



ISMAIL
INDUSTRIES
LIMITED

TOGETHER WE LEAD

QUARTERLY REPORT
MARCH
2019

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COMPANY PROFILE

Board of Directors

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

Audit Committee Members

Mr. M. Zubair Motiwala	Chairman
Mr. Muhammad M. Ismail	Member
Mr. Maqsood Ismail	Member
Ms. Almas Maqsood	Member
Ms. Reema Ismail Ahmed	Member

Registered Office

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

Factories

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

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

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

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

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

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

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

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

Human Resource Committee

Mr. M. Zubair Motiwala	Chairman
Mr. Maqsood Ismail	Member
Mr. Munsarim Saifullah	Member
Ms. Farzana Muhammad	Member

Company Secretary

Mr. Ghulam Farooq

Chief Financial Officer

Mr. Abdul Qadir

Auditor

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.

Share Registrar

THK Associates (Pvt.) Limited

Bankers / Institutions

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

DIRECTOR'S REVIEW REPORT ON COMPANY'S AFFAIRS

The Board of Directors of the Company is pleased to present the stand alone and consolidated un-audited condensed interim financial information of Ismail Industries Limited for the quarter and nine-months period ended March 31, 2019. A bird's eye view of the company's operational performance during the period under review is summarized below:

Description	Mar-19 PKR in Million	Mar-18	Change in %
Gross Sales	28,538	22,794	25%
Net Sales	23,050	17,986	28%
Gross Profit	5,274	3,825	38%
Operating Profit	1,896	1,519	25%
Profit before tax	1,159	1,361	-15%
Profit after tax	849	1,081	-21%
Earnings per share - Rs.	13.30	16.95	-22%

The period under review was critical for the country's economy since substantial depreciation of PKR to US\$, discount rate increased by 4% and drastic hike in prices of basic utilities made it difficult to take economic decisions freely. Despite of strong headwinds on macro-economic dimensions and stiff industry competition, we have continued the transformation journey of growth and profitability in our core business operations i.e. Food and Plastic segments by achieving 25% top line growth through aggressive market penetration of our valued brands portfolio which have gained deepened traction among consumers.

Our strong position in the ever-expanding portfolio of renowned flagship brands results in 38% higher gross profit margin posted at Rs.5,274 million compared to corresponding period of Rs.3,825 million. Our primary focus is still on aggressive sales growth through both new and existing products which will further allow us to take advantage of economies of scale. We are making all best possible efforts for cost effectiveness both in terms of funds invested on sales and marketing strategies.

Besides, during the period under review the share of loss Rs. 75 million arise from the Bank of Khyber (BOK) an associated undertaking of the Company mainly attributed by recognizing a loss on sale of securities by the BOK compared to Rs. 320 million share of profit in corresponding period, that has a substantial impact on our growth momentum in bottom line.

FUTURE OUTLOOK

Going forward, we are committed to focus our strength on creating superior consumer value, innovation, brand recognition and greater trust with emphasis on cost efficiency and product development. The economic situation of the country is expected to remain challenging till the end of calendar year. However, we as a corporate citizen are committed to contribute our part to the country's GDP with even more motivation and enthusiasm. We are confident to end the fiscal year with benchmarking achievements.

ACKNOWLEDGEMENT

We acknowledge the trust and continued support of our valuable customers, financial institution and shareholders towards the Company. The Directors would also like to place on record their appreciation to all workforce of the Company for their dedication, diligence, commitment and hard work.

On behalf of the,
Board of Directors

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Karachi: April 22, 2019

ڈائریکٹران کی جائزہ رپورٹ

اس کے علاوہ، زیر جائزہ مدت میں Rs. 75 million کا نقصان میں حصہ ظاہر ہوا جو کہ ہماری متعلقہ کمپنی بینک آف خیر سے منسلک ہے اور جس کی بنیادی وجہ سیکورٹیز کی فروخت کی وجہ سے ہوئے والا خسارہ ہے جبکہ اس کے مقابلے میں سال گزشتہ کی زیر جائزہ مدت میں متعلقہ کمپنی سے Rs. 320 million کا منافع میں حصہ تھا، جس کی وجہ سے ہماری ذیلی ترقی کی پوزیشن میں کمی دیکھنے میں آئی۔

مستقبل کی پیش بینی

آنے والے دورانیے میں ہماری توجہ کارکردگی کے تحفظ میں کمی اور مصنوعات میں ترقی کے ساتھ ساتھ صارفین کے لئے اعلیٰ اقدار، بدت، برانڈز کی مقبولیت اور پر اعتماد تعلقات پر مرکوز ہے۔ ملکی معاشی صورتحال مالی سال کے اختتام تک مشکل رہنے کی توقع ہے البتہ ایک اچھے کارپوریٹ شہری کی حیثیت سے ہماری کوشش ہوگی کہ ہم مزید حوصلہ افزا طور پر ملکی معیشت اور GDP میں اپنا حصہ مزید مستحکم کریں۔ ہم موجودہ مالی سال کا اختتام نئی بندہ یوں کے ساتھ طے کرنے کے لئے پرامید ہیں۔

اعتراف

ہم اپنے قابل قدر گاہکوں، مالیاتی اداروں اور حصص یافتگان کے اعتماد اور کمپنی کے ساتھ ان کے مسلسل تعاون کا اعتراف کرتے ہیں۔ ڈائریکٹران کمپنی کے ملازمین کا انکسار، شائستگی، عزم اور اہمیت محنت پر ان کے لئے اپنی سٹاف ریکارڈ پر لا رہے ہیں۔

منجانب

بورڈ آف ڈائریکٹرز

منصہ بریم سیٹ اللہ
چیئرمین ایگزیکٹو آفیسر
مکتوبہ اسماعیل
ڈائریکٹر

کراچی، ۲۲ اپریل ۲۰۱۹

کمپنی کے ڈائریکٹران ۳۱ مارچ ۲۰۱۹ کو ختم ہونے والی سہ ماہی اور نو ماہ کے لئے کمپنی کے گوشوارے پیش کرنے میں انتہائی خوشی محسوس کرتے ہیں۔ زیر جائزہ مدت میں کمپنی کی علی کارکردگی کا مجموعی جائزہ درج ذیل ہے:

تفصیل	تبدیلی %	۲۰۱۸ مارچ	۲۰۱۹ مارچ
کل فروخت	25%	22,794	28,538
خاص فروخت	28%	17,986	23,050
مجموعی منافع	38%	3,825	5,274
عام منافع	25%	1,519	1,896
منافع قبل از ٹیکس	-15%	1,361	1,159
منافع بعد از ٹیکس	-21%	1,081	849
فی شخص منافع - روپے	-22%	16.95	13.30

زیر جائزہ مدت ملکی معیشت کے لئے انتہائی اہم رہی جبکہ ڈالر کے مقابلے میں روپے کی قدر میں 4% پار فیصد کمی اور بنیادی افادیت کی اشیاء کی قیمتوں میں ہوشیار اضافہ نے آزادانہ معاشی فیصلوں کے حصول کو مشکل بنادیا۔ مجموعی معاشی طویل و عرض میں مشکل صورتحال اور سخت ملحقہ ماحول کے باوجود ہم نے اپنی کمپنی کے بنیادی کاروباری شعبہ جات میں اجتہادی تبدیلی اور وسیع تر منافع کی طرف اپنے سفر کو جاری رکھتے ہوئے ۲۵% بچیں فیصد کے اوپری سطح کی ترقی کے ہدف کو عبور کیا جس کی بنیادی وجہ ہماری قابل قدر برانڈز کی مارکیٹ ٹکٹ رسائی میں جارمانہ حکمت عملی ہے جس سے صارفین کی نظر میں ہماری مصنوعات توجہ پر مزید گہرے نتائج مرتب کیے۔

ہماری ہر دلعزیز مصنوعات کے مسلسل بڑھتے ہوئے پروڈکشن پورٹفولیو میں ہماری مستحکم پوزیشن نے گزشتہ سال کی زیر موازنہ مدت کے Rs. 3,825 million کے مجموعی منافع کے مقابلے میں اس سال زیر جائزہ مدت میں 38% فیصد زیادہ Rs. 5,274 million کا مجموعی منافع یقینی بنایا۔ ہماری کمپنی کی توجہ مسلسل فروخت کی ترقی میں جارمانہ حکمت عملی پر ہے جس سے ہمیں بڑھتے ہوئے فروخت کی لاگت میں کمی کا تناسب برقرار رکھنے میں مدد ملے گی۔ ہماری مکمل توجہ اس بات پر مرکوز ہے کہ سرمایہ کاروں اور مارکیٹنگ کی لاگت کی تاثیر میں اضافہ ہو۔

UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER
ENDED MARCH 31, 2019

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	8	12,104,443,964	10,912,906,811
Intangible assets	9	59,389,258	41,739,258
Long term investments	10	2,866,375,133	3,560,461,082
Long term deposits		46,677,547	39,318,639
Total non-current assets		15,076,885,902	14,554,425,790
Current assets			
Stores and spares	11	240,742,650	195,891,564
Stock-in-trade	12	4,727,172,623	4,969,540,620
Trade debts	13	2,635,058,998	1,566,186,261
Loans and advances		964,949,832	735,291,605
Trade deposits and short-term prepayments		30,462,037	13,170,300
Other receivables		160,083,390	136,210,452
Taxation - net		814,129,617	850,571,987
Cash and bank balances	14	59,716,988	51,160,091
Total current assets		9,632,316,135	8,518,022,880
Total assets		24,709,202,037	23,072,448,670
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2018: 250,000,000)			
ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
63,804,750 (June 30, 2018: 63,804,750)			
ordinary shares of Rs.10 each		638,047,500	638,047,500
Reserves		6,693,248,480	6,581,983,812
Total shareholders' equity		7,331,295,980	7,220,031,312
Non-current liabilities			
Sponsors' loan - subordinated	15	902,151,770	902,151,770
Long-term finances - secured	16	5,441,037,928	4,730,767,470
Liabilities against assets subject to finance lease		149,146,674	403,658,251
Deferred liabilities		1,472,850,887	1,430,804,181
Total non-current liabilities		7,965,187,259	7,467,381,672
Current liabilities			
Trade and other payables	17	2,279,319,181	1,424,613,356
Accrued mark-up		204,203,616	101,440,953
Short-term finance - secured	18	4,792,709,034	4,191,428,798
Current portion of:			
- long-term finances - secured	16	1,834,369,097	2,433,017,566
- liabilities against assets subject to finance lease		102,003,431	95,407,236
Unclaimed Dividend		2,477,375	1,818,498
Advances from customers		197,637,063	137,309,279
Total current liabilities		9,412,718,798	8,385,035,686
Total liabilities		17,377,906,057	15,852,417,358
Contingencies and commitments	19		
Total equity and liabilities		24,709,202,037	23,072,448,670

The annexed selected notes from 1 to 26 form an integral part of this condensed interim unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine-months Period Ended		Three-months Period Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees	Rupees	Rupees	Rupees
Sales - gross	23.1	28,538,306,403	22,794,488,100	10,144,224,528	8,318,127,523
Sales returns & discounts		(1,485,966,354)	(1,653,770,994)	(791,155,936)	(545,296,476)
Export Rebate		6,317,329	9,293,856	2,849,975	3,268,167
		(1,479,649,025)	(1,644,477,138)	(788,305,961)	(542,028,309)
Sales		27,058,657,378	21,150,010,962	9,355,918,567	7,776,099,214
Sales tax		(4,008,714,142)	(3,163,733,399)	(1,416,952,896)	(1,194,945,949)
Net sales		23,049,943,236	17,986,277,563	7,938,965,671	6,581,153,265
Cost of sales	23.1	(17,775,689,032)	(14,161,204,922)	(6,077,178,306)	(5,360,440,610)
Gross profit		5,274,254,204	3,825,072,641	1,861,787,365	1,220,712,655
Selling and distribution expenses		(2,968,391,323)	(2,024,857,970)	(1,150,519,156)	(766,317,209)
Administrative expenses		(409,398,351)	(281,003,762)	(149,256,414)	(92,587,518)
		(3,377,789,674)	(2,305,861,732)	(1,299,775,570)	(858,904,727)
Operating profit		1,896,464,530	1,519,210,909	562,011,795	361,807,928
Other expenses		(285,534,071)	(184,355,002)	(150,856,611)	(66,608,628)
		1,610,930,459	1,334,855,907	411,155,184	295,199,300
Other income		214,200,121	172,066,799	62,341,751	62,814,866
		1,825,130,580	1,506,922,706	473,496,935	358,014,166
Finance cost		(591,096,289)	(466,392,667)	(271,741,601)	(159,072,805)
		1,234,034,291	1,040,530,039	201,755,334	198,941,361
Share of (loss)/profit from associate		(74,950,317)	320,206,982	(111,514,364)	214,820,933
Profit before taxation		1,159,083,974	1,360,737,021	90,240,970	413,762,294
Taxation		(310,577,392)	(279,560,378)	51,014,366	(17,118,706)
Profit after taxation		848,506,582	1,081,176,643	141,255,336	396,643,588
Earnings per share - basic and diluted	20	13.30	16.95	2.21	6.22

The annexed selected notes from 1 to 26 form an integral part of this condensed interim unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine-months Period Ended		Three-months Period Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees	Rupees	Rupees	Rupees
Profit after taxation		848,506,582	1,081,176,643	141,255,336	396,643,588
<i>Item that will not be reclassified to statement of profit or loss in subsequent period</i>		-	-	-	-
<i>Item to be reclassified to statement of profit or loss in subsequent period</i>					
Appreciation on available for sale investment - net of tax		1,821,854	9,870,000	-	56,105,000
Realized gain during the period on disposal of investment classified as available for sale - net of tax		(27,914,411)	-	-	-
Share of other comprehensive loss from associated undertaking - net of tax	10.4	(424,027,982)	(220,869,684)	(260,517,323)	(95,013,556)
Other comprehensive loss for the period - net of tax		(450,120,539)	(210,999,684)	(260,517,323)	(38,908,556)
Total comprehensive income/(loss) for the period		398,386,042	870,176,959	(119,261,987)	357,735,032

The annexed selected notes from 1 to 26 form an integral part of this condensed interim unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Issued, subscribed and paid-up share capital	Total Reserves					Total shareholders' equity
		Capital reserve	Share of AIS reinvestment from associate	Revenue reserve	Unappropriated profit	Total reserves	
		Share premium	Amalgamation reserves	Share of AIS reinvestment from associate	Reinvestment of investment classified as 'available for sale'		
Balance as at July 01, 2017	638,047,500	579,265,000	916,862,067	(83,785,200)	23,469,613	5,633,601,413	6,271,648,313
Total comprehensive income/(loss) for the period							
Profit for the nine months period ended March 31, 2018	-	-	-	-	-	1,081,176,643	1,081,176,643
Appreciation on revaluation of investment - net of tax	-	-	-	-	9,870,000	9,870,000	9,870,000
Share of other comprehensive loss from associated undertaking - net of tax	-	-	-	(220,869,684)	-	(220,869,684)	(220,869,684)
Other comprehensive (loss)/income for the nine months period ended March 31, 2018	-	-	-	(220,869,684)	-	(220,869,684)	(220,869,684)
Total comprehensive (loss)/income for the period	-	-	-	(220,869,684)	9,870,000	(210,999,684)	(210,999,684)
Transaction with owners, recognised directly in equity							
Cash dividend paid for the year ended June 30, 2017 @ Rs. 2.75 per share	-	-	-	(220,869,684)	9,870,000	870,176,359	870,176,359
Balance as at March 31, 2018	638,047,500	579,265,000	916,862,067	(394,654,974)	33,339,613	(175,463,063)	(175,463,063)
Balance as at July 01, 2018	638,047,500	579,265,000	916,862,067	(366,021,780)	26,092,557	6,581,983,812	7,220,031,312
Total comprehensive income/(loss) for the period							
Profit for the nine months period ended March 31, 2019	-	-	-	-	-	848,506,582	848,506,582
Appreciation on revaluation of investment - net of tax	-	-	-	-	1,821,854	1,821,854	1,821,854
Realized gain during the period on disposal of investment classified as available for sale-net of tax	-	-	-	(27,914,411)	(27,914,411)	(27,914,411)	(27,914,411)
Share of other comprehensive loss from associated undertaking - net of tax	-	-	-	(424,027,982)	-	(424,027,982)	(424,027,982)
Other comprehensive loss for the nine months period ended March 31, 2019	-	-	-	(424,027,982)	-	(424,027,982)	(424,027,982)
Total comprehensive (loss)/income for the period	-	-	-	(424,027,982)	(26,092,557)	(450,120,539)	(450,120,539)
Transaction with owners, recognised directly in equity							
Cash dividend paid for the year ended June 30, 2018 @ Rs. 4.50 per share	-	-	-	(424,027,982)	(26,092,557)	398,386,043	398,386,043
Balance as at March 31, 2019	638,047,500	579,265,000	916,862,067	(790,047,762)	-	6,693,248,480	7,331,295,980

The annexed selected notes from 1 to 26 form an integral part of this condensed interim unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	March 31, 2019 Rupees	March 31, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	21	2,615,007,201	1,922,403,024
Gratuity paid		(18,976,384)	(28,220,854)
Taxes paid		(274,135,022)	(208,907,619)
Long-term deposits paid		(7,358,908)	(7,415,476)
Net cash generated from operating activities		2,314,536,887	1,677,859,075
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(2,004,786,942)	(936,760,967)
Capital expenditure - intangibles		(17,650,000)	(36,076,818)
Proceeds from sale of investment	10.5	197,251,008	-
Proceeds from disposal of property, plant and equipment		25,970,112	63,814,189
Net cash used in investing activities		(1,799,215,822)	(909,023,596)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liability against assets subject to finance lease (paid) / obtained		(247,915,382)	37,623,693
Dividends paid		(286,462,498)	(175,701,894)
Long-term finances obtained / (paid) net of repayments		111,621,989	(545,705,711)
Financial charges paid		(488,333,627)	(491,646,339)
Net cash used in financing activities		(911,089,518)	(1,175,430,251)
Net decrease in cash and cash equivalents		(395,768,452)	(406,594,772)
Cash and cash equivalents at the beginning of the period		(1,916,243,707)	(773,560,635)
Cash and cash equivalents at the end of the period	22	(2,312,012,159)	(1,180,155,407)

The annexed selected notes from 1 to 26 form an integral part of this condensed interim unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

1 LEGAL STATUS AND OPERATIONS

Ismail Industries Limited (the Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office of the Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange. The principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astro films' respectively.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

There are no significant events and transactions occurred during the period.

3 STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4 BASIS OF PREPARATION

These condensed interim unconsolidated financial statements of the company does not include all of the information and disclosure required in the unconsolidated annual financial statements and should be read in conjunction with the unconsolidated annual financial statements of the company as at and for the year ended June 30, 2018. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual financial statements.

The figures in the condensed interim unconsolidated Financial information for the nine-months period ended March 31, 2019 and March 31, 2018 are not audited. Further, the figures for the three-months period ended March 31, 2019 and 2018 in these financial information have also not been reviewed by auditors.

5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

5.1 The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The accounting policy adopted by the management are as follows:

5.1.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless

those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Revenue from sale of goods is recognized when the Company satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. on dispatch of goods to customers). Revenue is recognized at transaction price (which excludes estimates of variable consideration).

However, the application of above standard do not have any significant impact on the Company's financial reporting and, therefore, have not been presented in these condensed interim unconsolidated financial statements.

6 USE OF JUDGEMENTS AND ESTIMATES

The estimates / judgments and associated assumptions used in the preparation of this condensed interim unconsolidated financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2018.

7 FUNCTIONAL AND PRESENTATION CURRENCY

These condensed interim unconsolidated financial statements is presented in Pakistani Rupees which is also Company's functional currency.

8 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
Operating fixed assets	8.1	10,185,150,310	10,755,985,939
Capital work in progress - at cost	8.2	1,919,293,654	156,920,872
		12,104,443,964	10,912,906,811

8.1 Details of additions and deletions to operating fixed assets during the nine-months period are as follows:

		(Un-audited)	
		Additions	Disposals
		-----At cost-----	-----At net book value-----
		March 31, 2019	March 31, 2018
		March 31, 2019	March 31, 2018
		----- Rupees -----	
Owned assets			
Free-hold land		1,104,333	-
Leasehold land		-	85,277,359
Building on leasehold land		5,955,115	625,731,512
Plant and machinery		88,217,960	803,991,926
Furniture and fittings		-	8,958,680
Equipment		5,497,797	118,848,360
Computers		20,795,195	2,987,050
Vehicles		19,922,910	46,159,348
		141,493,310	1,691,954,235
Leased assets			
Vehicles		100,920,850	137,410,688
		100,920,850	137,410,688
		242,414,160	1,829,364,923

8.2 Details of additions in and transfers from CWIP during the nine-months period are as follows:

		(Un-audited)	
		Additions	Transfers
		-----At cost-----	-----At net book value-----
		March 31, 2019	March 31, 2018
		March 31, 2019	March 31, 2018
		----- Rupees -----	
Civil works		423,573,108	240,022,574
Plant and machinery		1,408,595,452	185,735,923
Electric installation		24,079,297	19,104,113
Equipment and fixtures		538,000	220,063,912
		1,856,785,857	664,926,522
		5,955,115	625,731,512
		67,986,647	788,421,056
		20,231,313	15,570,870
		240,000	127,807,040
		94,413,075	1,557,530,478

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
9 INTANGIBLE ASSETS	Note		
Capital work in progress - at cost	9.1	59,389,258	41,739,258

9.1 Details of additions for implementation of software during the nine-months period are as follows:

	(Un-audited)			
	Additions		Transfer	
	-----At cost-----			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----			
Software under implementation	17,650,000	36,076,818	-	-
	17,650,000	36,076,818	-	-

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
10 LONG-TERM INVESTMENTS	Note		
<i>Investment in subsidiary Company- unquoted shares</i>			
Hudson Pharma (Private) Limited	10.1	605,984,000	605,984,000
<i>Investment in associated undertakings</i>			
Novelty Enterprises (Private) Limited- unquoted shares	10.2	228,727,912	228,727,912
The Bank of Khyber	10.3	2,031,663,221	2,530,641,520
<i>Other investment - Available for sale</i>			
Bank Islami Pakistan Limited	10.5	-	195,107,650
		2,866,375,133	3,560,461,082

10.1 Hudson Pharma (Private) Limited

The Company holds 60,598,400 (June 2018: 60,598,400) shares of Hudson Pharma (Private) Limited (subsidiary), which is equivalent to 71.29% of total paid-up share capital. The subsidiary is incorporated under Companies Act, 2017 as a private company, limited by shares. The registered office of the company is located at 17 Bangalore town, main Shahrah-e-Faisal Karachi. Principal activities of the subsidiary are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholeselling and retailing, trading and selling of all kinds of pharmaceutical drugs and medicines. The shares of Subsidiary are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of subsidiary is June 30.

10.2 Novelty Enterprises (Private) Limited

The Company holds 33% (June 2018: 33%) voting and equity interest in Novelty Enterprises (Private) Limited (NEL). The shares of NEL are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of NEL is June 30.

Total equity / net assets of NEL as at June 30, 2018 based on audited financial statements amounted to Rs. 561.487 million (June 2018: Rs. 561.487 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated December 31, 2015 fair value of fixed assets of NEL amounted to Rs. 1,016.32 million resulting in surplus on fixed assets of Rs. 483.607 million. Revised net assets after the revaluation surplus amounted to Rs. 1,045.094 million (June 2018: Rs. 1,045.094 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

10.3 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (June 2018: 24.16%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2018 and unaudited interim six-months period ended June 30, 2018. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on March 31, 2019 was Rs. 2,694.275 million (June 30, 2018: Rs. 3,298.373 million).

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31,	June 30,	March 31,	June 30,
	2019	2018	2019	2018
Carrying value at beginning of the period	2,530,641,520	2,782,115,507	228,727,912	228,737,812
Share of (loss) / profit	(74,950,317)	393,221,050	-	(9,900)
Dividend received	-	(362,458,547)	-	-
Share of other comprehensive loss	(484,603,408)	(322,555,988)	-	-
Related deferred tax on OCI	60,575,426	40,319,498	-	-
	(424,027,982)	(282,236,490)	-	-
	2,031,663,221	2,530,641,520	228,727,912	228,727,912

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 cash dividend from Bank of Khyber during the period ended March 31, 2019 (June 30, 2018: Rs. 1.50 per share).

		(Un-audited)	(Audited)
		March 31,	June 30,
		2019	2018
		Rupees	Rupees
10.5 BankIslami Pakistan Limited	Note		
Carrying Value		195,107,650	308,840,000
Appreciation in value of investment		2,143,358	15,020,840
Less: Sale of investment at carrying value		(197,251,008)	(128,753,190)
Fair value of investment		-	195,107,650
11 STORES AND SPARES			
Stores and spare parts - gross		249,739,070	204,482,984
Provision for slow moving stores and spares	11.1	(8,996,420)	(8,591,420)
Store and spares - net		240,742,650	195,891,564
11.1 Reconciliation of provision for slow moving spare parts			
Opening provision		8,591,420	8,051,420
Charge for the period / year		405,000	540,000
Closing provision		8,996,420	8,591,420
12 STOCK-IN-TRADE			
Raw materials	12.1	2,809,446,701	3,182,907,393
Packing materials	12.1	464,991,549	309,942,607
Work-in-process		233,556,212	117,725,966
Finished goods		1,219,178,161	1,358,964,654
		4,727,172,623	4,969,540,620

- 12.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,384,583 (June 30, 2018: Rs.13,384,583) and Rs.128,735,038 (June 30, 2018: Rs. 128,735,038) respectively.

13 TRADE DEBTS

Considered good

- secured (export debtors)
- unsecured

Considered doubtful

Trade debts - gross

Provision for doubtful debts

Trade debts - net

(Un-audited)
March 31,
2019
Rupees

(Audited)
June 30,
2018
Rupees

341,181,111	311,568,772
2,293,877,887	1,254,617,489
2,635,058,998	1,566,186,261
61,613,694	51,963,694
2,696,672,692	1,618,149,955
(61,613,694)	(51,963,694)
2,635,058,998	1,566,186,261
10,516,464	6,288,157
35,112,946	18,051,949
14,087,578	26,819,985
59,716,988	51,160,091

14 CASH AND BANK BALANCES

Cash in hand

Cash with banks in:

- current accounts- *conventional*
- current accounts- *islamic*

15 SPONSORS' LOAN - SUBORDINATED

The Company has obtained interest free loan from its sponsors. The sponsors have entered into an agreement with the company and various banks in which they have undertaken to subordinate their loans and their claims over the company's assets. During the period the Company has applied with the Securities & Exchange Commission of Pakistan for special permission for conversion of Sponsors Loan into equity without going into public. The required formalities would be completed once the approval received from the regulatory authority.

16 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	31-Mar-19			30-Jun-18		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	4,629,479,472	2,534,305,564	7,163,785,036	5,204,568,968	3,398,333,326	8,602,902,294
Obtained during the period / year	1,796,957,497	500,000,000	2,296,957,497	627,480,000	-	627,480,000
Repaid during the period / year	(1,105,196,628)	(1,080,138,880)	(2,185,335,508)	(1,202,569,496)	(864,027,762)	(2,066,597,258)
	5,321,240,341	1,954,166,684	7,275,407,025	4,629,479,472	2,534,305,564	7,163,785,036
Less: Current maturity	(848,119,102)	(986,249,995)	(1,834,369,097)	(1,203,850,907)	(1,229,166,659)	(2,433,017,566)
	4,473,121,239	967,916,689	5,441,037,928	3,425,628,565	1,305,138,905	4,730,767,470

- 16.1 These represent term finance facilities obtained for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu charge over property, plant and equipment of the company and personal guarantees of the directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.25% to 3 month KIBOR + 0.50% (June 30, 2018: 1 month KIBOR + 0.20% to 3 month KIBOR + 0.50%) and from 0.25% to 0.75 % (June 30, 2018: 0.25% to 0.75 %) above the State Bank of Pakistan rate for LTF.

17 TRADE AND OTHER PAYABLES

Note

- Trade creditors
- Other liabilities

(Un-audited)
March 31,
2019
Rupees

(Audited)
June 30,
2018
Rupees

1,449,087,774	1,001,003,569
830,231,407	423,609,787
2,279,319,181	1,424,613,356

		(Un-audited)	(Audited)	
		March 31,	June 30,	
		2019	2018	
18	SHORT TERM FINANCES - Secured	Note	Rupees	Rupees
	Term finances-conventional	18.1	324,585,077	939,675,000
	Term finances-islamic	18.2	1,572,044,810	850,000,000
	Export refinances	18.3	524,350,000	434,350,000
	Running finance utilized under mark-up arrangement	18.4	2,371,729,147	1,967,403,798
			4,792,709,034	4,191,428,798

- 18.1** These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 1,200 million (June 2018: Rs. 1,200 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.24% to 11.08% per annum (June 2018: 5.98% to 6.24% per annum).
- 18.2** These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,100 million (June 2018: Rs. 2,100 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.56% to 11.10% per annum (June 2018: 6.26% to 7.13% per annum).
- 18.3** These represented facilities for export refinance arranged from various banks aggregating to Rs. 704.35 million (June 2018: Rs. 614.35 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate 0.25% to 0.50% above the State Bank of Pakistan (SBP) rate per annum (June 2018: 0.25% to 0.50% above SBP rate per annum).
- 18.4** These facilities for running finances available from various banks aggregated to Rs. 4,760.65 million (June 2018: Rs. 4,525.65 million). These are secured against pari-passu hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.02% to 11.55% per annum (June 2018: 6.27% to 7.17% per annum).

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

There are no material changes in the status of contingencies as same reported in the annual audited financial statements of the Company from note 24.1.

		(Un-audited) March 31, 2019	(Audited) June 30, 2018
19.2	Commitments	Rupees	Rupees
	Outstanding letter of guarantees	889,768,498	717,831,941
	Outstanding letter of credit for:		
	- capital expenditures	3,648,271,807	1,368,181,418
	- others	903,710,403	999,649,684

20 EARNINGS PER SHARE-Basic and Diluted

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

		(Un-audited) March 31, 2019	(Un-audited) March 31, 2018
	Note	Rupees	Rupees
Basic earnings per share			
Profit for the period		848,506,582	1,081,176,643
		------(Number)-----	
Weighted average number of ordinary shares during the period		63,804,750	63,804,750
		------(Rupees)-----	
Basic earnings per share		13.30	16.95

		(Un-audited) March 31, 2019 Rupees	(Un-audited) March 31, 2018 Rupees
21 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note		
Profit before income tax		1,159,083,974	1,360,737,021
Adjustments for non-cash and other items:			
Depreciation		793,774,686	711,993,484
Gain on disposal of property, plant and equipment - net		(6,495,009)	(23,534,243)
Gain on disposal of available for sale investment		(32,101,573)	-
Provision for staff retirement gratuity		64,888,748	75,907,687
Provision for doubtful debts		9,650,000	5,888,300
Provision for slow moving spare parts		405,000	405,000
Share of profit from associated undertaking		74,950,317	(320,206,982)
Finance cost		591,096,289	466,392,667
Net decrease in working capital	21.1	(40,245,232)	(355,179,910)
		2,615,007,201	1,922,403,024
21.1 Working capital changes			
Current assets			
Decrease / (Increase) in current assets			
Stores and spares		(45,256,086)	(33,060,559)
Stock-in-trade		242,367,997	53,363,849
Trade debts		(1,078,522,737)	(264,017,948)
Loans and advances		(229,658,227)	(45,145,434)
Trade deposits and short-term prepayments		(17,291,737)	(102,872,414)
Other receivables		(23,872,938)	70,237,038
		(1,152,233,728)	(321,495,468)
Current liabilities			
(Decrease) / Increase in current liabilities			
Trade and other payables		854,705,825	1,112,289,529
Short-term finance - secured		196,954,887	(1,147,139,267)
Advance from customers		60,327,784	1,165,296
		1,111,988,496	(33,684,442)
Net decrease in working capital		(40,245,232)	(355,179,910)
22 CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	59,716,988	62,450,221
Running finances under mark-up arrangement	18	(2,371,729,147)	(1,242,605,628)
		(2,312,012,159)	(1,180,155,407)

23 SEGMENT INFORMATION

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incurs expenses and its results are regularly reviewed by the Company's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

Based on internal management reporting structure and products produced and sold, the company is organised into the following two operating segments:

- Food processing
- Plastic film

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

Segment revenue, segment results, costs, assets and liabilities for the period are as follows:

	Three-months Period Ended						Nine-months Period Ended					
	Food Processing			Plastic Film			Food Processing			Plastic Film		
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Rupees											
Sales	7,783,760,635	6,172,396,765	1,936,599,398	1,830,211,203	9,720,360,233	8,017,607,368	21,790,699,110	17,220,533,112	5,812,600,670	4,738,365,207	27,003,299,980	21,958,898,319
Local	380,389,634	298,608,893	43,474,661	7,851,662	423,864,295	306,519,555	837,946,262	732,641,736	97,060,161	102,948,045	935,006,423	835,589,781
Export	2,849,975	3,208,167	-	-	2,849,975	3,208,167	6,317,329	9,293,856	-	-	6,317,329	9,293,856
Export rebates	8,167,000,244	6,474,333,825	1,980,074,259	1,847,101,365	10,147,074,303	8,321,395,690	22,634,962,901	17,362,468,704	5,909,660,831	4,841,313,252	28,544,623,372	22,803,781,956
Less:												
Sales return and discounts	(75,983,575)	(531,608,633)	(361,72,361)	(8,687,843)	(791,155,036)	(545,206,476)	(1,377,245,083)	(1,414,594,234)	(108,721,271)	(239,176,760)	(1,485,966,354)	(1,633,770,994)
Sales tax	(1,124,693,433)	(915,990,919)	(292,259,463)	(278,955,330)	(1,416,952,890)	(1,194,945,949)	(3,134,723,997)	(2,483,810,513)	(873,590,145)	(679,922,886)	(4,008,714,142)	(3,163,733,399)
Net sales	(1,879,677,008)	(1,452,599,252)	(328,431,824)	(287,643,173)	(2,208,108,832)	(1,503,141,565)	(4,511,969,080)	(3,898,404,747)	(982,711,416)	(919,099,646)	(5,494,680,496)	(4,817,504,393)
Cost of sales	6,287,323,236	5,021,734,773	1,651,642,435	1,559,418,092	7,938,965,671	6,581,153,265	18,122,991,821	14,064,033,957	4,926,049,415	3,922,213,606	23,049,943,236	17,996,271,563
Selling and distribution expenses	(4,700,325,945)	(3,931,362,596)	(1,376,852,361)	(1,430,078,014)	(6,077,178,906)	(5,360,440,610)	(13,517,191,173)	(10,567,233,094)	(4,257,897,859)	(3,593,981,828)	(17,775,689,032)	(14,161,304,922)
Administrative expenses	(1,097,816,500)	(750,035,993)	(52,702,060)	(6,284,176)	(1,150,519,150)	(766,317,209)	(2,842,668,116)	(1,928,826,229)	(125,723,207)	(99,031,741)	(2,968,391,323)	(2,024,857,970)
	(117,589,511)	(25,423,489)	(31,666,903)	(67,164,029)	(149,256,414)	(92,587,518)	(322,114,495)	(208,688,787)	(87,283,856)	(72,314,975)	(409,398,351)	(281,003,762)
Segment result	(5,915,732,066)	(4,703,821,278)	(1,461,221,870)	(1,513,523,559)	(7,376,953,870)	(6,219,345,337)	(16,682,573,784)	(12,701,738,110)	(4,479,094,922)	(3,765,328,544)	(21,153,478,730)	(16,467,866,656)
Unallocated income and expenses	37,159,1230	31,571,2295	194,420,365	43,894,933	362,011,795	361,807,928	1,440,420,037	1,362,525,847	456,044,493	136,885,162	1,896,464,536	1,519,210,909
Other operating income												
Finance cost												
Other operating expenses												
Share of profit from associated undertakings												
Profit before taxation												
Income tax expense												
Profit for the period												
							(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
23.2 Segment assets												
23.3 Unallocated assets												
23.4 Segment liabilities												
23.5 Unallocated liabilities												
23.6 Inter-segment pricing												
23.7 Transactions among the business segments are recorded at estimated cost.												
23.8 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.												

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

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
23.9 RECONCILIATION OF REPORTABLE SEGMENT	Note		
ASSETS AND LIABILITIES			
Assets			
Total assets for reportable segments	23.2	21,331,107,722	19,273,816,898
Administrative capital assets		511,719,182	238,170,690
Long term investment	10	2,866,375,133	3,560,461,082
Total assets		24,709,202,037	23,072,448,670
Liabilities			
Total liabilities for reportable segments	23.4	7,749,473,152	6,087,691,060
Sponsors' loan - subordinated		902,151,770	902,151,770
Deferred liabilities		1,199,724,005	1,199,724,005
Long term finance	16	7,275,407,025	7,163,785,036
Liabilities against assets subject to finance lease		251,150,105	499,065,487
Total liabilities		17,377,906,057	15,852,417,358

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Details of transactions and balances with related parties during the period, other than those which have been specifically disclosed elsewhere in the condensed interim unconsolidated financial statements are as follows:

	(Un-audited) March 31, 2019 Rupees	March 31, 2018 Rupees
Transactions		
Plasitflex Films (Private) Limited		
<i>Close family relationship</i>		
- Payment against purchases	34,604,009	37,922,317
- Purchase of raw material	1,376,472	-
- Purchase of finished goods	74,097,683	35,865,078
- Sale of raw materials	11,644,193	1,570,839
- Metallization charges	3,743,620	1,633,357
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	6,750,000	4,500,000
Directors	11,325,000	7,200,000
Executives	198,458,323	203,182,931
	216,533,323	214,882,931
Balances		
Creditors - associated company		
-Payable to associate	30,979,448	5,497,115
Sponsors' subordinated - loan		
-Payable to director's	902,151,770	902,151,770

25 **CORRESPONDING FIGURES**

Previous year figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in the condensed interim unconsolidated financial statements. For better presentation, reclassification made in the financial statements were as follows:

<u>Reclassification from</u>	<u>Reclassification to</u>	<u>Rupees</u>
<i>Statement of Financial Position</i>		
Property, plant and equipment	Intangible assets	41,739,258

26 **DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim unconsolidated financial statements was authorized for issue on 22nd April 2019 by the Board of the Company.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE QUARTER
ENDED MARCH 31, 2019

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
ASSETS	Note		
Non-current assets			
Property, plant and equipment	8	13,317,839,833	12,196,647,115
Goodwill		11,959,187	11,959,187
Intangible assets	9	59,389,258	41,739,258
Long term investments	10	2,260,391,133	2,954,477,082
Long term deposits		52,005,104	42,996,197
Total non-current assets		15,701,584,515	15,247,818,839
Current assets			
Stores and spares	11	251,937,765	195,891,564
Stock-in-trade	12	4,846,077,437	5,007,426,291
Trade debts	13	2,686,461,928	1,569,862,225
Loans and advances		989,800,219	738,012,983
Trade deposits and short-term prepayments		32,905,422	13,170,300
Other receivables		161,132,780	136,230,676
Taxation - net		828,990,675	861,475,370
Cash and bank balances	14	95,538,487	81,115,556
Total current assets		9,892,844,713	8,603,184,965
Total assets		25,594,429,228	23,851,003,804
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2018: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
63,804,750 (June 30, 2018: 63,804,750) ordinary shares of Rs.10 each		638,047,500	638,047,500
Non-controlling interest		170,213,482	220,543,953
Reserves		6,521,928,107	6,535,653,031
Total shareholders' equity		7,330,189,089	7,394,244,484
Non-current liabilities			
Sponsors' loan - subordinated	15	1,212,267,736	915,357,737
Long-term finances - secured	16	5,812,426,817	5,230,767,470
Liabilities against assets subject to finance lease		149,146,674	403,658,251
Deferred liabilities		1,482,037,002	1,439,275,898
Total non-current liabilities		8,655,878,229	7,989,059,356
Current liabilities			
Trade and other payables	17	2,328,528,815	1,454,810,499
Accrued mark-up		209,525,984	103,908,088
Short-term finance - secured	18	4,792,709,034	4,191,428,798
Current portion of:			
- long-term finances - secured	16	1,975,480,208	2,483,017,566
- liabilities against assets subject to finance lease		102,003,431	95,407,236
Unclaimed Dividend		2,477,375	1,818,498
Advances from customers		197,637,063	137,309,279
Total current liabilities		9,608,361,910	8,467,699,964
Total liabilities		18,264,240,139	16,456,759,320
Contingencies and commitments	19		
Total equity and liabilities		25,594,429,228	23,851,003,804

The annexed selected notes from 1 to 26 form an integral part of this consolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine-months Period Ended		Three-months Period Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees	Rupees	Rupees	Rupees
Sales - gross	23.1	28,641,888,895	22,794,488,100	10,174,916,008	8,318,127,523
Sales returns & discounts		(1,490,507,895)	(1,653,770,994)	(794,952,283)	(545,296,476)
Export Rebate		6,317,329	9,293,856	2,849,975	3,268,167
		(1,484,190,566)	(1,644,477,138)	(792,102,308)	(542,028,309)
Sales		27,157,698,329	21,150,010,962	9,382,813,700	7,776,099,214
Sales tax		(4,008,714,142)	(3,163,733,399)	(1,416,952,896)	(1,194,945,949)
Net sales		23,148,984,187	17,986,277,563	7,965,860,804	6,581,153,265
Cost of sales	23.1	(17,868,867,149)	(14,161,204,922)	(6,082,520,170)	(5,360,440,610)
Gross profit		5,280,117,038	3,825,072,641	1,883,340,634	1,220,712,655
Selling and distribution expenses		(3,084,772,954)	(2,024,857,970)	(1,199,968,721)	(766,317,209)
Administrative expenses		(442,241,986)	(309,783,079)	(161,744,629)	(106,814,903)
		(3,527,014,940)	(2,334,641,049)	(1,361,713,350)	(873,132,112)
Operating profit		1,753,102,098	1,490,431,592	521,627,284	347,580,543
Other expenses		(285,534,070)	(184,396,627)	(150,856,610)	(66,650,253)
		1,467,568,028	1,306,034,965	370,770,674	280,930,290
Other income		214,556,627	172,462,988	62,341,751	63,211,055
		1,682,124,655	1,478,497,953	433,112,425	344,141,345
Finance cost		(623,410,427)	(466,392,667)	(281,612,872)	(159,072,805)
		1,058,714,228	1,012,105,286	151,499,553	185,068,540
Share of (loss)/profit from associate		(74,950,317)	320,206,982	(111,514,364)	214,820,933
Profit before taxation		983,763,911	1,332,312,268	39,985,189	399,889,473
Taxation		(310,577,392)	(279,560,378)	51,014,366	(17,118,706)
Profit after taxation		673,186,519	1,052,751,890	90,999,555	382,770,767
Profit for the period attributable to:					
Shareholders of the Holding Company		723,516,990	1,060,861,095	105,426,866	384,253,317
Non-controlling interest		(50,330,471)	(8,109,205)	(14,427,311)	(1,482,550)
		673,186,519	1,052,751,890	90,999,555	382,770,767
Earnings per share - basic and diluted	20	10.55	16.50	1.43	6.00

The annexed selected notes from 1 to 26 form an integral part of this consolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	Nine-months Period Ended		Three-months Period Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		Rupees	Rupees	Rupees	Rupees
Profit after taxation		723,516,990	1,060,861,095	105,426,866	384,253,317
<i>Item that will not be reclassified to statement of profit or loss in subsequent period</i>		-	-	-	-
<i>Item to be reclassified to statement of profit or loss in subsequent period</i>					
Appreciation on available for sale investment - net of tax		1,821,854	9,870,000	-	56,105,000
Realized gain during the period on disposal of investment classified as available for sale-net of tax		(27,914,411)	-	-	-
Share of other comprehensive loss from associated undertaking - net of tax	10.3	(424,027,982)	(220,869,684)	(260,517,323)	(95,013,556)
Other comprehensive loss for the period - net of tax		(450,120,539)	(210,999,684)	(260,517,323)	(38,908,556)
Total comprehensive income/(loss) for the period		273,396,451	849,861,411	(155,090,457)	345,344,761

The annexed selected notes from 1 to 26 form an integral part of this consolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

Issued, subscribed and paid-up share capital	Capital reserve		Revenue reserve				Non-Controlling Interest	Total shareholders' equity
	Share premium	Amalgamation reserves	Share of AFS remeasurement from associate	Total reserves				
				Remeasurement of investment classified as 'available for sale'	Unappropriated profit			
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411	(8,109,205)	841,752,206
-	-	-	-	-	(8,109,205)	(8,109,205)	-	-
638,047,500	579,265,000	916,862,067	(83,785,290)	23,469,613	4,177,829,339	5,613,640,729	231,091,188	6,482,779,417
-	-	-	-	-	1,060,861,095	1,060,861,095	(8,109,205)	1,052,751,890
-	-	-	-	-	9,870,000	9,870,000	-	9,870,000
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	(220,869,684)	(220,869,684)	-	(220,869,684)
-	-	-	-	-	849,861,411	849,861,411		

The annexed selected notes from 1 to 26 form an integral part of this consolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

	Note	March 31, 2019 Rupees	March 31, 2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	21	2,416,987,744	2,159,975,619
Gratuity paid		(21,130,509)	(28,449,756)
Taxes paid		(278,092,701)	(211,109,557)
Long-term deposits paid		(9,008,907)	(8,415,476)
Net cash generated from operating activities		2,108,755,627	1,912,000,830
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(2,024,691,801)	(1,150,146,356)
Capital expenditure - intangibles		(17,650,000)	(36,076,818)
Proceeds from sale of investment	10.4	197,251,008	-
Proceeds from disposal of property, plant and equipment		27,571,171	65,268,009
Net cash used in investing activities		(1,817,519,622)	(1,120,955,165)
CASH FLOWS FROM FINANCING ACTIVITIES			
Sponsors' loan - subordinated		296,909,999	-
Liability against assets subject to finance lease (paid) / obtained		(247,915,382)	37,623,693
Dividends paid		(286,462,498)	(175,701,894)
Long-term finances obtained / (paid) net of repayments		74,121,989	(545,705,711)
Financial charges paid		(517,792,531)	(490,833,504)
Net cash used in financing activities		(681,138,423)	(1,174,617,416)
Net decrease in cash and cash equivalents		(389,902,418)	(383,571,751)
Cash and cash equivalents at the beginning of the period		(1,886,288,242)	(772,090,557)
Cash and cash equivalents at the end of the period	22	(2,276,190,660)	(1,155,662,308)

The annexed selected notes from 1 to 26 form an integral part of this consolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2019

1 LEGAL STATUS AND OPERATIONS

1.1 The Group consist of:

Holding company: Ismail Industries Limited

Subsidiary company: Hudson Pharma (Private) Limited

a) Ismail Industries Limited

The Holding Company was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Holding 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 quoted on Pakistan Stock Exchange. The principal activities of the Holding Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astro films' respectively.

b) Hudson Pharma (Private) Limited

The subsidiary company was incorporated in Pakistan as a private limited company on May 5, 2010, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the subsidiary company is located at 17, Bangalore Town, Main Shahrah-e-Faisal, Karachi. Principal activities of the company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical, animal health, allied consumer products, drugs and medicines.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

There are no significant events and transactions occurred during the period.

3 STATEMENT OF COMPLIANCE

3.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

4 BASIS OF PREPARATION

These consolidated condensed interim financial statements of the group does not include all of the information and disclosure required in the consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements of the group as at and for the year ended June 30, 2018. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the group's financial position and performance since the last annual financial statements.

The figures in the consolidated condensed interim Financial information for the nine-months period ended March 31, 2019 and March 31, 2018 are not audited. Further, the figures for the three-months period ended March 31, 2019 and 2018 in these financial information have also not been reviewed by auditors.

5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

5.1 The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The accounting policy adopted by the management is as follows:

5.1.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

Revenue from sale of goods is recognized when the Group satisfies a performance obligation by transferring promised goods to customer. Goods are transferred when the customer obtains their control (i.e. on dispatch of goods to customers). Revenue is recognized at transaction price (which excludes estimates of variable consideration).

However, the application of above standard do not have any significant impact on the Group's financial reporting and, therefore, have not been presented in these consolidated condensed interim financial statements.

6 USE OF JUDGEMENTS AND ESTIMATES

The estimates / judgments and associated assumptions used in the preparation of this consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2018.

7 FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated condensed interim financial statements is presented in Pakistani Rupees which is also Group's functional currency.

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
8 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	8.1	11,398,346,179	12,039,726,243
Capital work in progress - at cost	8.2	1,919,493,654	156,920,872
		13,317,839,833	12,196,647,115

8.1 Details of additions and deletions to operating fixed assets during the nine-months period are as follows:

	(Un-audited)			
	Additions		Disposals	
	-----At cost-----		-----At net book value-----	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----			
Owned assets				
Free-hold land	1,104,333	-	-	-
Leasehold land	-	85,277,359	-	-
Building on leasehold land	5,955,115	992,831,745	-	-
Plant and machinery	89,687,760	1,399,726,413	157,110	-
Furniture and fittings	121,650	15,168,192	-	-
Equipment	6,444,071	168,066,505	-	-
Computers	24,530,630	8,258,347	296,810	-
Vehicles	33,354,610	73,928,248	20,478,936	41,402,629
	161,198,169	2,743,256,809	20,932,856	41,402,629
Leased assets				
Vehicles	100,920,850	137,410,688	-	-
	100,920,850	137,410,688	-	-
	262,119,019	2,880,667,497	20,932,856	41,402,629

8.2 Details of additions in and transfers from CWIP during the nine-months period are as follows:

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----			
Civil works	423,773,108	298,054,701	5,955,115	992,831,745
Plant and machinery	1,410,065,252	305,893,418	69,456,447	1,279,544,749
Electric installation	24,079,297	20,206,611	20,231,313	120,181,664
Equipment and fixtures	1,484,274	221,116,985	1,186,274	183,234,697
	1,859,401,931	845,271,715	96,829,149	2,575,792,855
			(Un-audited)	(Audited)
			March 31, 2019	June 30, 2018
			Rupees	Rupees
9 INTANGIBLE ASSETS	Note			
Capital work in progress - at cost	9.1		59,389,258	41,739,258

9 INTANGIBLE ASSETS

9.1 Details of additions for implementation of software during the nine-months period are as follows:

	(Un-audited)			
	Additions		Transfer	
	-----At cost-----			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----			
Software under implementation	17,650,000	36,076,818	-	-
	17,650,000	36,076,818	-	-
			(Un-audited)	(Audited)
			March 31,	June 30,
			2019	2018
			Rupees	Rupees

10

LONG-TERM INVESTMENTS

Note

10 LONG-TERM INVESTMENTS

Investment in associated undertakings

Novelty Enterprises (Private) Limited- unquoted shares	10.1	228,727,912	228,727,912
The Bank of Khyber	10.2	2,031,663,221	2,530,641,520

Other investment - Available for sale

Bank Islami Pakistan Limited	10.4	-	195,107,650
		2,260,391,133	2,954,477,082

10.1 Novelty Enterprises (Private) Limited

The Holding Company holds 33% (June 2018: 33%) voting and equity interest in Novelty Enterprises (Private) Limited (NEL). The shares of NEL are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of NEL is June 30.

Total equity / net assets of NEL as at June 30, 2018 based on audited financial statements amounted to Rs. 561.487 million (June 2018: Rs. 561.487 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated December 31, 2015 fair value of fixed assets of NEL amounted to Rs. 1,016.32 million resulting in surplus on fixed assets of Rs. 483.607 million. Revised net assets after the revaluation surplus amounted to Rs. 1,045.094 million (June 2018: Rs. 1,045.094 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

10.2 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (June 2018: 24.16%). In addition to this, the Holding Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2018 and unaudited interim six-months period ended June 30, 2018. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on March 31, 2019 was Rs. 2,694.275 million (June 30, 2018: Rs. 3,298.373 million).

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018	March 31, 2019	June 30, 2018
Carrying value at beginning of the period	2,530,641,520	2,782,115,507	228,727,912	228,737,812
Share of profit/(loss)	(74,950,317)	393,221,050	-	(9,900)
Dividend received	-	(362,458,547)	-	-
Share of other comprehensive loss	(484,603,408)	(322,555,988)	-	-
Related deferred tax on OCI	60,575,426	40,319,498	-	-
	(424,027,982)	(282,236,490)	-	-
	2,031,663,221	2,530,641,520	228,727,912	228,727,912

All transfers of funds to the Holding Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associates. The Holding Company has not received cash dividend from Bank of Khyber during the period ended March 31, 2019 (June 30, 2018: Rs. 1.50 per share).

	Note	March 31, 2019	June 30, 2018
		Rupees	Rupees
10.4 BankIslami Pakistan Limited			
Carrying Value		195,107,650	308,840,000
Appreciation in value of investment		2,143,358	15,020,840
Less: Sale of investment at carrying value		(197,251,008)	(128,753,190)
Fair value of investment		-	195,107,650
11 STORES AND SPARES			
Stores and spare parts - gross		260,934,185	204,482,984
Provision for slow moving spare parts	11.1	(8,996,420)	(8,591,420)
Store and spares - net		251,937,765	195,891,564
11.1 Reconciliation of provision for slow moving spare parts			
Opening provision		8,591,420	8,051,420
Charge for the period / year		405,000	540,000
Closing provision		8,996,420	8,591,420
12 STOCK-IN-TRADE			
Raw materials	12.1	2,823,548,398	3,194,941,766
Packing materials	12.1	475,103,021	312,061,635
Work-in-process		244,296,063	129,522,332
Finished goods		1,303,129,955	1,370,900,558
		4,846,077,437	5,007,426,291

- 12.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,384,583 (June 30, 2018: Rs.13,384,583) and Rs.128,735,038 (June 30, 2018: Rs. 128,735,038) respectively.

	(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
13 TRADE DEBTS		
Considered good		
- secured (export debtors)	341,181,111	311,568,772
- unsecured	2,345,280,817	1,258,293,453
	2,686,461,928	1,569,862,225
Considered doubtful	61,613,694	51,963,694
Trade debts - gross	2,748,075,622	1,621,825,919
Provision for doubtful debts	(61,613,694)	(51,963,694)
Trade debts - net	2,686,461,928	1,569,862,225
14 CASH AND BANK BALANCES		
Cash in hand	16,411,370	6,906,185
Cash with banks in:		
- current accounts- <i>conventional</i>	59,389,782	47,327,427
- current accounts- <i>islamic</i>	19,737,335	26,881,944
	95,538,487	81,115,556

15 SPONSORS' LOAN - SUBORDINATED

The Group has obtained interest free loan from its sponsors. The sponsors have entered into an agreement with the company and various banks in which they have under take to subordinate their loans and their claims over the company's assets. During the period the Group has applied with the Securities & Exchange Commission of Pakistan for special permission for conversion of Sponsors Loan into equity without going into public. The required formalities would be completed once the approval received from the regulatory authority.

16 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	31-Mar-19			30-Jun-18		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	4,979,479,472	2,734,305,564	7,713,785,036	5,354,568,968	3,398,333,326	8,752,902,294
Obtained during the period / year	1,796,957,497	500,000,000	2,296,957,497	827,481,000	200,000,000	1,027,481,000
Repaid during the period / year	(1,142,696,628)	(1,080,138,880)	(2,222,835,508)	(1,202,570,496)	(864,027,762)	(2,066,598,258)
	5,633,740,341	2,154,166,684	7,787,907,025	4,979,479,472	2,734,305,564	7,713,785,036
	(989,230,213)	(986,249,995)	(1,975,480,208)	(1,253,850,907)	(1,229,166,659)	(2,483,017,566)
Less: Current maturity	4,644,510,128	1,167,916,689	5,812,426,817	3,725,628,565	1,505,138,905	5,230,767,470

- 16.1 These represent term finance facilities obtained for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu charge over property, plant and equipment of the group and personal guarantees of the directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.25% to 3 month KIBOR + 0.50% (June 30, 2018: 1 month KIBOR + 0.20% to 3 month KIBOR + 0.50%) and from 0.25% to 0.75 % (June 30, 2018: 0.25% to 0.75 %) above the State Bank of Pakistan rate for LTFE.

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
17	TRADE AND OTHER PAYABLES		
	Trade creditors	1,476,750,683	1,015,598,798
	Other liabilities	851,778,132	439,211,701
		2,328,528,815	1,454,810,499
18	SHORT TERM FINANCES - Secured		
	Term finances-conventional	324,585,077	939,675,000
	Term finances-islamic	1,572,044,810	850,000,000
	Export refinances	524,350,000	434,350,000
	Running finance utilized under mark-up arrangement	2,371,729,147	1,967,403,798
		4,792,709,034	4,191,428,798

- 18.1** These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 1,200 million (June 2018: Rs. 1,200 million). These are secured against pari-passu hypothecation over stocks and book debts of the Holding Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.24% to 11.08% per annum (June 2018: 5.98% to 6.24% per annum).
- 18.2** These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,100 million (June 2018: Rs. 2,100 million). These are secured against pari-passu hypothecation over stocks and book debts of the Holding Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.56% to 11.10% per annum (June 2018: 6.26% to 7.13% per annum).
- 18.3** These represented facilities for export refinance arranged from various banks aggregating to Rs. 704.35 million (June 2018: Rs. 614.35 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate 0.25% to 0.50% above the State Bank of Pakistan (SBP) rate per annum (June 2018: 0.25% to 0.50% above SBP rate per annum).
- 18.4** These facilities for running finances available from various banks aggregated to Rs. 4,760.65 million (June 2018: Rs. 4,525.65 million). These are secured against pari-passu hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.02% to 11.55% per annum (June 2018: 6.27% to 7.17% per annum).

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

There are no material changes in the status of contingencies as same reported in the annual audited financial statements of the Group from note 25.1.

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
19.2	Commitments		
	Outstanding letter of guarantees	889,768,498	717,831,941
	Outstanding letter of credit for:		
	- capital expenditures	3,648,271,807	1,368,181,418
	- others	903,710,403	999,649,684

20 EARNINGS PER SHARE-Basic and Diluted

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

	Note	(Un-audited) March 31, 2019 Rupees	(Un-audited) March 31, 2018 Rupees
Basic earnings per share			
Profit for the period		673,186,519	1,052,751,890
		------(Number)-----	
Weighted average number of ordinary shares during the period		63,804,750	63,804,750
		------(Rupees)-----	
Basic earnings per share		10.55	16.50

21 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Profit before income tax		983,763,911	1,332,312,268
Adjustments for non-cash and other items:			
Depreciation		882,566,227	739,991,922
Gain on disposal of property, plant and equipment - net		(6,638,315)	(23,865,381)
Gain on disposal of available for sale investment		(32,101,573)	-
Provision for staff retirement gratuity		67,757,275	77,922,492
Provision for doubtful debts		9,650,000	5,888,300
Provision for slow moving spare parts		405,000	405,000
Share of profit from associated undertaking		74,950,317	(320,206,982)
Finance cost		623,410,427	466,392,667
Net decrease in working capital	21.1	(186,775,525)	(118,864,667)
		2,416,987,744	2,159,975,619

21.1 Working capital changes

Current assets

Decrease / (Increase) in current assets

Stores and spares	(56,451,201)	(33,060,559)
Stock-in-trade	161,348,854	11,204,061
Trade debts	(1,126,249,703)	(267,254,669)
Loans and advances	(251,787,236)	(42,810,399)
Trade deposits and short-term prepayments	(19,735,122)	(103,331,166)
Other receivables	(24,902,104)	70,179,638
	(1,317,776,512)	(365,073,094)

Current liabilities

Increase / (Decrease) in current liabilities

Trade and other payables	873,718,316	1,392,182,398
Short-term finance - secured	196,954,887	(1,147,139,267)
Advance from customers	60,327,784	1,165,296
	1,131,000,987	246,208,427
Net decrease in working capital	(186,775,525)	(118,864,667)

22 CASH AND CASH EQUIVALENTS

Cash and bank balances	14	95,538,487	86,943,320
Running finances under mark-up arrangement	18	(2,371,729,147)	(1,242,605,628)
		(2,276,190,660)	(1,155,662,308)

		(Un-audited) March 31, 2019 Rupees	(Audited) June 30, 2018 Rupees
23.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES			
Assets			
Total assets for reportable segments	23.2	22,810,359,726	20,646,358,482
Administrative capital assets		511,719,182	238,209,053
Goodwill		11,959,187	11,959,187
Long term investment	10	2,260,391,133	2,954,477,082
Total assets		<u>25,594,429,228</u>	<u>23,851,003,804</u>
Liabilities			
Total liabilities for reportable segments	23.4	8,635,807,234	5,889,275,162
Sponsors' loan - subordinated		902,151,770	915,357,737
Deferred liabilities		1,199,724,005	1,439,275,898
Long term finance	16	7,275,407,025	7,713,785,036
Liabilities against assets subject to finance lease		251,150,105	499,065,487
Total liabilities		<u>18,264,240,139</u>	<u>16,456,759,320</u>

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Details of transactions and balances with related parties during the period, other than those which have been specifically disclosed elsewhere in the consolidated condensed interim financial statements are as follows:

		(Un-audited) March 31, 2019 Rupees	March 31, 2018 Rupees
Transactions			
Plasitflex Films (Private) Limited			
<i>Close family relationship</i>			
- Payment against purchases		34,604,009	37,849,407
- Purchase of raw material		1,376,472	-
- Purchase of finished goods		74,097,683	35,865,078
- Sale of raw materials		11,644,193	1,570,839
- Metallization charges		3,743,620	1,633,357
Others			
Remuneration to directors and other key management personnel:			
Chief Executive Officer		13,050,000	9,000,000
Directors		11,325,000	7,200,000
Executives		198,458,323	232,666,931
		<u>222,833,323</u>	<u>248,866,931</u>
Balances			
Creditors - associated company			
- Payable to associate		30,979,448	5,497,115
Sponsors' subordinated - loan			
- Payable to director's		1,212,267,736	915,357,737

25 **CORRESPONDING FIGURES**

Previous year figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in the consolidated condensed interim financial statements. For better presentation, reclassification made in the financial statements were as follows:

<u>Reclassification from</u>	<u>Reclassification to</u>	<u>Rupees</u>
<i>Statement of Financial Position</i>		
Property, plant and equipment	Intangible assets	<u>41,739,258</u>

26 **DATE OF AUTHORIZATION FOR ISSUE**

This consolidated condensed interim financial statements was authorized for issue on 22nd April 2019 by the Board of the Group.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

ISMAIL INDUSTRIES LIMITED

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