
6.1.3

1,292,461,963	770,987,525
710,428,965	394,457,938
(2,477,831)	(34,101,130)
32,764,807	21,078,264
798,382,202	730,350,564
(506,400,223)	(207,684,856)
540,000	540,000
32,400,000	33,647,770
3,600,000	8,100,000
28,539,082	12,242,347
2,390,238,965	1,729,618,422

Increase / (decrease) in working capital

(Increase) / Decrease in current assets

Stores and spares
Stock in trade
Trade debts
Advances - considered good
Trade deposits and short term prepayments
Other receivables

(38,168,787)	(13,546,238)
656,965,019	(231,054,012)
(27,933,313)	90,826,337
2,247,651	(14,747,442)
(1,695,684)	(22,240,144)
(7,967,166)	(3,641,463)
583,447,720	(194,402,962)

(Decrease) / Increase in current liabilities

Trade and other payables
Short term finances
Advance from customers

139,354,724	311,525,649
(1,128,568,652)	(177,702,622)
(27,119,411)	68,716,272
(1,016,333,339)	202,539,299
(432,885,619)	8,136,337
1,957,353,346	1,737,754,759

Net (decrease) / increase in working capital

Cash generated from operations

	Note	2016	2015
		----- Rupees -----	
41 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES			
41.1 Financial instruments by category			
Financial assets			
Available for sale			
Long term investments		294,840,000	285,600,000
Short term investments		37,447,999	-
Loans and receivables at amortized cost			
Long term deposits	7	58,594,534	47,687,783
Trade debts	10	1,181,827,121	778,548,491
Advances - considered good	11	20,967,946	17,004,325
Trade deposits	13	9,194,168	4,049,304
Cash and bank balances	16	58,911,306	26,997,045
Total financial assets		1,661,783,074	1,159,886,948
Financial liabilities			
Financial liabilities at amortized cost			
Sponsors' loan - subordinated (interest-free)	19	902,151,770	602,151,770
Long term finances	20	6,419,779,919	3,834,781,527
Liabilities against assets			
subject to finance lease	21	260,688,914	126,033,828
Trade and other payables	23	1,607,305,825	820,336,751
Accrued mark-up	24	80,996,630	92,907,394
Short term finances	25	4,447,779,750	4,039,905,924
Total financial liabilities		13,718,702,808	9,516,117,194

41.2 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 Group 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).
- 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 recognises 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 were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets.

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, 2016:

	2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
				-----Rupees-----
Financial investments: Available	332,287,999	-	-	332,287,999
	2015			
	Level 1	Level 2	Level 3	Total
Financial assets				
				-----Rupees-----
Financial investments: Available	332,287,999	-	-	332,287,999

41.3 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

41.3.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

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

The maximum exposure to credit risk at the reporting date is as follows:

	Note	2016	2015
		----- Rupees -----	
Trade debts	10	1,181,827,121	778,548,491
Advances	11	20,967,946	17,004,325
Trade deposits	13	9,194,168	4,049,304
Bank balances	16	58,911,306	26,997,045
		<u>1,270,900,541</u>	<u>826,599,165</u>

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:

	2016	2015
	----- Rupees -----	
More than 45 days but not more than 3 months	117,994,471	66,560,600
More than 3 months but not more than 6 months	86,321,571	54,728,202
More than 6 months but not more than 1 year	72,572,721	25,197,087
	<u>276,888,763</u>	<u>146,485,889</u>

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.

41.3.2 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 another financial asset. 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.

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

2016					
Note	Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year	
-----Rupees-----					
Financial liabilities					
Interest bearing					
Long term finances - secured (Conventional)	20	5%	4,740,613,260	1,725,867,014	3,014,746,246
Long term finances - secured		7%	1,679,166,659	347,500,004	1,331,666,655
Liabilities against assets subject to finance lease-conventional	21	7.04% to 8.49%	185,751,806	70,993,069	114,758,737
Liabilities against assets subject to finance lease-islamic		7.04% to 8.34%	74,937,108	41,254,217	33,682,891
Short term finances - secured - conventional	25	6.42% to 8.51%	3,448,469,979	3,448,469,979	-
Short term finances - secured-islamic	20	6.39% to 7.78%	999,309,771	999,309,771	-
Non - interest bearing					
Sponsors' loan - subordinated	19	-	902,151,770	-	902,151,770
Trade and other payables	23	-	1,607,305,825	1,607,305,825	-
Accrued mark-up	24	-	80,996,630	80,996,630	-
			<u>13,718,702,808</u>	<u>8,321,696,509</u>	<u>5,397,006,299</u>
2015					
Financial liabilities					
Interest bearing					
Long term finances - secured - conventional	20	9%	2,470,614,864	863,327,161	1,607,287,703
Long term finances - secured - conventional		4%	1,364,166,663	235,000,008	1,129,166,655
Liabilities against assets subject to finance lease-conventional	21	8.51% to 11.98%	119,484,352	38,230,036	81,254,316
Liabilities against assets subject to finance lease-islamic		8.51% to 11.98%	6,549,476	3,367,300	3,182,176
Short term finances - secured - conventional	25		2,450,398,079	2,450,398,079	-
Short term finances - secured-islamic		7.24.% to 11.21%	1,589,507,845	1,589,507,845	-
Non - interest bearing					
Sponsors' loan - subordinated	19	-	602,151,770	-	602,151,770
Trade and other payables	23	-	820,336,751	820,336,751	-
Accrued mark-up	24	-	92,907,394	92,907,394	-
			<u>19,816,922,411</u>	<u>12,323,097,002</u>	<u>7,493,825,409</u>

41.3.3 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 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.

As at 30 June 2016, 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. 241 million (2015: Rs. 19.91 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	2016	2015
		----- Rupees -----	
Export debtors	10	138,962,888	84,094,131
Import creditors		751,055,634	316,019,122
		<u>890,018,522</u>	<u>400,113,253</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 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 balance sheet date the interest rate profile of the Group's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2016	2015
	----- Rupees -----	
Fixed rate instruments	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	11,128,248,583	18,301,526,496
	<u>11,128,248,583</u>	<u>18,301,526,496</u>

As at 30 June 2016, 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. 111.28 million. (2015: Rs. 80.01 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. Currently, the Group has no investments which are exposed to such risk.

42 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 balance sheet date the capital of the Group is as follows:

	2016	2015
	----- Rupees -----	
Share capital	505,207,500	505,207,500
Reserves	5,360,837,355	3,469,954,968
	<u>5,866,044,855</u>	<u>3,975,162,468</u>

43 PLANT CAPACITY AND ACTUAL PRODUCTION

	2016 Metric Ton		2015 Metric Ton	
	Rated Capacity	Actual Production	Rated Capacity	Actual Production
Food processing	93,250	63,559	90,750	60,540
Plastic film	32,720	21,489	5,720	5,550

44 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:

	2016 ----- Rupees -----	2015
Plasitflex Films (Private) Limited		
- Receivable against service (Transfer from APL)	(9,600,000)	-
- Purchase of Fixed Assets	378,812,072	-
- Purchase of Raw Materials	300,184,410	-
- Purchase of Packing Materials	45,594,055	40,998,879
- Purchase of Work in process	41,137,708	-
- Purchase of Stores & Spares	797,057	-
- Purchase of Finsihed goods	60,262,712	-
- Transfer of Staff Loan from APL	60,000	-
- Payment against purchases	(806,216,941)	(36,216,456)
- Payable to associate	17,532,872	6,501,799
Key management personnel		
Payment to chief executive officer against purchase of land	283,403,500	-
Rent paid to chief executive officer	1,663,750	1,512,500

45 NON - ADJUSTING EVENT AFTER THE BALANCE SHEET

- 45.1 The board of directors of the Holding Company in its meeting held on October 17, 2016 has proposed dividend in respect of the year ended June 30, 2016 of Rs. 6.50/- per share (2015: Rs. 6/- per share) for approval of the members at the annual general meeting. The consolidated financial statements for the year ended June 30, 2016 do not include the effect of proposed dividend, which will be accounted for in the consolidated financial statements for the year ending June 30, 2017.

The proposed dividend for the year ended June 30, 2016 complies with the requirement of Section 5A of the Income Tax Ordinance 2001, therefore, no provision for tax on undistributed reserves has been recognized in these consolidated financial statements.

46 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on October 17, 2016 by the board of directors of the Group.

Maqsood Ismail
Chief Executive

Munsarim Saifullah
Director

Pattern of Shareholding

shareholders statistics as at June 30, 2016

Number of Shareholders	Shareholdings			Total Number of Shares Held
	From		To	
1499	1	-	100	21,120
151	101	-	500	44,559
32	501	-	1000	26,590
47	1001	-	5000	100,869
6	5001	-	10000	50,493
3	10001	-	15000	39,416
2	15001		20000	32,195
1	20001	-	25000	20,876
1	30001	-	35000	34,794
1	95001		100000	100,000
1	435001	-	440000	435,400
1	495001	-	500000	499,900
1	605001	-	610000	608,700
1	995001	-	1000000	1,000,000
1	6675001	-	6680000	6,677,107
1	8305001	-	8310000	8,309,806
1	16060001	-	16065000	16,064,512
1	16450001	-	16455000	16,454,413
Total	1751			50,520,750

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
CEO, Directors their Spouses & Children	11	49,725,438	98.43%
Associated Company	1	435,400	0.86%
Modarabas & Mutual Funds	1	10	0.00%
Foreign Companies	1	3,300	0.01%
Others	6	4,464	0.01%
General Public	1731	352,138	0.70%
Total	1751	50,520,750	100.0%

Pattern of Shareholding

as at June 30, 2016

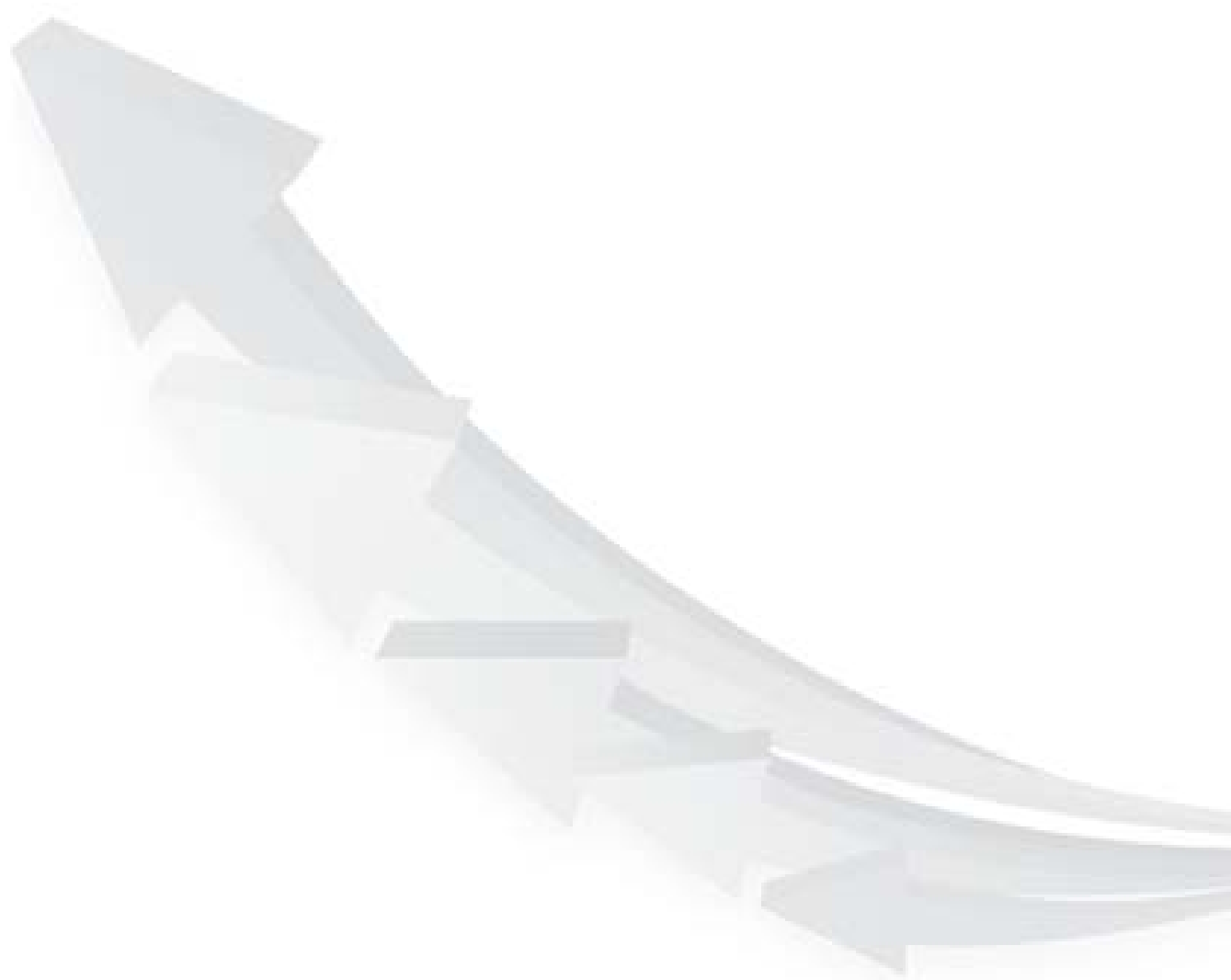
Shareholder Category	Number of Folios	Number of Share Held	Percentage
Associated Company:			
Uniron Industries (Private) Limited	1	435,400	0.862
Directors:			
Mr. Munsarim Saifullah	1	500	0.001
Ms. Reema Ismail Ahmed	1	499,900	0.989
Ms. Farzana Muhammad	1	608,700	1.205
Ms. Almas Maqsood	1	16,454,413	32.570
Mr. Ahmed Muhammad	1	1,000,000	1.979
Mr. Hamid Maqsood Ismail	1	10,000	0.020
Mr. Jawed Abdullah (Independent)	1	500	0.001
Chief Executive Officer:			
Mr. Maqsood Ismail	1	100,000	0.198
Chairman:			
Mr. Muhammad M. Ismail	2	14,986,913	29.665
CEO, Directors their Spouses & Children:			
Mr. Miftah Ismail	1	16,064,512	31.798
Others	1739	359,912	0.712
Total	1751	50,520,750	100.000

Shareholders holding 5% or more voting interest

Mr. Muhammad M. Ismail	2	14,986,913	29.665
Mr. Miftah Ismail	1	16,064,512	31.798
Ms. Almas Maqsood	1	16,454,413	32.570

Statement Showing Shares Purchase, Sale and Gift by Directors, Executives their Spouses & Children from July 01, 2015 to June 30, 2016

S.no.	Name	Designation	Shares Traded		Shares Gifted	
			Purchase	Sale	Received	Given
1	Mr. Muhammad M. Ismail	Director	-	-	6,500,000	-
2	Ms. Almas Maqsood	Director	-	-	2,417,727	-
3	Mr. Maqsood Ismail	Director	-	-		1,427,727
4	Mr. Hamid Maqsood Ismail	Director	-	-		990,000












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Consent for Annual Report Through Emails

Dear Shareholder(s)

The Securities & Exchange Commission of Pakistan (SECP) through its Notification (SRO 787(I)/2014) dated: September 08, 2014 permitted Companies to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditor's Report and Director's Report etc. ("Annual Report") alongwith the notice of Annual General Meeting ("Notice"), to its shareholders by email.

Therefore, if you wish to receive company's (Audited Annual Financial Statements) alongwith notice of Annual General Meeting via email, you are requested to provide this letter duly filled and signed to us at our below mentioned registered address:

E- Mail Address: _____

CNIC No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

FOLIO / CDS ACCOUNT # _____

Signature of Shareholder (s)

Company Registered Address:

Company Secretary

Ismail Industries Limited

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

Yours faithfully,

For Ismail Industries Limited

Ghulam Farooq

Company Secretary

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 November 16, 2016 and/ or any adjournment thereof.

Signed this _____ day of _____ 2016.

(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. Ground Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi 75530 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. Detailed procedure is given in the Notes to the Notice of AGM.

سیکریٹری / رجسٹرار

میں/ہم۔۔۔۔۔ بیٹا/بیٹی /زوجہ۔۔۔۔۔، اسماعیل انڈسٹریز لمیٹڈ کا/ کے شیئر ہولڈر، فوئیونمبر۔۔۔۔۔ اور/ یا سی ڈی سی کے حصہ دار کی آئی
ڈی۔۔۔۔۔ اور ذیلی اکاؤنٹ نمبر۔۔۔۔۔ کے تحت رجسٹر ہونے کے مطابق۔۔۔۔۔ عام شیئرز رکھتا ہوں/ رکھتی ہوں/ رکھتے ہیں،
کو مقرر کرتا ہوں/ کرتی ہوں/ کرتے ہیں (جو، فوئیونمبر۔۔۔۔۔ اور/ یا سی ڈی سی کے حصہ دار کی آئی ڈی۔۔۔۔۔ اور ذیلی اکاؤنٹ
نمبر۔۔۔۔۔ کے تحت رجسٹر ہونے کے مطابق۔۔۔۔۔ کمپنی میں عام شیئرز رکھتا ہے/ رکھتی ہے/ رکھتے ہیں) یا اس کو۔۔۔۔۔ پیش کرتا ہوں/ کرتی
ہوں/ کرتے ہیں (جو، فوئیونمبر۔۔۔۔۔ اور/ یا سی ڈی سی کے حصہ دار کی آئی ڈی۔۔۔۔۔ اور ذیلی اکاؤنٹ نمبر۔۔۔۔۔ کے تحت رجسٹر ہونے کے
مطابق۔۔۔۔۔ کمپنی میں عام شیئرز رکھتا ہے/ رکھتی ہے/ رکھتے ہیں)، بطور میراث/ ہمارا پر کسی جو 16 نومبر 2016 کو منعقد ہونے والے سالانہ اجلاس عام میں اور/ یا ملتوی
ہونے برعکس طرف سے شرکت کرنے، ووٹ ڈالنے کا حق رکھتا ہے۔

دستخط _____ تاریخ_____ 2016

(دستخط کا کمپنی کے پاس رجسٹر شدہ دستخط کے نمونے کی طرح ہونا ضروری ہے)

5 روپے کے رپونینو مہر پر دستخط

ممبر (ممبران) کے دستخط

گواہ 1

----- دستخط

نام _____

کمیوٲرا نژد قومی شناختی کارڈ نمبر-----

گواہ 2

دستخط _____

نام _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر-----

نوٹس:

1۔ - یرا کسی کو کمپنی کا ممبر ہونا ضروری ہے

2۔ درست ہونے کے لیے، ہر کسی جو کہ ہر لحاظ سے باقاعدہ مکمل ہو، اس کا ہمارے رجسٹر اٹرنسفر ایجنٹس، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ گراؤنڈ فلور،

اسٹیٹ لائف بلڈنگ نمبر 3، ڈاکٹر ضياء الدین احمد روڈ، کراچی 75530 پاکستان پر اجلاس سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔

3- سی ڈی سی شیئر ہولڈرز یا ان کے پراکسیز اپنی شناخت کے لیے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ بمعہ حصے دار کا آئی ڈی نمبر اور ان کا اکاؤنٹ نمبر اپنے

ہمراہ لائیں۔ تفصیلی طریقہ کار سالانہ اجلاس عام کے نوٹس میں دیا گیا ہے۔

ISMAIL INDUSTRIES LIMITED

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Balochistan, Pakistan.
Tel.: (92-853) 363602-364234,
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Unit 3:

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Unit 4:

G-22, 23, H.I.T.E., Hub,
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Unit 5:

38-C, 39, 39-A, 42-C, Sunder
Industrial Estate, Raiwind Road,
Lahore, Pakistan.
Tel.: (92-42) 3529 7671-5

Unit 6:

D-91, D-92 & D-94,
North Western Industrial Zone,
Port Qasim Authority,
Karachi-75020, Pakistan.
Tel.: (92-21) 34154169-70,
Fax: (92-21) 34154176

Unit 7:

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North Western Industrial Zone,
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Unit 8:

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