



ANNUAL REPORT 2011

ISMAIL INDUSTRIES LIMITED

CandyLand

Bisconni

SN  CKCITY

Astro Pack

VISION STATEMENT

We aim to offer high quality products to our consumers by remaining the most technologically advanced company in our field. We strive to be 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 STATEMENT

We strive to deliver to our consumers' consistent quality of products which maximize our values and customers satisfaction. We are extensively catering to the domestic markets and strengthening our roots in international ones.

We wish to consolidate and strengthen our position as the most technologically advanced company in our field. We recognized the importance of efficiency and creativity to 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 citizen.

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COMPANY INFORMATION

Board of Directors

Executive Directors

Mr. Muhammad M. Ismail
(Chairman)
Mr. Maqsood Ismail
(Chief Executive)
Mr. Miftah Ismail
Mr. Munsarim Saif

Non-Executive Directors

Ms. Rashida Iqbal
Ms. Anisa Naviwala
Ms. Nafisa Yousuf Palla
Ms. Uzma Arif

Audit Committee Members

Ms. Rashida Iqbal	Chairperson
Mr. Maqsood Ismail	Member
Ms. Uzma Arif	Member

Registered Office

17, Bangalore Town,
Main Shahra-e-Faisal, Karachi

Factory – 1

C-230, Hub H.I.T.E.,
Balochistan.

Factory – 2

B-140, Hub H.I.T.E.,
Balochistan.

Factory – 3

G-1, Hub H.I.T.E.,
Balochistan.

Factory – 4

G-22, Hub H.I.T.E.,
Balochistan.

Factory – 5

38C, Sundar Industrial Estate
Raiwind Road, Lahore.

CFO & Company Secretary

Mr. Ghulam Farooq

Auditor & Tax Advisor

Munaf Yusuf & Co.
Chartered Accountants

Legal Advisor

Farooq Rasheed & Co.

Share Registrar

THK Associates (Pvt.) Limited

Intellectual Property Advisor

Ali Associates

Bankers / Institutions

Allied Bank Limited
Bank Al-Habib Limited
Barclays Bank PLC, Pakistan
Burj Bank Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
First Habib Bank Modaraba
First Habib Modaraba
First National Bank Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NBP Leasing Ltd
NIB Bank Limited
Pak Brunei Investment Co Ltd
Standard Chartered Bank (Pakistan) Limited
Standard Chartered Modaraba
Silkbank Limited
The Bank of Punjab
United Bank Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Third Annual General Meeting of Ismail Industries Limited will be held on Thursday, October 27, 2011 at 11:00 a.m. at Hotel Days Inn, Bushra Hall, 164, B.C.H.S. Shahra-e-Faisal, Karachi to transact the following business.

Ordinary Business

1. To confirm the minutes of the Twenty Second Annual General Meeting of the Company held on October 18, 2010.
2. To receive and consider the Company's Audited Financial Statements for the year ended June 30, 2011 together with the Reports of Directors and Auditors thereon.
3. To approve and declare the cash dividend on the Ordinary shares of the Company. The Directors of the Company have recommended cash dividend @ 20% (Rs. 2/- per share) for the year ended June 30, 2011. Due to the cash flow requirements of the Company, Directors and their relatives have waived their right to the dividend.
4. To appoint Auditors for the ensuing year and fix their remuneration. The retiring auditors M/s. Munaf Yusuf & Company, Chartered Accountants are unable to offer themselves for re-appointment. The Board has received recommendation from a shareholder under section 253 of the Companies Ordinance, 1984 and suggestion from the Audit Committee of the Company for appointment of M/s. Anjum Asim Shahid Rahman, Chartered Accountants as auditors of the Company for the year ending June 30, 2012
5. To transact any other business with the permission of the chair.

By order of the Board

Karachi: September 28, 2011

Ghulam Farooq
Company Secretary

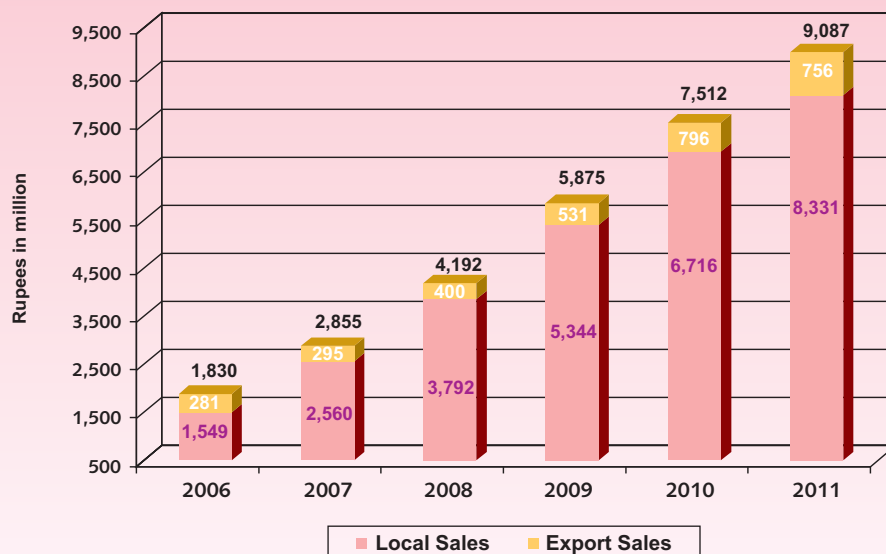
Notes

1. 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's Registrar's Office not less than 48 hours before the time of the meeting during working hours.
2. The shares transfer book of the Company shall remain closed with effect from October 20, 2011 to October 26, 2011 (both days inclusive). Shares may be lodged for transfer with our Registrar M/s. THK Associates (Pvt.) Ltd, Ground Floor, State Life Building No.3, Dr.Zia uddin Ahmed Road, Karachi, Phone # 021-111-000-322 or at our Registered Office located at 17-Bangalore Town, Main Shakra-e-Faisal, Karachi, Phone # 34311172-75, Fax # 34547843/34541094.
3. The shareholders are advised to notify the Registrar of any change in their addresses.
4. In case of CDC Beneficiary Owners, 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 Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

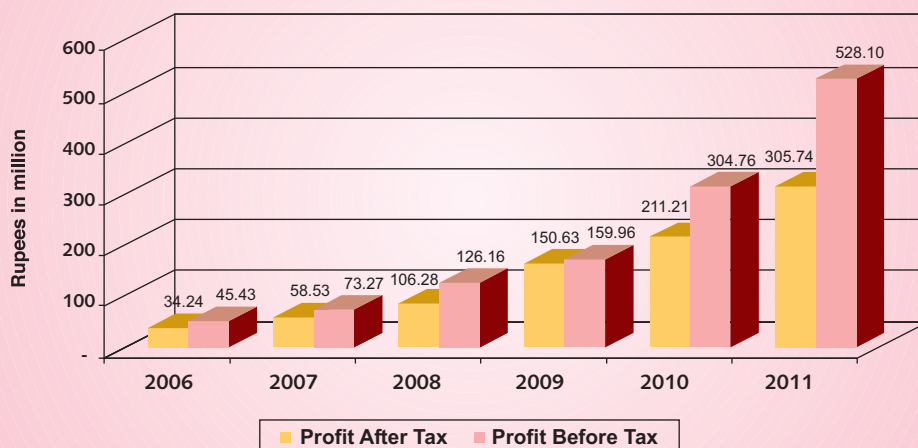
FINANCIAL STATISTICAL HIGHLIGHTS

	2011	2010	2009	2008	2007	2006
Profit and Loss Account	(Rs. in millions)					
Sales	9,087	7,512	5,875	4,192	2,855	1,830
Gross profit	1,462	1,128	1,116	743	523	322
Profit before tax	528	305	160	126	73	45
Taxation expense	222	94	9	20	15	11
Profit for the year	306	211	151	106	59	34
Balance Sheet						
Share holders' equity	2,033	1,728	723	641	689	433
Capital reserves	579	579	50	118	248	50
Unappropriated profit	948	643	433	282	200	143
Current liabilities	4,560	3,551	2,981	2,221	1,689	1,270
Total liabilities	6,299	4,757	4,928	4,014	3,101	1,908
Current assets	4,867	3,626	3,047	2,228	1,696	1,260
Total assets	8,332	6,485	5,651	4,655	3,791	2,341
Ratios						
Earning per share - basic & diluted (Rs.)	6.05	5.88	4.57	4.42	2.43	1.42
Break up value (Rs.)	40.23	34.20	30.06	26.65	28.65	18.00
Return on equity (%)	15.04	12.23	20.83	16.58	8.49	7.90
Dividend payout (%)	20.00	17.50	15.00	15.00	10.00	15.00

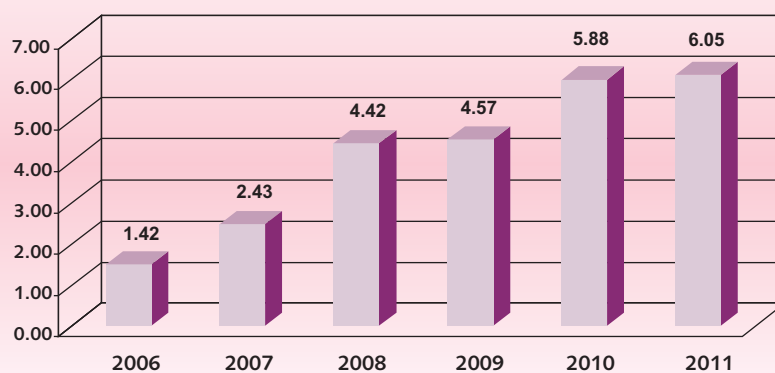
Revenue



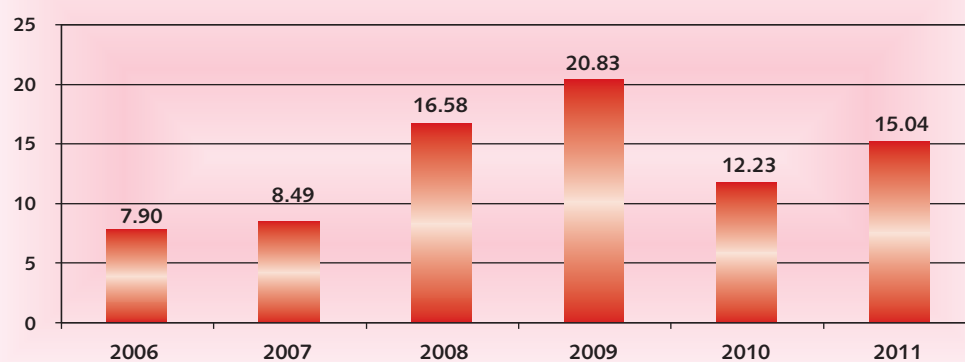
Profit Before & After Tax



Earning Per Share (Rs.)



Return on Equity



DIRECTORS REPORT

The Directors of Ismail Industries Limited take pleasure in presenting the Annual Report together with the Company's audited financial statements and Auditor's Report thereon for the year ended June 30, 2011.

Financial Performance

● Overall

Fundamentals of our Company remained strong for the year under review, although the year was challenging for the country with volatile social, economic and business conditions. Despite all of these, your Company has crossed the Rs. 9 billion mark in gross sales and was able to post highest ever profit after tax earning of Rs.306 million as compared to Rs. 211 million in the corresponding year.

Financial performance of the Company for the year under review with corresponding year is as under:

	Rupees in thousand	
	2011	2010
Sales	9,087,187	7,511,874
Gross Profit	1,461,643	1,127,724
Profit before tax	528,101	304,763
Profit after tax	305,738	211,215
Earnings per share (basic & diluted)–Rupees	6.05	5.88

● Food processing segment

The food processing segment has shown remarkable growth, resulting in 20% increase in revenue. Cost pressures, especially with regard to raw material prices and utilities costs have remained throughout the year. However, with consistent efforts behind sales and marketing, the company has succeeded in increasing overall turnover, thus taking advantage of economies of scale.

Candyland has had another successful year, with increased capacity and resultant enhanced sales in chocolates, marshmallows, toffees and chews. Other staple categories such as jellies and candies have also posted strong growth. In Bisconni, the process of capacity expansion, which has been ongoing for last few years, continues unchanged. Your company has lately launched Zeera Cookies as a line extension in its range of cookies, which has immense potential in the market and is expected to make a significant contribution in the future growth of Bisconni.

Snackcity has seen a year of promising growth and the inauguration of a new production facility at Sundar Industrial Estate, Lahore. This is the first factory invested in by your company in the Province of Punjab and has been a success story, with capacity utilization showing consistent increase over the 3 months since its commissioning. With the new factory, Snackcity has also launched a new brand, Crunch Potato Chips, which has received encouraging response from the market. The brands comprising base business have posted healthy growth and continue to gain recognition from consumers for their consistent quality.

Your company is pleased to announce that the World Food Program has certified Ismail Industries Limited as one of only three suppliers in Pakistan for the production of a nutritional food supplement for malnourished children. A separate manufacturing facility has been set up for this new venture. This business is of a recurring nature and has export potential as well.

Growth in the food processing segment continues to result from a firm focus on innovation with a number of promising new brands in the pipeline. Steady investment remains behind base business to ensure its longevity and continued profitability.

- **Plastic film segment**

Performance of the plastic film segment was encouraging, with growth in turnover, gross profit and operating profit for the year under review as compared to the corresponding year. The management proactively adopted an efficient operating plan which minimized disruptions and ensured maximum capacity utilization of the production facility.

Audit Committee

The Board of Directors has established an Audit Committee since the enforcement of the Code of Corporate Governance. The terms of reference of the Audit Committee are determined by the Board of Directors in accordance with the guidelines provided in Listing Regulations of Stock Exchanges in Pakistan. During the year, four meetings of the Audit Committee were held.

The Audit Committee reviewed the quarterly, half yearly and annual financial statements before submission to the Board. The Audit Committee also reviewed internal auditors' findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

Related Parties

The Company has fully complied with the best practices of the Code of Corporate Governance with reference to transactions with related parties. The Company has adopted the method of pricing for related parties' transactions equivalent to those that prevail in arm's length transactions.

Dividend

The Board of Directors of the Company has recommended a cash dividend of Rs.2/- per share (20%) for the financial year ended June 30, 2011, subject to approval by the shareholders of the Company at the annual general meeting. Due to the cash flow requirements of the Company, Directors and their relatives have waived their right to the dividend.

Challenges and Prospects

The year under review was full of challenges for the country with socio-economic instability and volatile business conditions. Though recent trends show slight signs of macro economic stability, we believe this recovery is still fragile and is threatened by the pressures building up on the fiscal account deficit, energy shortages, persistent inflation, political uncertainty and law and order breakdowns. The Company continues to face tough challenges in terms of maintaining its margins in the face of continued appreciation in commodity and utility prices. Business environment is also expected to remain extremely difficult, particularly the industrial sector.

However, we remain committed towards expansion; with our track record of target achievement in the face of a challenging business environment, focus behind sustainable growth and proactive measures to mitigate potential risks.

Management and Employees

Management of the Company remains committed to maintain transparency in the organization. Focus on team work in all areas of our business remains the key driving force in achieving market leadership.

The Company also continues to invest in human capital, skill development and succession planning. In addition, the Company also affirms its commitment to health, safety and environmental excellence.

Code of Corporate Governance

The Board of Directors has taken all necessary steps to comply with the requirements of the Code of Corporate Governance included in the Listing Regulations of Stock Exchanges in Pakistan. As required under the Code, the Directors are pleased to state as follows:

- Financial statements prepared by the management of the Company for the year ended June 30, 2011 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.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and 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.
- The system of internal control is sound in design and has been effectively implemented. The system is being continuously monitored by Internal Audit and through other monitoring procedures. The process of monitoring Internal Controls will continue as an on going process with the objective to further strengthen the controls and bring in improvements in the system
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of Corporate Governance as detailed in the Listing Regulations.
- The summary of key operating and financial data of the Company of last six years is annexed in this report.

Board of Directors Meetings

In the year 2011, six meetings of the Board of Directors were held. The attendance of each director for these meetings is as follows:

Name of Director	Meetings attended
Mr. Muhammad M. Ismail	6
Mr. Maqsood Ismail	6
Mr. Miftah Ismail	6
Mr. Munsarim Saif	6
Ms. Rashida Iqbal	5
Ms. Anisa Naviwala	5
Ms. Nafisa Yousuf Palla	5
Ms. Uzma Arif	4

Leave of absence was granted to Directors who could not attend the Board Meetings.

Pattern of Shareholdings

A statement of the pattern of shareholding of certain class of shareholders as at June 30, 2011, whose disclosure is required under the reporting framework, is included in the shareholder's information which is annexed to the report.

Auditors

The retiring auditors M/s. Munaf Yusuf & Company, Chartered Accountants are unable to offer themselves for re-appointment. The Board received recommendation from a shareholder under section 253 of the Companies Ordinance, 1984 and suggestion from the Audit Committee of the Company for appointment of M/s. Anjum Asim Shahid Rahman, Chartered Accountants as auditors of the Company for the year ending June 30, 2012.

Acknowledgment

In conclusion, we wish to place on record our sincere appreciation for the valuable contributions of our customers, suppliers and bankers which has made these results possible and look forward to their continued support in the future as well. The Directors would also like to express their appreciation for the dedicated efforts, loyalty and hard work of the workers, staff and members of the management team.

On behalf of the Board of Directors

MAQSOOD ISMAIL
Chief Executive

Karachi: September 27, 2011

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the best practices of the Code of Corporate Governance (The Code) contained in the listing regulations of Stock Exchanges in Pakistan 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's Board comprises eight directors, including the Chairman/Chief Executive. The Company encourages representation of independent non-executive directors. At present the Board has four non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All directors of the Company are registered as taxpayers and none of them have defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-Banking Financial Institution, or being a member of Stock Exchange, has been declared as defaulter by that Stock Exchange.
4. No casual vacancy occurred in the Board during the current year.
5. The Company had already adopted and circulated a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the company.
6. The business operations of the Company are carried out in accordance with the Company's Vision / Mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions and major judgemental area if any, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and Executive Directors have been taken by the Board.
8. 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 seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Members of the Board have attended various orientation courses to apprise them of their duties and responsibilities.
10. Chief Financial Officer, Company Secretary and Head of Internal Audit executed their responsibilities in accordance with the appointments approved by the Board including their remuneration and terms and conditions of employment, as determined by the Chief Executive Officer.
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 the 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 three members, of which two are non-executive directors.
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 and 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 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 are involved in the internal audit function on a full time basis.
18. 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, 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 (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. 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 IFAC guidelines in this regard.
20. The related party transactions have been placed before the Audit Committee and approved by the Board of Directors along with pricing methods for transactions carried out on terms equivalent to those that prevail in the arms' length transactions.
21. We confirm that all other material principles contained in the code have been complied with.

On behalf of Board of Directors

Karachi: September 27, 2011

MAQSOOD ISMAIL
Chief Executive

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance (the statement) with the best practices contained in the code of Corporate Governance (the code) for the year ended June 30, 2011 prepared by the Board of Directors of Ismail Industries Limited (the company) to comply with the Listing Regulation No 35 of the Karachi and Lahore Stock Exchanges respectively where the company is listed

The responsibility for compliance with the code is that of the Board of the Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement reflects the status of the company's compliance with the provisions of the code and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the code

As part of our audit of 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 cover all risks and controls, or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks

Further, sub-regulation (xiii a) of Listing regulation No 35 notified by Karachi and Lahore Stock Exchanges require the company to place before the board for their consideration and approval related party transaction 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board and placement of such transactions before 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, 2011

Karachi
September 27, 2011

Munaf Yusuf & Co.
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of ISMAIL INDUSTRIES LIMITED as at June 30, 2011 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit

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

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

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

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, 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, 2011 and of the profit, 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

Karachi
September 27, 2011

Engagement partner:
Abdul Munaf Yusuf FCA
Chartered Accountants

FINANCIAL STATEMENTS

For the year ended June 30, 2011

BALANCE SHEET

AS AT JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
EQUITY AND LIABILITIES			
Authorised capital			
100,000,000 (2010: 100,000,000) ordinary shares of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital	4	505,207,500	505,207,500
Capital reserve	5	579,265,000	579,265,000
Unappropriated profit		948,053,287	643,195,493
Total equity		2,032,525,787	1,727,667,993
Non-current liabilities			
Directors' loan - subordinated	6	352,151,770	-
Long term finances - secured	7	1,000,721,513	1,103,065,779
Liabilities against assets subject to finance lease	8	160,002,875	14,979,375
Deferred liabilities	9	226,576,909	88,192,285
Total non-current liabilities		1,739,453,067	1,206,237,439
Current liabilities			
Trade and other payables	10	1,034,996,890	722,534,137
Accrued mark-up	11	95,468,695	71,442,223
Short term finances - secured	12	2,775,463,012	2,019,091,462
Current portions of :			
- long term finances	7	548,628,586	541,343,787
- liabilities against assets subject to finance lease	8	41,946,072	12,878,113
Advance from customers		63,529,352	183,717,821
Total current liabilities		4,560,032,607	3,551,007,543
Total liabilities		6,299,485,674	4,757,244,982
Contingencies and commitments	13		
Total equity and liabilities		8,332,011,461	6,484,912,975

MAQSOOD ISMAIL
Chief Executive

MIFTAH ISMAIL
Director

	Note	2011 Rupees	2010 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	14	2,375,674,778	1,909,359,593
Long term investments	15	1,053,199,934	941,229,894
Long term deposits	16	36,018,562	8,289,802
Total non-current assets		3,464,893,274	2,858,879,289
Current assets			
Stores and spare parts	17	42,450,083	38,662,490
Stock-in-trade	18	3,896,776,499	2,704,680,792
Trade debts	19	450,406,878	391,152,537
Advances - considered good	20	225,800,338	309,459,023
Trade deposits and short term prepayments	21	6,580,419	7,987,648
Other receivables	22	152,465,524	45,672,848
Advance tax - net of provision		71,040,756	69,006,712
Cash and bank balances	23	21,597,690	59,411,636
Total current assets		4,867,118,187	3,626,033,686
Total assets		8,332,011,461	6,484,912,975

The annexed notes 1 to 44 form an integral part of these financial statements.

MAQSOOD ISMAIL
Chief Executive

MIFTAH ISMAIL
Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
Sales	25.1	9,087,186,716	7,511,873,768
Less: sales tax	24	1,349,250,742	1,009,974,852
Net Sales		7,737,935,974	6,501,898,916
Cost of sales	25.2	6,276,293,321	5,374,174,613
Gross profit		1,461,642,653	1,127,724,303
Selling and distribution expenses	27	484,585,714	370,620,637
Administrative expenses	28	69,215,300	52,225,998
		553,801,014	422,846,635
Other operating income	29	65,209,036	71,699,086
		973,050,675	776,576,754
Other operating expenses	30	30,177,065	23,992,911
Finance cost	31	526,742,510	474,857,375
		556,919,575	498,850,286
		416,131,100	277,726,468
Share of profit from associated undertaking	15.1	111,970,040	27,036,567
Profit before tax		528,101,140	304,763,035
Taxation expense	34	222,363,022	93,548,141
Profit for the year		305,738,118	211,214,894
Other comprehensive income		-	-
Total comprehensive income for the year		305,738,118	211,214,894
Earnings per share - basic & diluted	35	6.05	5.88

The annexed notes 1 to 44 form an integral part of these financial statements.

MAQSOOD ISMAIL
Chief Executive

MIFTAH ISMAIL
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	36	884,214,487	843,335,086
Gratuity paid		(8,257,036)	(5,019,643)
Income tax paid (net of refund)		(87,623,740)	(73,047,608)
Net cash generated from operating activities		788,333,710	765,267,835
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(698,802,282)	(395,588,145)
Proceeds from disposal of property, plant & equipment		83,426,307	6,699,710
Long term deposits		(27,728,760)	(88,976)
Net cash used in investing activities		(643,104,735)	(388,977,411)
CASH FLOW FROM FINANCING ACTIVITIES			
Directors loan		352,151,770	(680,000,000)
Long-term borrowings less repayments		(95,059,467)	(91,430,061)
Finance lease liability less repayments		174,091,459	5,875,028
Issue of right shares		-	264,632,500
Share premium		-	529,265,000
Interest / mark-up paid		(502,716,038)	(471,187,705)
Dividend paid		(813,959)	(463,545)
Net cash used in financing activities		(72,346,235)	(443,308,783)
Net increase / (decrease) in cash and cash equivalents		72,882,741	(67,018,359)
Cash and cash equivalents at beginning of the year		(894,576,492)	(827,558,133)
Cash and cash equivalents as at end of the year		(821,693,751)	(894,576,492)
Cash and cash equivalents as at end of the year comprise:			
Cash and bank balances	23	21,597,690	59,411,636
Running finance	12.4	(843,291,441)	(953,988,128)
		(821,693,751)	(894,576,492)

The annexed notes 1 to 44 form an integral part of these financial statements.

MAQSOOD ISMAIL
Chief Executive

MIFTAH ISMAIL
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2011

		Capital reserve	Revenue reserve	
	Issued, subscribed and paid up capital	Share premium	Unappropriated profit	Shareholders' equity
			Rupees	
Balance as at 30 June 2009	240,575,000	50,000,000	432,502,094	723,077,094
Final dividend for the year ended 30 June 2009 declared subsequent to year-end		-	(521,495)	(521,495)
Right share issue	264,632,500	529,265,000		793,897,500
Total comprehensive income for the year		-	211,214,894	211,214,894
Balance as at 30 June 2010	505,207,500	579,265,000	643,195,493	1,727,667,993
Final dividend for the year ended 30 June 2010 declared subsequent to year-end		-	(880,324)	(880,324)
Total comprehensive income for the year		-	305,738,118	305,738,118
Balance as at 30 June 2011	505,207,500	579,265,000	948,053,287	2,032,525,787

The annexed notes 1 to 44 form an integral part of these financial statements.

MAQSOOD ISMAIL
Chief Executive

MIFTAH ISMAIL
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1 LEGAL STATUS AND OPERATIONS

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. The shares of the company are listed on the Karachi and Lahore Stock Exchanges. Principal activities of the company are manufacturing and trading of sugar confectionery items, biscuits, potato chips and cast polypropylene film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astropack' respectively.

1.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprises such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board 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 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except staff retirement benefits which have been recognised at values determined by independent actuary (refer note 3.1).

These financial statements have been prepared under the accrual basis of accounting except for cash flow information.

2.1 Critical assumptions and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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.

The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

Income taxes

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

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in these financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect unrecognised gains and losses in those years.

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. The difference in provision if any, is recognised in the future period.

Property, plant and equipment

The company's management determines the estimated useful lives and related depreciation charged for its property, plant and equipment. Further, the company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding affect on the depreciation charged and impairment.

Stock-in-trade - finished goods

The company's management reviews the net realisable value (NRV) and impairment of finished goods to assess any diminution in the respective carrying values and wherever required, provision for NRV / impairment is made. The difference in provision, if any, is recognised in the future period.

2.2 Standards, amendments and interpretations to approved accounting standards that became effective in the current year

New standards, amendments and interpretations that are mandatory for accounting periods beginning on or before July 1, 2010 are considered not to be relevant or have any significant effect on the company's financial reporting and operations and are, therefore not disclosed in these financial statements.

New accounting standards and interpretations that are not yet effective:

The following approved accounting standards, interpretations and amendments to approved accounting standards are effective for accounting periods beginning from the dates specified below. These standards, interpretations and amendments are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than certain additional disclosures.

IAS 1 (amendments) – Presentation of Financial Statements: effective for annual periods beginning on or after January 1, 2011.

IAS 24 (revised definition of related parties) – Related Party Disclosures: effective for annual periods beginning on or after January 1, 2011.

IAS 34 (amendments) – Interim Financial Reporting: effective for annual periods beginning on or after January 1, 2011.

IAS 12 (amendments) – Deferred Tax: recovery of underlying assets effective for annual periods beginning on or after January 1, 2011.

IFRS 7 (amendments) – Disclosures: Transfer of financial assets effective for annual periods beginning on or after January 1, 2011.

IFRIC 13 (amendments) – Customer Royalty Programmes: effective for annual periods beginning on or after January 1, 2011.

IFRIC 14 (amendment) – Prepayments of a Minimum Funding Requirements: effective for annual periods beginning on or after January 1, 2011.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 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 has been made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Contributions to the scheme are based on actuarial recommendations. The latest actuarial valuation was conducted as at June 30, 2011 using the Projected Unit Credit Method. Actuarial gains & losses are amortised over the expected average remaining working lives of employees as allowed under the relevant provision of IAS 19 - Employee Benefits.

3.2 Property, plant and equipment

3.2.1 Owned

Property, plant and equipment including leasehold land and all additions are stated at cost less accumulated depreciation except capital work-in-progress which 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 in respect of qualifying assets is also capitalised as part of historical cost during the period of activities that are necessary to prepare the asset for its intended use.

Depreciation is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note 14.2 to the financial statements. 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 value and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized. Expenditure incurred subsequent to the initial acquisition of assets are capitalised only when it meets the recognition criteria.

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 operating income or expense.

3.2.2 Leased

Leased assets in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Assets held under finance lease are accounted for by recording the assets and related liabilities at the amounts determined on the basis of lower of fair value of assets and the present value of lease payments, less accumulated depreciation and impairment losses, if any. Finance costs are allocated to accounting periods in a manner so as to provide a constant rate on the outstanding liability. Depreciation is charged on leased assets on a basis similar to that of owned assets.

3.2.3 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 are transferred to specific assets as and when assets are available for use.

3.3 Investment in associates

These assets are entities over which a company has significant influence but not control, generally represented by share holding of 20% to 50% of the voting rights.

Investment in associate is stated in financial statements using the equity method of accounting. Under the equity method, investments in associate is carried in the balance sheet at cost as adjusted for post acquisition changes in the company's share of net assets of the associate, less any impairment in the value of individual investment. When the company's share of losses in an associate equals or exceeds its interest in the associate including any other unsecured receivables if any, the company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

3.4 Financial Assets & Liabilities

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

3.4.1 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 recognised as an expense in the profit and loss account.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Stores and spare parts

These are valued at moving weighted average cost except stores-in-transit which are stated at invoice value plus other charges paid thereon up to the balance sheet date.

3.6 Stock-in-trade

Raw and packing materials except for items in-transit are valued at moving weighted average cost.

Work-in-process is valued at manufacturing cost including a proportion of production overheads.

Finished goods are valued at lower of weighted average cost and net realizable value.

Items in-transit are valued at cost comprising invoice value plus other charges incurred thereon.

Net realisable 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.

3.7 Taxation

3.7.1 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 or the minimum tax u/s 113, whichever is higher.

3.7.2 Deferred

Deferred taxation is accounted for using the balance sheet liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation on settlement of the carrying amount of assets and liabilities using the tax rates enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.8 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 transactions. Exchange differences are taken to the profit and loss account.

3.9 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.

3.10 Long term deposits

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

3.11 Trade debts

These are measured at original invoice amount less an estimate made for doubtful receivable balances based on the review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.12 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.

3.13 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are off-set and the net amount is reported in the financial statements only when the company has a legally enforceable right to off-set the recognised amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.14 Cash and cash equivalents

For the purposes of cash flow statement, cash and cash equivalents comprise 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.

3.15 Revenue recognition

Sales are recorded on dispatch of goods.

Gain and loss on sale of investments is taken to income in the period in which it arises.

3.16 Provisions

A provision is recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

3.17 Borrowings and their costs

All borrowings are recorded at the proceeds received net of transaction cost. 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 capitalised as part of the cost of the relevant asset. All other borrowing costs are charged to income in the period in which they are incurred.

3.18 Financial expenses

Financial expenses are recognised using the effective interest method and comprise of interest expense borrowings on lease assets.

3.19 Segment reporting

As per IFRS 8, operating segments are reported in a manner consistent with internal reporting used by the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

3.20 Related parties transactions

All transactions with related parties are carried out by the company at arm's length price

3.21 Dividend

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

4 Issued, Subscribed & paid up capital

2011 ----- Numbers -----	2010 -----	Note	2011 ----- Rupees -----	2010 -----
<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>

4.1 Movement During The Year

2011 ----- Numbers -----	2010 -----		2011 ----- Rupees -----	2010 -----
50,520,750	24,057,500	Balance as at 1 July,	505,207,500	240,575,000
-	26,463,250	Ordinary shares of Rs. 10 each issued during the year as right share in the ratio of 1.1 share for every 1 held fully paid in cash.	-	264,632,500
<u>50,520,750</u>	<u>50,520,750</u>		<u>505,207,500</u>	<u>505,207,500</u>
			2011 Rupees	2010 Rupees

5 CAPITAL RESERVES

Opening Balance		5.1	<u>579,265,000</u>	50,000,000
Premium received			-	529,265,000
			<u>579,265,000</u>	<u>-</u>
			<u>579,265,000</u>	<u>579,265,000</u>

5.1 This represents 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.

6 DIRECTORS LOAN

	2011 Rupees	2010 Rupees
Opening balance	-	680,000,000
Add: received during the year	<u>352,151,770</u>	<u>7,420,500</u>
	<u>352,151,770</u>	<u>687,420,500</u>
Less: adjusted against right shares issued	-	687,420,500
	<u>352,151,770</u>	<u>-</u>

This represents unsecured interest free loan from the directors of the company. The directors have entered into an agreement in which they have undertaken to sub-ordinate their loan, the repayment and the resultant claim on the assets of the company against the facilities provided by various banks to the company.

7 LONG TERM FINANCES - secured

These represent long term finances availed from following financial institutions:

Financer	Installments payable	Repayment period	Rate of mark-up	2011 Rupees	2010 Rupees	No. Of Installments
Habib Bank Limited						
- Term finance	Bullet	2011	1 month KIBOR plus 1.75%	-	250,000,000	-
- Term finance	Monthly	2008-2012	1 month KIBOR plus 1.50%	25,925,926	48,148,148	60
- Term finance	Monthly	2011-2015	1 month KIBOR plus 1.75%	200,000,000	-	52
- Term finance	Monthly	2008-2011	1 month KIBOR plus 1%	1,000,000	7,000,001	36
Bank Al-Habib Limited						
- Term finance	Monthly	2011-2015	3 month KIBOR plus 1%	20,583,333	26,000,000	48
- Term finance	Quarterly	2007-2012	3 month KIBOR plus 1%	5,779,333	13,003,500	20
- Term finance	Monthly	2011-2015	3 month KIBOR plus 1%	18,208,333	23,000,000	48
MCB Bank Limited						
- Term finance	Monthly	2007-2011	1 month KIBOR plus 1%	-	10,833,300	42
- Term finance	Monthly	2011-2015	1 month KIBOR plus 1.50%	52,500,000	60,000,000	48
United Bank Limited						
- Term finance	Monthly	2006-2012	1 month KIBOR plus 1%	17,916,685	60,916,681	60
- Term finance	Monthly	2009-2012	1 month KIBOR plus 1.20%	33,666,666	67,333,335	36
- Term finance	Monthly	2008-2013	1 month KIBOR plus 1.20%	99,999,988	149,999,992	60
- Term finance	Monthly	2011-2016	1 month KIBOR plus 1%	47,499,998	-	60
- Term finance	Monthly	2008-2013	1 month KIBOR plus 1.50%	300,000,000	450,000,000	60
Dubai Islamic Bank Limited	Monthly	2008-2011	1 month KIBOR plus 1%	-	13,888,889	36
Allied Bank Limited						
- Term finance	Quarterly	2009-2011	3 month KIBOR plus 1%	-	50,000,000	60
- Term finance	Monthly	2011-2016	3 month KIBOR plus 1.50%	393,333,333	-	60
- Term finance	Monthly	2011-2016	3 month KIBOR plus 1.50%	208,333,330	250,000,000	60
Pak Brunei Investment Co	Quarterly	2011-2015	3 month KIBOR plus 1.50%	88,888,888	100,000,000	18
JS Bank	Monthly	2009-2013	1 month KIBOR plus 1.25%	35,714,286	64,285,720	42
				1,549,350,099	1,644,409,566	
Less: Current portion				(548,628,586)	(541,343,787)	
				1,000,721,513	1,103,065,779	

7.1 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 property, plant and equipment of the company and personal guarantees of the directors.

8 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

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 carry mark-up at rates ranging from 12.25% to 15.53% (2010: 12.25% to 15.81%) per annum approximately which has 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. 248,583,650 (2010: Rs. 39,600,886).

These are secured against deposits of Rs 26.057 million (2010: Rs 6.494 million), title of ownership of leased assets and personal guarantees of all 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:

	2011			2010		
	Minimum lease payments	Financial charges allocated to future periods	Present value of minimum lease payments	Minimum lease payments	Financial charges allocated to future periods	Present value of minimum lease payments
	Rupees					
Payable within one year	64,091,692	22,145,620	41,946,072	15,095,821	2,217,708	12,878,113
Payable between one to five years	192,084,277	32,081,402	160,002,875	16,364,892	1,385,517	14,979,375
	<u>256,175,969</u>	<u>54,227,022</u>	<u>201,948,947</u>	<u>31,460,713</u>	<u>3,603,225</u>	<u>27,857,488</u>

Assets acquired under the finance lease are those as stated in note 14.2.

	Note	2011 Rupees	2010 Rupees
9 DEFERRED LIABILITIES			
Provision for staff gratuity scheme	9.1	28,859,654	27,248,144
Deferred tax liability	9.3	197,717,255	60,944,141
		<u>226,576,909</u>	<u>88,192,285</u>
9.1 Staff retirement benefits			
The amounts recognised in the balance sheet are as follows:			
Present value of defined benefit obligation		27,785,921	22,444,570
Unrecognised actuarial gains		1,073,733	4,803,574
		<u>28,859,654</u>	<u>27,248,144</u>
Movements in the net liability recognised in the balance sheet are as follows:			
Balance at beginning of the year		27,248,144	22,444,570
Charge for the year	9.2	9,868,546	9,823,217
Payments during the year		(8,257,036)	(5,019,643)
Balance at end of the year		<u>28,859,654</u>	<u>27,248,144</u>
9.2 The amounts recognised in the profit and loss account against defined benefit scheme are as follows:			
Current service cost		7,560,211	7,284,619
Interest cost		2,564,247	2,758,087
Actuarial (gains) recognised		(255,912)	(219,489)
Charge for the year		<u>9,868,546</u>	<u>9,823,217</u>

The valuation of the scheme is based on the following significant assumptions:

- discount rate at 14% per annum (2010: 14% per annum); and
- expected rate of increase in salaries for employees at 12% per annum (2010: 12% per annum).

For the year ending 30 June 2012, expected contribution to the staff retirement benefit scheme is Rs. 8,079,409.

Historical Information

	2011	2010	2009	2008	2007
	Rupees				
Present value of defined benefit obligation	27,785,921	22,444,570	18,209,264	19,623,409	14,809,629
Unrecognised actuarial gains / (losses)	1,073,733	4,803,574	4,235,306	(1,414,145)	(1,435,095)
	<u>28,859,654</u>	<u>27,248,144</u>	<u>22,444,570</u>	<u>18,209,264</u>	<u>13,374,534</u>

	Note	2011 Rupees	2010 Rupees
9.3 Deferred taxation			
Credit balance arising in respect of:			
- Accelerated tax depreciation allowances		404,010,177	298,866,848
Debit balance arising in respect of:			
- carry forward tax losses		(166,192,960)	(205,363,211)
- provision for gratuity		(10,100,880)	(9,536,850)
- provision for doubtful debts		(4,064,838)	(3,493,402)
- provision for stock in trade		(25,934,244)	(19,529,244)
Deferred tax liability		<u>197,717,255</u>	<u>60,944,141</u>
10 TRADE AND OTHER PAYABLES			
Creditors		931,089,978	614,084,965
Accrued liabilities		60,017,742	51,047,144
Advance from directors		7,246,293	19,239,841
Workers' profit participation fund	10.1	30,447,714	17,108,021
Unclaimed dividend		708,350	641,984
Other liabilities		5,486,813	20,412,182
		<u>1,034,996,890</u>	<u>722,534,137</u>
10.1 Workers' profit participation fund			
Balance at 01 July		17,108,021	9,113,158
Add: Interest on funds utilized in company's business		1,914,303	698,459
Allocated during the year		27,895,550	16,409,562
		<u>46,917,874</u>	<u>26,221,179</u>
Less: Amount paid during the year		(16,470,160)	(9,113,158)
Balance at 30 June		<u>30,447,714</u>	<u>17,108,021</u>
11 ACCRUED MARK-UP			
Accrued mark-up on:			
- long term finances		18,703,482	11,257,493
- short term finances		76,765,213	60,184,730
		<u>95,468,695</u>	<u>71,442,223</u>
12 SHORT TERM FINANCES - Secured			
Term finances	12.1	1,189,337,764	790,727,334
Export refinances	12.2	310,000,000	274,376,000
Import / Export finances FE-25	12.3	432,833,807	-
Running finance utilized under mark-up arrangements	12.4	843,291,441	953,988,128
		<u>2,775,463,012</u>	<u>2,019,091,462</u>
12.1	The facilities for term finances from various banks aggregated to Rs. 1,265,000,000 (2010: Rs. 1,082,000,000). These are secured pari-passu / ranking hypothecation of stocks, book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 13.52% to 15.24% per annum (2010: 13.22% to 14.38% per annum).		
12.2	The facilities for export refinance from various banks aggregated to Rs. 310,000,000 (2010: Rs. 310,000,000). These are secured pari-passu against hypothecation of stocks, lien on export letters of credits and personal guarantees of the directors. These carry mark-up at the rate of 1% above the SBP rate per annum (2010: 1% above SBP rate per annum).		
12.3	The import / export finance facility (FE-25) of Rs. 487,000,000 allowed by various banks which are secured against pari-passu / ranking hypothecation of stocks & book debts of the company, lien on import documents and personal guarantees of the directors. These facilities carry mark-up at the rate ranging from 3.4% to 5% per annum (June 2010: NIL).		
12.4	The facilities for running finances available from various banks aggregated to Rs. 812,000,000 (2010: Rs. 1,017,000,000). These are secured pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 13.29% to 15.52% per annum (2010: 13.13% to 15.54% per annum).		
13 Contingencies and commitments			
13.1 Contingencies			
13.1.1	The company has three labour matters pending in different courts of Balochistan for reinstatement. No liability has been booked against these claims as the management of the company, based on the advice of its legal advisor, is of the opinion that matters will be decided in the company's favour.		
13.1.2	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 didn't 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.		
13.1.3	A suit for Rs. 20 million has been filed against the company and Lasbella Industrial Estates Development Authority for illegal allotment of Plot No. C-386 HITE. No provision has been made in these financial statements against this aforementioned amount as the management of the company, based on the advice of its legal counsel handling the case, is of the opinion that the case will be decided in the company's favour.		
13.1.4	The company has not provided for Workers' Welfare Fund (WWF) in the current year amounting to Rs. 10.57 million in light of the judgement given by the Lahore High Court in W.P No. 8763/2011 whereby the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 have been declared to be unconstitutional. The Company will also pursue for refunds for the amounts paid in prior years against WWF.		
	Note	2011 Rupees	2010 Rupees
13.2 Commitments			
13.2.1	Outstanding letters of guarantee	56,130,788	48,893,000
13.2.2	Outstanding letters of credit for:		
- capital expenditure		8,584,146	193,399,672
- others		<u>329,575,539</u>	<u>329,218,413</u>

14 PROPERTY, PLANT AND EQUIPMENT

14.1 The following is a statement of property, plant and equipment:

Operating assets
Capital work-in-progress

14.2	2011	Cost			Depreciation			Rate per %				
		As at 1 July 2010	Additions/(Disposals)	Transfers between owned and leased	Written off	As at 30 June 2011	For the year/(Disposals)		Transfers between owned and leased	Written off	As at 30 June 2011	Written down value as at 30 June 2011
-----Rupees-----												
Owned assets												
	Leasehold land	81,750,355	28,909,249 (33,362,910)	-	77,296,694	4,215,307	1,350,897 (177,462)	-	-	5,388,742	71,907,952	1 to 1.2
	Building on leasehold land	308,838,282	165,884,141	-	474,722,423	110,192,928	25,189,593	-	-	135,382,521	339,339,902	10
	Plant and machinery	2,043,561,617	438,796,662	16,991,527 (28,100,000)	2,471,249,806	804,799,622	-	4,100,099 (488,229)	-	947,438,400	1,523,811,406	10 to 33
	Furniture and fittings	23,759,710	3,106,124	-	26,865,834	8,783,334	1,535,623	-	-	10,318,957	16,546,877	10
	Equipment	25,832,008	8,888,646 (3,770)	-	34,716,884	10,305,820	2,090,606 (1,451)	-	-	12,394,975	22,321,909	10
	Computers	7,713,709	1,651,014 (55,250)	-	9,309,473	4,741,626	677,929 (21,171)	-	-	5,398,384	3,911,089	20
	Vehicles	54,480,819	25,701,500 (12,389,923)	13,289,400	81,081,796	30,442,827	7,245,823 (7,830,894)	7,036,579	-	36,894,335	44,187,461	20
	Total owned assets	2,545,936,500	672,937,336 (45,811,853)	30,280,927 (28,100,000)	3,175,242,910	973,481,464	177,117,379 (8,030,978)	11,136,678 (488,229)	-	1,153,216,314	2,022,026,596	
Leased assets												
	Plant and machinery	16,991,527	205,455,832	28,100,000 (16,991,527)	233,555,832	3,207,526	10,863,837	488,229 (4,100,099)	-	10,459,493	223,096,339	10
	Vehicles	35,319,900	12,657,000 (1,389,000)	-	33,298,500	9,503,015	5,790,372 (445,619)	-	-	7,811,189	25,487,311	20
	Total leased assets	52,311,427	218,112,832 (1,389,000)	-	266,854,332	12,710,541	16,654,209 (445,619)	488,229 (11,136,678)	-	18,270,682	248,583,650	
	Grand total	2,598,247,927	891,050,168 (47,200,853)	58,380,927 (58,380,927)	3,442,097,242	986,192,005	193,771,588 (8,476,597)	11,624,907 (11,624,907)	-	1,171,486,996	2,270,610,246	

14.3	2010	Cost			Depreciation			Rate per
		As at 1 July 2009	Additions/ (Disposals)	As at 30 June 2010	As at 1 July 2009	For the year/ (Disposals)	Transfers between owned and leased	
								%
Rupees								
Owned assets								
Leasehold land		81,750,355	-	81,750,355	2,913,061	1,302,246	-	77,535,048 1 to 1.2
Building on leasehold land		262,675,854	46,162,428	308,838,282	92,683,018	17,509,910	-	198,645,354 10
Plant and machinery		1,972,741,478	69,089,462	2,041,830,940	675,096,030	129,203,261	-	1,237,531,649 10 to 33
Furniture and fittings		23,618,865	195,950	23,759,710	7,259,757	1,566,756	-	14,976,376 10
Equipment		23,598,392	4,105,628	27,562,685	9,223,522	1,650,045	-	16,756,534 10
Computers		7,173,671	932,713	7,713,709	4,492,510	578,829	-	2,972,083 20
Vehicles		56,228,227	11,140,072	54,480,819	28,341,129	5,660,678	3,489,277	24,037,992 20
Total owned assets		2,427,786,842	131,626,253	2,545,936,500	820,009,027	157,471,725	3,489,277	1,572,455,036
		-	(10,440,390)	-	-	(6,709,546)	(735,840)	(43,179)
Leased assets								
Plant and machinery		16,991,527	-	16,991,527	1,751,466	1,456,060	-	13,784,001 10
Vehicles		23,945,800	8,393,000	35,319,900	9,085,054	3,171,398	735,840	25,816,885 20
Total leased assets		40,937,327	8,393,000	52,311,427	10,836,520	4,627,458	(3,489,277)	39,600,886
		-	-	-	-	-	(3,489,277)	-
Grand total		2,468,724,169	140,019,253	2,598,247,927	830,845,547	162,099,183	4,225,117	1,612,055,922
		-	(10,440,390)	-	-	(6,709,546)	(4,225,117)	(43,179)

14.4	The depreciation has been allocated as follows:		2011 Rupees	2010 Rupees
	Cost of sales	26	181,330,606	151,658,814
	Selling and distribution expenses	27	3,446,349	4,434,065
	Administrative and general expenses	28	8,994,633	6,006,298
			<u>193,771,588</u>	<u>162,099,177</u>

14.5 Following property, plant and equipment were disposed off during the year:

	Cost	Accumulated depreciation	Book value	Sale proceeds	Particulars of buyer
 Rupees				
Owned vehicles					
By negotiation					
- Land leasehold	33,362,910	177,462	33,185,448	75,000,000	ASTRO PLASTICS (PVT) LTD
- Computer	59,020	22,622	36,398	10,670	FAROOQ COMPUTER SCRAP
- BMW	5,800,000	3,502,775	2,297,225	2,700,000	ZAKI MOTORS
- Suzuki cultus	509,000	370,231	138,769	111,027	KHURRAM SAFDAR
- Suzuki cultus	509,050	365,444	143,606	210,110	AMIR KHAN ASM HYDERABAD
- Suzuki mehran	390,000	240,374	149,626	300,000	MUHAMMAD ASHRAF
- Suzuki mehran	390,000	211,189	178,811	370,000	MUHAMMAD RIZWAN IBRAHIM
- Suzuki mehran	395,000	221,646	173,354	325,000	ANEES AHMED KHAN
- Suzuki mehran	342,455	265,168	77,287	300,000	SHOUKAT ALI
- Suzuki mehran	390,000	235,259	154,741	270,000	SHOUKAT ALI
- Suzuki mehran	390,000	250,102	139,898	340,000	SHOUKAT ALI
- Honda civic	1,367,500	1,123,934	243,566	715,000	OWAIS SANI YOUNUS
- Toyota corolla	1,208,000	902,631	305,369	890,000	NAUMAN ALAM
- Motor cycle	35,548	21,679	13,869	12,500	ALI AHMED
- Motor cycle	36,348	25,740	10,608	15,500	ALI AHMED
- Motor cycle	31,603	21,256	10,347	16,500	ALI AHMED
By insurance claim					
- Suzuki mehran	529,000	81,840	447,160	529,000	Adamjee Insurance
- Toyota corolla	1,422,940	439,829	983,111	1,275,000	EFU General Insurance
- Motor cycle	32,479	6,375	26,104	36,000	Adamjee Insurance
2011	<u>47,200,853</u>	<u>8,485,556</u>	<u>38,715,297</u>	<u>83,426,307</u>	
2010	<u>10,440,390</u>	<u>6,709,546</u>	<u>3,730,844</u>	<u>6,699,710</u>	

14.6	CAPITAL WORK-IN-PROGRESS	2011 Rupees	2010 Rupees
	Civil works (Including advance for land Rs. Nil (2010: 18,721,099))	76,090,798	93,589,637
	Plant and machinery	26,486,953	195,895,047
	Equipment & fittings	2,486,781	7,818,987
		<u>105,064,532</u>	<u>297,303,671</u>
15	LONG TERM INVESTMENTS		
	Investment in associated undertakings		
	Novelty Enterprises (Private) Limited	229,724,069	229,724,069
	The Bank of Khyber	823,475,865	711,505,825
		<u>1,053,199,934</u>	<u>941,229,894</u>

15.1 Investment in associated undertakings

The company holds a 33% voting and equity interest in Novelty Enterprises (Private) Limited. The Company holds a 14% voting and equity interest and has representation on the Board of Directors in The Bank of Khyber. The Bank of Khyber announced a right issue in May 2011, the subscription for which was subsequent to the year end. The company has not exercise its right for this issuance which has resulted in a dilution in its holding to 8.6%.

These investments are accounted for under the equity method. The reporting date of Novelty Enterprises (Private) Limited is June 30, while the Bank of Khyber concludes its annual financial results on December 31, as required by State Bank of Pakistan for financial institutions.

The shares of Novelty Enterprises (Private) Limited are not publicly listed on a stock exchange and hence published price quotes are not available. The fair value of 14% holding in Bank of Khyber as on June 30, 2011 was Rs. 335,201,449 (2010: Rs. 267,877,691). The aggregate amounts of the associates can be summarised as follows:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	2011	2010	2011	2010
As at July 01	711,505,825	684,469,258	229,724,069	229,724,069
Share of profit	111,970,040	27,036,567	-	-
As at June 30	823,475,865	711,505,825	229,724,069	229,724,069

Summarised financial information in respect of the company's associates is set out below:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	2011	2010	2011	2010
Assets	60,154,584,000	45,935,005,000	561,847,275	564,678,790
Liabilities	50,241,393,000	39,811,716,000	100,050	200,000
Revenue	-	-	-	-
Profit attributable to the company	111,970,040	27,036,567	-	-

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 not received any dividend during the year. (2010: Rs. Nil).

The company has not incurred any contingent liabilities or other commitments relating to its investments in associates.

Novelty Enterprises (Private) Limited has not commenced operations as of the reporting date and hence the investment is stated at cost.

	2011 Rupees	2010 Rupees
16 LONG TERM DEPOSITS		
- Lease	25,804,160	4,130,200
- Utilities	8,638,392	2,788,602
- Others	1,576,010	1,371,000
	<u>36,018,562</u>	<u>8,289,802</u>
17 STORES & SPARE PARTS		
- Stores	32,482,514	24,855,398
- Spare parts	9,967,569	13,807,092
	<u>42,450,083</u>	<u>38,662,490</u>
Spare parts - gross	46,556,503	41,868,910
Provision for slow moving spare parts (Note: 17.1)	(4,106,420)	(3,206,420)
Spare parts - net	<u>42,450,083</u>	<u>38,662,490</u>
17.1 Reconciliation of provision for slow moving spare parts		
Opening provision	3,206,420	2,306,420
Charge for the year	900,000	900,000
Closing provision	<u>4,106,420</u>	<u>3,206,420</u>
18 STOCK-IN-TRADE		
Raw materials	1,842,948,944	1,353,090,803
Packing materials	446,751,562	316,982,888
Work-in-process	56,866,067	22,855,082
Finished goods	1,550,209,926	1,011,752,019
	<u>3,896,776,499</u>	<u>2,704,680,792</u>

	2011		
	Raw	Packing	Finished
	Rupees		
Stock - gross	1,852,920,364	506,771,562	1,550,209,926
Provision for slow moving stock (Note: 18.1)	(9,971,420)	(60,020,000)	-
Stock - net	<u>1,842,948,944</u>	<u>446,751,562</u>	<u>1,550,209,926</u>
18.1 Reconciliation of provision for slow moving stocks			
Opening provision	9,971,420	42,620,000	-
Charge for the year	-	17,400,000	-
Closing provision	<u>9,971,420</u>	<u>60,020,000</u>	<u>-</u>
	2010		
	Raw	Packing	Finished
	Rupees		
Stock - gross	1,363,062,222	359,602,888	1,011,752,019
Provision for slow moving stock	(9,971,420)	(42,620,000)	-
Stock - net	<u>1,353,090,802</u>	<u>316,982,888</u>	<u>1,011,752,019</u>
Reconciliation of provision for slow moving stocks			
Opening provision	6,899,980	26,060,000	-
charge for the year	3,071,440	16,560,000	-
Closing provision	<u>9,971,420</u>	<u>42,620,000</u>	<u>-</u>

		2011 Rupees	2010 Rupees
19	TRADE DEBTS		
	Considered good		
	- secured	34,736,840	56,510,523
	- unsecured	415,670,038	334,642,014
		450,406,878	391,152,537
	Considered doubtful	11,613,824	9,981,148
		462,020,702	401,133,685
	Less: Provision for impairment	(11,613,824)	(9,981,148)
		450,406,878	391,152,537

All the trade debts have been reviewed for indication of impairment. Certain trade debts were found to be impaired and provision has been recorded accordingly. The impaired trade debts are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

19.1 The movement in the provision for impairment can be reconciled as follows:

As at 01 July	9,981,148	6,381,147
Charge for the year	3,600,000	3,600,001
Write off during the year (against provision)	(1,967,324)	-
As at 30 June	11,613,824	9,981,148

In addition, some of the unimpaired trade debts are past due as at the reporting date. The age of trade debts 'past due' but not impaired is as follows:

Age analysis

Not more than 3 months	133,475,569	98,920,527
More than 3 months but not more than 6 months	58,149,538	29,179,379
More than 6 months but not more than 1 year	34,615,728	29,457,560
	226,240,835	157,557,466

20 ADVANCES - considered good

Advances to:		
- employees	6,912,861	5,672,776
- suppliers	216,126,550	297,704,468
- others	2,760,927	6,081,779
	225,800,338	309,459,023

21 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits	5,818,900	7,483,033
Short term prepayments	761,519	504,615
	6,580,419	7,987,648

22 OTHER RECEIVABLES

Sales tax	131,246,683	29,030,052
Export rebate	20,782,483	16,600,737
Collector of customs	406,260	9,145
Federal excise duty	30,098	-
Insurance claims	-	32,914
	152,465,524	45,672,848

All of the other receivables have been reviewed for impairment. No other receivables were found to be impaired.

23 CASH AND BANK BALANCES

Cash in hand	1,673,253	6,359,932
Cash at banks on:		
- current accounts	19,924,437	53,051,704
	21,597,690	59,411,636

24 OPERATING RESULTS

	Food Processing		Plastic Film		T o t a l	
	2011	2010	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Sales						
Local sales	7,563,507,578	6,400,855,886	1,073,101,453	682,273,919	8,636,609,031	7,083,129,805
Inter-segment	-	-	177,666,340	130,084,357	177,666,340	130,084,357
Export sales	682,649,626	560,058,492	73,268,121	236,040,703	755,917,747	796,099,195
	8,246,157,204	6,960,914,378	1,324,035,914	1,048,398,979	9,570,193,118	8,009,313,357
Less: Sales return & discount	297,466,642	363,193,003	7,873,420	4,162,229	305,340,062	367,355,232
Sales net of sales return and discount	7,948,690,562	6,597,721,375	1,316,162,494	1,044,236,750	9,264,853,056	7,641,958,125
Less: Sales tax	1,146,376,338	887,772,958	202,874,404	122,201,894	1,349,250,742	1,009,974,852
Total sales	6,802,314,224	5,709,948,417	1,113,288,090	922,034,856	7,915,602,314	6,631,983,273
Cost of sales (note 26)	5,518,844,153	4,712,900,683	935,115,508	791,358,288	6,453,959,661	5,504,258,971
Gross profit	1,283,470,071	997,047,734	178,172,582	130,676,568	1,461,642,653	1,127,724,302
Selling and distribution expenses (note 27)	472,199,778	353,485,356	12,385,936	17,135,281	484,585,714	370,620,637
Administrative expenses (note 28)	67,048,593	50,560,577	2,166,707	1,665,421	69,215,300	52,225,998
	539,248,371	404,045,933	14,552,643	18,800,702	553,801,014	422,846,635
Operating profit	744,221,700	593,001,801	163,619,939	111,875,866	907,841,639	704,877,667
24.1 Segment assets	5,749,942,396	4,658,834,739	1,473,636,391	884,848,342	7,223,578,787	5,543,683,081
24.2 Unallocated assets	-	-	-	-	1,108,432,674	941,229,894
	5,749,942,396	4,658,834,739	1,473,636,391	884,848,342	8,332,011,461	6,484,912,975
24.3 Segment liabilities	3,954,369,754	2,819,558,484	43,947,859	222,105,963	3,998,317,603	3,041,664,447
24.4 Unallocated liabilities	-	-	-	-	2,301,168,061	1,715,580,535
	3,954,369,754	2,819,558,484	43,947,859	222,105,963	6,299,485,674	4,757,244,982
24.5 Non-cash items (excluding depreciation)	7,072,963	8,925,323	2,795,583	897,894	9,868,546	9,823,217
24.6 Capital expenditure	684,106,397	348,138,344	14,695,885	47,449,801	698,802,282	395,588,145

24.7 Inter-segment pricing
Transactions among the business segments are recorded at estimated cost.

24.8 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

24.9 There were no major customers of the company which formed 10 percent or more of the company's revenue.

25 Reconciliation of reportable segment sales, cost of sales, assets and liabilities

	Note	2011 Rupees	2010 Rupees
25.1 Sales net of sales return and discount			
Total Sales for reportable segments		9,264,853,056	7,641,958,125
Elimination of inter-segments		177,666,340	130,084,357
Total sales		9,087,186,716	7,511,873,768
25.2 Cost Of Sales			
Total Cost of Sales for reportable segments		6,453,959,661	5,504,258,971
Elimination of inter-segments purchases		177,666,340	130,084,357
Total cost of sales		6,276,293,321	5,374,174,614
25.3 Assets			
Total assets for reportable segments		7,223,578,787	5,543,683,081
Long term investment		1,108,432,674	941,229,894
Total assets		8,332,011,461	6,484,912,975
25.4 Liabilities			
Total liabilities for reportable segments		3,998,317,603	3,041,664,447
Directors Loan		352,151,770	-
Deferred liabilities		197,717,255	60,944,142
Long term finance		1,549,350,099	1,630,683,842
Assets subject to finance lease		201,948,947	23,952,551
Total liabilities		6,299,485,674	4,757,244,982

26 COST OF SALES

	Food Processing		Plastic Film		Total	
	2011	2010	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Raw materials consumed (note 26.1)	3,378,655,414	2,563,633,523	807,464,278	667,645,583	4,186,119,692	3,231,279,106
Packing materials consumed (note 26.2)	2,079,666,388	1,505,051,212	21,994,770	17,981,145	2,101,661,158	1,523,032,357
Stores and spares consumed (note 26.3)	78,159,788	58,817,729	15,430,530	13,148,585	93,590,318	71,966,314
Salaries, wages and other benefits (note 26.4)	192,852,662	159,896,286	24,230,078	20,597,434	217,082,740	180,493,720
Electricity, gas, fuel and lubricants	137,349,028	102,318,192	57,479,483	51,937,383	194,828,511	154,255,575
Repairs and maintenance	10,015,874	6,895,538	1,821,212	1,493,626	11,837,086	8,389,164
Cold storage - rent & maintenance	826,000	2,759,000	-	-	826,000	2,759,000
Printing and stationery	153,278	793,961	4,575	8,171	157,853	802,132
Insurance	7,801,100	5,960,565	1,186,914	1,010,890	8,988,014	6,971,455
Rent, rates and taxes	1,431,545	782,446	313,040	272,540	1,744,585	1,054,986
Water charges	2,895,025	2,923,897	188,294	138,841	3,083,319	3,062,738
Postage and telephone	1,455,953	1,071,503	193,044	172,128	1,648,997	1,243,631
travelling and conveyance	794,953	759,878	144,300	345,564	939,253	1,105,442
Vehicle running and maintenance	5,816,154	4,376,325	681,218	449,407	6,497,372	4,825,732
Depreciation (note 14.4)	157,886,438	128,292,862	23,444,168	23,365,952	181,330,606	151,658,814
Laboratory expenses	157,195	-	-	-	157,195	-
Fees and subscription	659,148	668,345	-	37,500	659,148	705,845
Cartage	866,476	419,634	139,615	67,855	1,006,091	487,489
Legal and professional charges	69,482	75,000	-	-	69,482	75,000
Procurement expenses	1,723,403	1,592,706	-	-	1,723,403	1,592,706
Other manufacturing expenses	320,953	144,211	22,982	(34,530)	343,935	109,681
Recovery from sale of production scrap	(11,133,673)	(8,636,503)	(9,775,003)	(8,573,975)	(20,908,676)	(17,210,478)
	6,048,422,584	4,538,596,310	944,963,498	790,064,099	6,993,386,082	5,328,660,409
Work-in-process at beginning of the year	8,693,161	8,104,464	14,161,921	19,491,208	22,855,082	27,595,672
Work-in-process at end of the year	(28,257,072)	(8,693,161)	(28,608,995)	(14,161,921)	(56,866,067)	(22,855,082)
	(19,563,911)	(588,697)	(14,447,074)	5,329,287	(34,010,985)	4,740,590
Cost of goods manufactured	6,028,858,673	4,538,007,613	930,516,424	795,393,386	6,959,375,097	5,333,400,999
Stock of finished goods at beginning of the year	1,000,885,686	1,113,952,417	10,866,333	6,831,234	1,011,752,019	1,120,783,651
Purchase of finished goods	33,042,471	61,826,339	-	-	33,042,471	61,826,339
Stock of finished goods at end of the year	(1,543,942,677)	(1,000,885,686)	(6,267,249)	(10,866,333)	(1,550,209,926)	(1,011,752,019)
	(510,014,520)	174,893,070	4,599,084	(4,035,099)	(505,415,436)	170,857,971
	5,518,844,153	4,712,900,683	935,115,508	791,358,287	6,453,959,661	5,504,258,970

Food Processing		Plastic Film		Total	
2011	2010	2011	2010	2011	2010
Rupees	Rupees	Rupees	Rupees	Rupees	Rupees

26.1 Raw materials consumed

Stock of raw materials at beginning of the year	927,654,499	547,052,547	435,407,724	120,336,810	1,363,062,223	667,389,357
Purchases	3,477,132,198	2,941,038,880	1,204,852,498	990,341,255	4,681,984,696	3,931,380,135
Cartage inward	14,370,545	10,984,007	-	-	14,370,545	10,984,007
Purchase discount	(3,470,360)	(1,368,612)	-	-	(3,470,360)	(1,368,612)
	4,415,686,882	3,497,706,822	1,640,260,222	1,110,678,065	6,055,947,104	4,608,384,887
Less: Custom rebate and duty draw-back	(14,600,587)	(9,490,240)	(2,306,461)	(7,624,758)	(16,907,048)	(17,114,998)
	4,401,086,295	3,488,216,582	1,637,953,761	1,103,053,307	6,039,040,056	4,591,269,889
Provision made during the year	-	3,071,440	-	-	-	3,071,440
Stock of raw materials at end of the year	(1,022,430,881)	(927,654,499)	(830,489,483)	(435,407,724)	(1,852,920,364)	(1,363,062,223)
	3,378,655,414	2,563,633,523	807,464,278	667,645,583	4,186,119,692	3,231,279,106

26.2 Packing materials consumed

Stock of packing materials at the beginning of the year	357,387,320	350,690,706	2,215,568	2,108,718	359,602,888	352,799,424
Purchases	2,035,863,855	1,369,190,362	21,824,212	17,942,313	2,057,688,067	1,387,132,675
Cartage inward	8,100	2,199	158,025	183,100	166,125	185,299
Inter-segment purchase	177,666,340	130,084,357	-	-	177,666,340	130,084,357
Purchase discount	(3,969,457)	(4,089,092)	(121,243)	(37,418)	(4,090,700)	(4,126,510)
	2,566,956,158	1,845,878,532	24,076,562	20,196,713	2,591,032,720	1,866,075,245
Provision made during the year	17,400,000	16,560,000	-	-	17,400,000	16,560,000
Stock of packing materials at end of the year	(504,689,770)	(357,387,320)	(2,081,792)	(2,215,568)	(506,771,562)	(359,602,888)
	2,079,666,388	1,505,051,212	21,994,770	17,981,145	2,101,661,158	1,523,032,357

26.3 Stores and spares consumed

Stock of stores and spares at beginning of the year	34,443,545	34,781,083	7,425,365	6,331,999	41,868,910	41,113,082
Purchases	82,273,401	57,838,134	14,889,754	14,212,388	97,163,155	72,050,522
Cartage inward	247,448	282,499	47,110	29,563	294,558	312,062
Purchase discount	(79,498)	(540,442)	(304)	-	(79,802)	(540,442)
	116,884,896	92,361,274	22,361,925	20,573,950	139,246,821	112,935,224
Provision made during the year	900,000	900,000	-	-	900,000	900,000
Stock of stores and spares at end of the year	(39,625,108)	(34,443,545)	(6,931,395)	(7,425,365)	(46,556,503)	(41,868,910)
	78,159,788	58,817,729	15,430,530	13,148,585	93,590,318	71,966,314

26.4 Salaries, wages and other benefits include Rs. 6,455,045 (2010 : Rs. 6,379,333) in respect of staff retirement benefits.

27 SELLING AND DISTRIBUTION EXPENSES

	Food Processing		Plastic Film		Total	
	2011	2010	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Salaries and other benefits (note 27.1)	149,515,809	125,186,061	4,320,738	4,105,842	153,836,547	129,291,903
Cartage outward	81,161,052	56,722,908	20,825	77,100	81,181,877	56,800,008
Export expenses	29,192,721	21,002,661	5,203,328	11,225,297	34,396,049	32,227,958
Advertisements	139,388,601	87,261,029	9,975	-	139,398,576	87,261,029
Entertainment	592,192	525,103	22,781	16,601	614,973	541,704
Vehicle running and maintenance	33,007,686	23,082,233	656,327	523,171	33,664,013	23,605,404
Printing and stationery	1,898,730	2,002,500	58,537	44,755	1,957,267	2,047,255
Postage and telephone	8,594,261	7,751,669	467,747	260,137	9,062,008	8,011,806
Conveyance and travelling	7,051,084	6,395,333	1,004,480	335,255	8,055,564	6,730,588
Samples	1,412,995	1,767,124	-	43,384	1,412,995	1,810,508
Utilities	4,163,944	4,112,016	61,037	49,254	4,224,981	4,161,270
Repairs and maintenance	318,196	193,497	105,050	54,460	423,246	247,957
Rent	7,757,562	7,231,118	329,216	281,112	8,086,778	7,512,230
Depreciation (note 14.4)	3,423,455	4,416,493	22,894	17,572	3,446,349	4,434,065
Insurance	559,406	1,357,279	100,239	101,341	659,645	1,458,620
Miscellaneous	4,162,084	4,478,332	2,762	-	4,164,846	4,478,332
	472,199,778	353,485,356	12,385,936	17,135,281	484,585,714	370,620,637

27.1 Salaries and other benefits include Rs. 2,671,844 (2010 : Rs. 2,410,721) in respect of staff retirement benefits.

28 ADMINISTRATIVE EXPENSES

	Food Processing		Plastic Film		Total	
	2011	2010	2011	2010	2011	2010
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Salaries and other benefits including director's remuneration (note 28.1)	31,227,148	25,282,185	1,196,640	1,241,843	32,423,788	26,524,028
Conveyance and travelling	11,305,605	4,571,304	-	8,315	11,305,605	4,579,619
Postage and telephone	2,544,689	2,323,615	72,854	50,642	2,617,543	2,374,257
Printing and stationery	1,779,090	1,098,578	34,952	4,146	1,814,042	1,102,724
Repairs and maintenance	297,931	364,988	21,200	-	319,131	364,988
Electricity and utilities	4,797,809	3,903,704	-	-	4,797,809	3,903,704
Insurance	1,710,894	931,883	282,606	21,359	1,993,500	953,242
Advertisement	221,766	300,600	-	-	221,766	300,600
Entertainment	121,643	26,019	-	-	121,643	26,019
Vehicle running and maintenance	1,986,881	1,207,903	343,935	324,068	2,330,816	1,531,971
Rent, rates and taxes	554,240	500,128	-	-	554,240	500,128
Fee and subscription	490,400	1,754,095	212,000	12,000	702,400	1,766,095
Legal and professional charges	994,984	2,210,500	-	-	994,984	2,210,500
Depreciation (note 14.4)	8,992,113	6,003,250	2,520	3,048	8,994,633	6,006,298
General meeting expenses	23,400	81,825	-	-	23,400	81,825
	67,048,593	50,560,577	2,166,707	1,665,421	69,215,300	52,225,998

28.1 Salaries and other benefits include Rs. 741,657 (2010 : Rs. 1,033,163) in respect of staff retirement benefits.

	Note	2011 Rupees	2010 Rupees
29 OTHER OPERATING INCOME			
Gain on disposal of property, plant & equipment		44,711,009	2,968,866
Gain on sale and purchase of financial assets designated as fair value through profit and loss		-	40,932,558
Processing Income		18,425,011	22,786,906
Exchange gain		573,046	512,716
Others		1,499,970	4,498,040
		<u>65,209,036</u>	<u>71,699,086</u>
30 OTHER OPERATING EXPENSES			
Workers' profit participation fund	10.1	27,895,550	16,409,562
Workers' welfare fund		-	6,223,633
Auditors' remuneration	30.1	866,515	759,716
Donations	30.2	1,415,000	600,000
		<u>30,177,065</u>	<u>23,992,911</u>
30.1 Auditor's remuneration			
- audit fee		400,000	350,000
- fee for half yearly review		70,000	70,000
- fee for other certification		15,000	35,000
- tax services		275,000	180,000
- out-of-pocket expenses		106,515	124,716
		<u>866,515</u>	<u>759,716</u>
30.2	None of the directors or their spouses had any interest in the donees.		
31 FINANCE COST			
Mark up on:			
- long term finances		188,322,523	211,482,367
- short term finances		308,589,790	251,475,786
Finance charge on finance leases		20,811,269	2,157,314
Bank charges		7,104,625	9,043,449
Total interest expense for financial liabilities		524,828,207	474,158,916
Interest on Workers' Profit Participation Fund (WPPF)	10.1	1,914,303	698,459
		<u>526,742,510</u>	<u>474,857,375</u>

32 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	-----2011-----			-----2010-----		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Managerial remuneration	2,700,000	7,200,000	41,909,243	1,800,000	5,700,000	31,350,289
Gratuity	-	-	3,610,488	-	-	2,675,556
Reimbursement of expenses						
Utilities	571,306	809,148	-	476,627	792,299	-
Membership fees	128,694	390,852	-	60,636	265,353	-
	<u>3,400,000</u>	<u>8,400,000</u>	<u>45,519,731</u>	<u>2,337,263</u>	<u>6,757,652</u>	<u>34,025,845</u>
Number of persons	<u>1</u>	<u>3</u>	<u>55</u>	<u>1</u>	<u>3</u>	<u>40</u>

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

32.1 The remuneration has been allocated as follows:

	2011			2010		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees					
Cost of goods sold	-	-	23,029,274	-	-	17,364,980
Selling and distribution expenses	-	-	19,340,950	-	-	15,047,944
Administrative and general expenses	3,400,000	8,400,000	3,149,507	2,337,263	6,757,652	1,612,921
	<u>3,400,000</u>	<u>8,400,000</u>	<u>45,519,731</u>	<u>2,337,263</u>	<u>6,757,652</u>	<u>34,025,845</u>
Number of persons	<u>1</u>	<u>3</u>	<u>55</u>	<u>1</u>	<u>3</u>	<u>40</u>

33 CLASSIFICATION OF EXPENSES

This represents break-up of expenses as per their nature:

	2011				2010			
	Local Sales	Export Sales	Common Expense	Total	Local Sales	Export Sales	Common Expense	Total
	Rupees				Rupees			
Selling and distribution expenses (note 27)	446,473,317	38,112,397	-	484,585,714	334,631,573	35,989,064	-	370,620,637
Administrative expenses (note 28)	-	-	69,215,300	69,215,300	-	-	52,225,998	52,225,998
Finance cost (note 31)	508,546,666	18,195,844	-	526,742,510	459,034,106	15,823,269	-	474,857,375

34 TAXATION

Current	81,302,898	36,436,685
Prior Year	4,287,011	-
Deferred	136,773,113	57,111,456
	<u>222,363,022</u>	<u>93,548,141</u>

34.1 The relationship between accounting profit and tax expense

The relationship between tax expense and accounting profit has not been presented in these financial statements as the total income falls under minimum tax / presumptive tax regime of the Income Tax Ordinance.

35 EARNINGS PER SHARE - basic

	2011 Rupees	2010 Rupees
Profit for the year	<u>305,738,118</u>	<u>211,214,893</u>
No. of shares	No. of shares	
Weighted average number of ordinary shares during the year	<u>50,520,750</u>	<u>35,937,065</u>
	Rupees	Rupees
Basic and diluted - earnings per share	<u>6.05</u>	<u>5.88</u>

36 CASH FROM OPERATIONS

Profit before income tax		528,101,140	304,763,034
Adjustments for:			
Depreciation	14.4	193,771,588	162,099,177
Profit on disposal of property, plant & equipment	29	(44,711,009)	(2,968,866)
Provision for staff retirement gratuity	9.2	9,868,546	9,823,217
Finance cost	31	526,742,510	474,857,375
Share of profit from associated undertaking	15.1	(111,970,040)	(27,036,567)
Net decrease in working capital	36.1	(217,588,248)	(78,202,284)
Cash from operations		<u>884,214,487</u>	<u>843,335,086</u>

	2011 Rupees	2010 Rupees
36.1 Net decrease in working capital		
(Increase) / Decrease in current assets		
Stores and spares	(3,787,593)	144,172
Stocks in trade	(1,192,095,707)	(542,919,786)
Trade debts	(59,254,341)	63,223,687
Advances	83,658,685	(21,097,993)
Trade deposits and short term prepayments	1,407,229	(1,868,335)
Other receivables	(106,792,676)	(29,576,857)
	<u>(1,276,864,403)</u>	<u>(532,095,111)</u>
(Decrease) / Increase in current liabilities		
Trade and other payables	312,396,387	85,745,972
Short term finances	867,068,237	273,103,334
Advance from customers	(120,188,469)	95,043,521
	<u>1,059,276,155</u>	<u>453,892,827</u>
Net decrease in working capital	<u><u>(217,588,248)</u></u>	<u><u>(78,202,285)</u></u>
37 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES		
37.1 Financial instruments by category		
Financial assets		
Loans and receivables at amortised cost		
Long term deposits	36,018,562	8,289,802
Trade debts	450,406,878	391,152,537
Advances - considered good	9,673,788	11,754,555
Trade deposits	5,818,900	7,483,033
Other receivables	-	32,914
Cash and bank balances	21,597,690	59,411,636
Total financial assets	<u>523,515,818</u>	<u>478,124,477</u>
Financial liabilities		
Financial liabilities at amortised cost		
Long term finances	1,549,350,099	1,644,409,566
Liabilities against assets subject to finance lease	201,948,947	27,857,488
Trade and other payables	1,034,996,890	722,534,137
Accrued mark-up	95,468,695	71,442,223
Short term finances	2,775,463,012	2,019,091,462
Total financial liabilities	<u>5,657,227,643</u>	<u>4,485,334,876</u>

Fair value of financial assets and liabilities

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

37.2 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

37.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of 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 economics, 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	2011 Rupees	2010 Rupees
Trade debts	19	450,406,878	391,152,537
Advances	20	9,673,788	11,754,555
Trade deposits	21	5,818,900	7,483,033
Other receivables	22	-	32,914
Bank balances	23	19,924,437	53,051,704
		<u>485,824,003</u>	<u>463,474,743</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.

37.2.2 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.

	2011	
Carrying amount	Maturity upto one year	Maturity after one year
-----Rupees-----		
Financial liabilities		
Interest bearing		
Long term finances - secured	1,549,350,099	548,628,586
Liabilities against assets subject to finance lease	-	1,000,721,513
Short term finances - secured	201,948,947	41,946,072
	2,775,463,012	160,002,875
Non - interest bearing		
Trade and other payables	1,034,996,890	-
Accrued mark-up	95,468,695	-
	<u>5,657,227,643</u>	<u>4,496,503,255</u>
		<u>1,160,724,388</u>
2010		
Financial liabilities		
Interest bearing		
Long term finances - secured	1,644,409,566	541,343,787
Liabilities against assets subject to finance lease	27,857,488	12,878,113
Short term finances - secured	2,019,091,462	14,979,375
		-
Non - interest bearing		
Trade and other payables	722,534,137	-
Accrued mark-up	71,442,223	-
	<u>4,485,334,876</u>	<u>3,367,289,722</u>
		<u>1,118,045,154</u>

37.2.3 Market risk

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

a) 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 June 30, 2011, if the Pakistani Rupee has weakened / strengthened by 10% against the US Dollar with all other variables held constant, profit before tax for the year would have been lower / higher by Rs. 56.58 million (2010: Rs. 5.64 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.

b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will 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	
	2011 Rupees	2010 Rupees
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(4,526,762,057)	(3,691,358,516)
	<u>(4,526,762,057)</u>	<u>(3,691,358,516)</u>

As at June 30, 2011, if KIBOR had been 100 bps lower / higher with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 45.26 million. (2010: Rs. 36.91 million) mainly because of higher / lower interest expense on variable rate instruments.

38 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.

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

	2011 Rupees	2010 Rupees
Share capital	505,207,500	505,207,500
Capital reserves	579,265,000	579,265,000
Unappropriated profit	948,053,287	643,195,493
	<u>2,032,525,787</u>	<u>1,727,667,993</u>

39 PLANT CAPACITY AND ANNUAL PRODUCTION

	2011		2010	
	M.Ton Rated Capacity	Actual Production	M.Ton Rated Capacity	Actual Production
Food Processing	69,780	47,292	56,250	42,542
Plastic Film	5,500	5,350	5,500	5,321

Reason for shortfall

The shortfall in capacity utilization in food processing segment is due to normal stoppages and during the year new biscuits, candy plants and chips manufacturing plant are installed and hence, did not give full year's production.

40 Transaction with related parties

The related parties comprise of directors of the company associated companies, companies where directors also hold directorship and key employees. Details of transactions with related parties, other than those which have been specifically discussed elsewhere in these financial statements are as follows.

	2011 Rupees	2010 Rupees
Rent Paid to Chief Executive	710,000	600,000
Sale of land to associated undertaking	75,000,000	-
Dividend paid to associated undertaking	761,950	653,100

41 NON - ADJUSTING EVENT AFTER THE BALANCE SHEET

- 41.1 The board of directors in its meeting held on September 27, 2011 has proposed dividend in respect of the year ended June 30, 2011 of Rs. 2/- per share (2010: Rs. 1.75 per share). The appropriation will be approved in the forthcoming annual general meeting. The financial statements for the year ended June 30, 2011 do not include the effect of proposed dividend which will be accounted for in the financial statements for the year ending June 30, 2012.

- 41.2 Subsequent to the year end the company entered into a cross currency interest rate swap with Faysal Bank Limited to hedge its interest rates on borrowings based on KIBOR.

42 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for better presentation and disclosure.

Reclassification from	Reclassification to	Amount Rupees
-Property plant and equipment Equipment	-Property plant and equipment Plant and machinery	1,730,677
-Accumulated Depreciation Equipment	-Accumulated Depreciation Plant and machinery	500,331
-Depreciation Lease Vehicle	-Depreciation Own Vehicle	13,235
-Stores and spare parts Spare parts	-Stores and spare parts Stores	24,855,398
-Trade deposits and short term prepayments Trade deposits	-Long term deposits Others	30,000
-Long term deposits Leases	-Trade deposits and short term prepayments Trade deposits	2,545,233
-Selling and distribution expenses Sales promotion	-Operating results Sales return & discount	31,618,942

43 DATE OF AUTHORIZATION

These financial statements were authorized for issue on September 27, 2011 by the board of directors of the company.

44 GENERAL

The figures have been rounded of to the nearest rupee.

MAQSOOD ISMAIL
Chief Executive

MIFTAH ISMAIL
Director

PATTERN OF SHAREHOLDING

SHAREHOLDERS STATISTICS AT JUNE 30, 2011

Number of Shareholders	Shareholdings			Total Number of Shares Held
	From		To	
1087	1	-	100	20,503
148	101	-	500	41,909
36	501	-	1000	28,481
61	1001	-	5000	138,402
7	5001	-	10000	49,437
3	10001	-	15000	38,941
1	15001	-	20000	19,134
2	20001	-	25000	41,752
1	30001	-	35000	34,794
1	35001	-	40000	38,891
1	185001	-	190000	185,400
1	435001	-	440000	435,400
1	445001	-	450000	450,000
1	495001	-	500000	499,900
1	605001	-	610000	608,700
4	625001	-	630000	2,503,635
1	1900001	-	1905000	1,905,000
1	8365001	-	8370000	8,365,987
1	10910001	-	10915000	10,911,650
1	24200001	-	24205000	24,202,834
Total	1360			50,520,750

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
CEO, Directors their Spouses & Children	12	49,633,606	98.24%
Associated Company	1	435,400	0.86%
Joint Stock Companies	8	8,821	0.02%
Foreign Companies	1	3,300	0.01%
General Public	1338	439,623	0.87%
Total	1360	50,520,750	100.0%

PATTERN OF SHAREHOLDING

AT JUNE 30, 2011

Shareholder Category	Number of Shareholders	Number of Share Held	Percentage
Associated Company:			
Uniron Industries (Private) Limited	1	435,400	0.862
Directors:			
Mr. Miftah Ismail	1	10,911,650	21.598
Mr. Munsarim Saif	1	500	0.001
Ms. Uzma Dawood	1	626,382	1.240
Ms. Rashida Iqbal	1	625,751	1.239
Ms. Nafisa Yousuf	1	625,751	1.239
Ms. Anisa Naviwala	1	625,751	1.239
Chief Executive Officer:			
Mr. Maqsood Ismail	1	24,202,834	47.907
Chairman:			
Mr. Muhammad M. Ismail	1	8,365,987	16.560
CEO, Directors their Spouses & Children:			
Ms. Reema Miftah W/o. Miftah Ismail	1	499,900	0.989
Ms. Farzana Muhammad W/o. Mr. Muhammad M. Ismail	1	608,700	1.205
Ms. Almas Maqsood W/o. Mr. Maqsood Ismail	1	635,400	1.258
Mr. Asad Iqbal S/o. Rashida Iqbal	1	1,905,000	3.771
General Public	1338	439,623	0.870
Others	9	12,121	0.024
Total	1360	50,520,750	100.000

Shareholders holding 10% or more voting interest

Mr. Muhammad M. Ismail	1	8,365,987	16.560
Mr. Maqsood Ismail	1	24,202,834	47.907
Mr. Miftah Ismail	1	10,911,650	21.598

STATEMENT SHOWING SHARES PURCHASE AND SALE BY CEO, DIRECTORS THEIR SPOUSES & CHILDREN FROM JULY 01, 2010 TO JUNE 30, 2011

S.no.	Name	Designation	Shares	
			Purchase	Sale
1	Mr. Muhammad M.Ismail	Director	67,092	-

PROXY FORM

The Secretary/ Registrar

I/We _____ son/ daughter/ wife of _____ ,
shareholder of **Ismail Industries Limited**, holding _____ ordinary shares as per register under
Folio No _____ and/or CDC Participant ID _____ and Sub- Account No. _____ hereby
appoint _____ (holding _____ ordinary shares in the company as per register under Folio
No _____ and/or CDC Participant ID _____ and Sub- Account No. _____) or
failing him/her _____ , (holding _____ ordinary shares in the
company as per register under Folio No _____ and/or CDC Participant ID _____ and
Sub- Account No. _____) as my/ our proxy, to attend and vote for me/us on my/our
behalf at the Annual General Meeting of the Company to be held on October 27, 2011 and/ or any
adjournment thereof.

Signed this _____ day of _____ 2011.

(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.

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ISMAIL INDUSTRIES LIMITED

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Unit 2: B-140, H.I.T.E., HUB, Balochistan, Pakistan.
Tel: (92-853) 302589, Fax: (92-853) 302408

Unit 3: G-1, H.I.T.E., HUB, Balochistan, Pakistan.
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Unit 4: G-22,23, H.I.T.E., HUB, Balochistan, Pakistan.
Tel: (92-853) 303193, 303177, Fax: (92-853) 302284

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