



ISMAIL
INDUSTRIES
LIMITED

HALF YEARLY REPORT
DECEMBER 2020

**Persistent
Growth**



TABLE OF CONTENTS

Company Profile	02
-----------------------	----

Director's Review Report on Company's Affairs (Eng & Urdu)	03-04
--	-------

Independent Auditor's Review Report	05
---	----

Unconsolidated Condensed Interim Statement of Financial Position	08
--	----

Unconsolidated Condensed Interim Statement of Profit or Loss &	
--	--

Other Comprehensive Income	09
----------------------------------	----

Unconsolidated Condensed Interim Statement of Changes in Equity	10
---	----

Unconsolidated Condensed Interim Statement of Cash Flows	11
--	----

Notes to the Unconsolidated Condensed Interim Financial Statements	12-21
--	-------

Consolidated Condensed Interim Statement of Financial Position	24
--	----

Consolidated Condensed Interim Statement of Profit or Loss	25
--	----

Consolidated Condensed Interim Statement of Comprehensive Income	26
--	----

Consolidated Condensed Interim Statement of Changes in Equity	27
---	----

Consolidated Condensed Interim Statement of Cash Flows	28
--	----

Notes to the Consolidated Condensed Interim Financial Statements	29-39
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COMPANY PROFILE

Board of Directors

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

Audit Committee Members

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

Registered Office

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

Factories

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

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

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

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

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

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

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

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

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

Human Resource & Remuneration Committee

Mr. M. Zubair Motiwala	Chairman
Mr. Maqsood Ismail	Member
Mr. Hamid Maqsood Ismail	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
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China Limited
JS Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
PAIR Investment Co. Ltd.
Pak Brunei Investment Co. Ltd
Pak Oman Investment Co. Ltd
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab

DIRECTOR'S REVIEW REPORT ON COMPANY'S AFFAIRS

The Board of Directors of the Company feel immense pleasure to present the standalone interim financial statements reviewed by the auditor's and un-audited consolidated condensed interim financial statements of the Company along with brief review on the financial results and operations of the Company for the second quarter and half year ended December 31, 2020.

Description	Dec-20	Dec-19
	Rs. in Million	
Gross Sales	23,275	21,441
Gross Profit	3,745	3,783
Operating Profit	1,315	1,231
Profit After Tax	906	612
EPS in Rs.	13.66	9.59

The pandemic shrank the global economy quite considerably, now regain of economic activity mainly depends on how soon we see the end of the pandemic. Hopefully, vaccination of large segment of population against COVID-19 may gradually restore, resulting improvement in demand and stability in prices. Pakistan has shown great resilience and was fortunate enough to successfully elude severe effects of the pandemic.

The performance of the Company's both food and plastic segments were quite satisfactory during the period under review. The growth momentum continued as the Company registered 9% in the topline of the business through an aggressive and multi-dimensional focus on brand building and brand activation together with customer satisfaction combined with continuous efforts, prudent and timely decision making. In order to minimize the financial and non-financial impact of the challenges being faced by the Company, the management under the guidance of the Board shall continue to make endeavors to reduce cost of doing business and generate maximum returns.

We concede that the success and growth in fast moving manufacturing industry always have stiff competition being at the heart of household consumers who not only recognized the developed

family relationship with our products but are part of everyday lives for which we have always endeavored to develop brands beyond imaginations and expectations which has always kept us ahead of the competition.

FUTURE OUTLOOK

The country's economy shows positive outlook reflected by decent growth prospects and improved business sentiments. However, high inflation is taking its toll on the disposable incomes and consumer spending is expected to remain in check during the periods ahead. We strongly believe that the success and growth in our industry lies in strong relationship of consumer with our products and their expectation of brands that always keep us striving to deliver value to them.

The Company would keep its focus on engaging its customer with product and further scale up the brand equity through concentrated marketing strategies and renovation and innovation in the product mix and continue its journey of profitable for the benefit of all stakeholders.

ACKNOWLEDGEMENT

We thank our shareholders, customers, banks and financial institutions for their support, guidance and confidence reposed in our organization and we stand committed to ensure efficiency in all Company aspects. 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

Karachi: February 22, 2021

ڈائریکٹران کی جائزہ رپورٹ

رکھتے ہیں بلکہ اسے اپنی روزمرہ زندگی کا حصہ بھی بنائے ہوئے ہیں، ہم اپنی مصنوعات کو صارفین کی توقعات و تخیل سے بھی زائد بنانے کی بے حد کوشش کرتے ہیں جس کی وجہ سے ہم اس مقابلہ میں آگے رہتے ہیں۔

مستقبل کی پیش بینی

ملکی معیشت کا منظر نامہ مثبت امکانات و کاروباری رجحانات ظاہر کر رہا ہے۔ اگرچہ، آئندہ وقتوں میں دستیاب آمدن و صارف کے اخراجات پر مہنگائی کے اثرات رہیں گے۔ ہمارا یقین ہے کہ ہماری انڈسٹری کی کامیابی و نمو کا دارومدار صارفین کا ہماری مصنوعات سے مضبوط رشتہ کی بنیاد پر ہے اور ان کی ہماری مصنوعات سے وابستہ خواہشیں ہمیں ان کو مطلوبہ نتائج فراہم کرنے کی کوششوں میں مصروف رکھتی ہیں۔

کمپنی کی توجہ کا مرکز موثر تشہیری حکمت عملی کے ذریعہ اپنے صارفین کو اپنی مصنوعات سے وابستہ رکھنا اور اپنے برانڈز کے حجم کو بڑھانا ہے تاکہ تمام ہی وابستگان کے فائدہ کے لیے منفعت کا یہ سفر رواں رہے۔

اعتراف

ہم تمام حصص یافتگان، صارفین، بینکوں اور مالیاتی اداروں کی مدد، رہنمائی اور حوصلہ افزائی پر مشکور ہیں اور کمپنی کے ہر معاملہ میں موثر رہنے کے لئے ہر عزم ہیں۔ ڈائریکٹرز تمام ملازمین کی محنت، لگن اور عزم کے بھی معترف ہیں۔

من جانب بورڈ آف ڈائریکٹرز

منصرم سیف اللہ

چیف ایگزیکٹو آفیسر

کراچی: 22 فروری 2021

کمپنی ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کے 31 دسمبر 2020 تک کے انفرادی و مشترکہ دوسری سہ ماہی و وسط مدتی مالیاتی نتائج (غیر آڈٹ شدہ) پیش کر رہے ہیں۔

تفصیل	دسمبر 2020	دسمبر 2019
مجموعی فروخت	23,275	21,441
خام منافع	3,745	3,783
کاروباری منافع	1,315	1,231
منافع بعد از محصول	906	612
فی حصص آمدن	13.66	9.59

عالمی وبا نے عالمی معیشت کو انتہائی سکیڑ دیا ہے، معاشی سرگرمیوں کا دوبارہ حصول اس وبا کے خاتمے پر منحصر ہے۔ امید ہے کہ کووڈ 19 کے خلاف بڑے پیمانے پر ویکسینیشن جلد شروع ہو جائے گی، جس کے نتیجے میں طلب میں فروغ و قیمتوں میں استحکام ہوگا۔ خوش قسمتی سے پاکستان اس وبا کی شدت سے محفوظ رہا ہے۔

زیر جائزہ عرصہ میں کمپنی کے دونوں شعبہ جات غذائی و پلاسٹک کے نتائج کافی حد تک اطمینان بخش رہے ہیں۔ کمپنی کی نمو کا تسلسل جاری رہا، برانڈ کی تعمیر و ترویج پر جارحانہ و کثیر الجہتی توجہ کے ساتھ محتاط و بروقت فیصلہ سازی کی بنیاد پر 9 فیصد کی نمو کا حصول ہو پایا۔ معاشی و غیر معاشی مقابل اثرات کے دبانو کو کم سے کم کرنے کے لیے بورڈ کی ہدایت کے مطابق انتظامیہ کاروباری لاگت کو کم رکھنے اور زیادہ سے زیادہ نتائج حاصل کرنے کی کوشش کے اصول پر کاربند رہی۔

ہمیں فاسٹ موونگ مینوفیکچرنگ کمپنی کی کامیابی و نمو کے مشکل مقابلہ کا ادراک ہے جو کہ صارفین کے دلوں سے متعلق ہے جو نہ صرف ہماری مصنوعات سے اپنائیت کا تعلق

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

Report on review of Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Ismail Industries Limited as at December 31, 2020 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three-months period ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2020.

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

Grant Thornton Anjum Rahman

Chartered Accountants

Karachi

Date: 22 February, 2021

UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2020

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	19,590,979,395	19,266,848,674
Right-of-use assets	6.1	254,032,474	306,955,475
Intangible assets		45,121,060	55,293,210
Long term investments	7	5,181,522,786	5,276,303,873
Long term deposits		32,487,681	37,005,581
Total non-current assets		25,104,143,396	24,942,406,813
Current assets			
Stores and spares	8	399,507,306	351,847,225
Stock-in-trade	9	6,292,661,103	6,251,658,329
Trade debts	10	3,907,636,599	3,344,985,089
Loans and advances		1,123,751,661	936,777,070
Trade deposits and short-term prepayments		23,045,913	36,060,055
Short term investment	11	194,840,000	200,000,000
Other receivables		127,969,473	119,919,336
Taxation - net		1,009,509,574	1,273,085,745
Cash and bank balances	12	182,159,009	51,195,200
Total current assets		13,261,080,638	12,565,528,049
Total assets		38,365,224,034	37,507,934,862
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorized share capital			
250,000,000 (June 30, 2020: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
66,356,940 (June 30, 2020: 66,356,940) ordinary shares of Rs.10 each		663,569,400	663,569,400
Reserves		9,766,578,069	9,236,215,197
Total shareholders' equity		10,430,147,469	9,899,784,597
Non-current liabilities			
Long term finances - secured	13	12,962,528,636	13,513,452,828
Lease liabilities		45,116,061	91,245,081
Deferred liabilities	14	2,095,766,954	2,069,506,039
Total non-current liabilities		15,103,411,651	15,674,203,948
Current liabilities			
Trade and other payables	15	4,455,477,072	3,436,484,784
Accrued mark-up		158,499,827	195,966,471
Short term finances - secured	16	5,211,444,983	6,789,925,030
Current portion of:			
- long term finances - secured	13	2,576,642,833	985,228,903
- lease liabilities		56,931,794	77,281,836
Unclaimed dividend		2,902,597	2,644,785
Advances from customers - unsecured		369,765,808	446,414,508
Total current liabilities		12,831,664,914	11,933,946,317
Total liabilities		27,935,076,565	27,608,150,265
Total equity and liabilities		38,365,224,034	37,507,934,862
Contingencies and commitments			
	17		

The annexed selected notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	Six-months Period Ended		Three-months Period Ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		-----Rupees-----		-----Rupees-----	
Sales - gross	20.1	23,275,308,248	21,440,805,765	11,615,075,858	11,513,099,469
Sales returns and discounts		(984,839,846)	(864,043,919)	(509,498,896)	(368,856,374)
Export rebate		10,795,869	5,809,544	5,319,547	3,648,352
		(974,043,977)	(858,234,375)	(504,179,349)	(365,208,022)
		22,301,264,271	20,582,571,390	11,110,896,509	11,147,891,447
Sales tax		(2,982,086,087)	(2,978,613,958)	(1,547,000,873)	(1,564,309,524)
Sales - net		19,319,178,184	17,603,957,432	9,563,895,636	9,583,581,923
Cost of sales	20.1	(15,574,367,348)	(13,821,311,581)	(7,769,401,819)	(7,486,855,234)
Gross profit		3,744,810,836	3,782,645,851	1,794,493,817	2,096,726,689
Selling and distribution expenses		(2,137,989,201)	(2,271,397,993)	(1,049,680,621)	(1,452,584,764)
Administrative expenses		(291,890,545)	(280,211,459)	(139,625,022)	(142,284,178)
Operating profit		1,314,931,090	1,231,036,399	605,188,174	501,857,747
Other operating expenses		(161,006,815)	(93,628,187)	(33,442,296)	(34,548,280)
		1,153,924,275	1,137,408,212	571,745,878	467,309,467
Other income		308,471,110	141,856,551	265,313,396	76,126,641
		1,462,395,385	1,279,264,763	837,059,274	543,436,108
Finance cost		(400,649,741)	(590,501,355)	(187,950,410)	(280,693,149)
		1,061,745,644	688,763,408	649,108,864	262,742,959
Share of profit from associated companies - net		108,978,733	24,072,287	108,978,733	-
Profit before taxation		1,170,724,377	712,835,695	758,087,597	262,742,959
Taxation		(264,431,238)	(101,067,459)	(151,226,116)	156,473,239
Profit after taxation		906,293,139	611,768,236	606,861,481	419,216,198
Other Comprehensive (loss) / income					
Item that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods					
Share of other comprehensive (loss) / income from associated companies - net of tax		(173,195,847)	172,522,899	(173,195,847)	-
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(3,663,600)	-	(3,663,600)	-
Other comprehensive (loss) / income for the period - net of tax		(176,859,447)	172,522,899	(176,859,447)	-
Total comprehensive income for the period		729,433,692	784,291,135	430,002,034	419,216,198
Earnings per share - basic	21	13.66	9.59	9.15	6.57
Earnings per share - diluted	21	13.66	9.22	9.15	6.32

The annexed selected notes from 1 to 25 form an integral part of these unconsolidated condensed interim 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Issued, subscribed and paid-up share capital	Capital reserve		Total Reserves			Total shareholders' equity
	Share premium	Amalgamation reserves	Share of OCI from associated companies	Revenue reserve		
				Share of OCI from associated companies	Unappropriated profit through OCI	
638,147,500	579,265,000	916,862,667	(854,605,234)	-	6,094,677,327	7,374,246,660
-	-	-	-	-	611,768,236	611,768,236
-	-	-	172,522,899	-	172,522,899	172,522,899
-	-	-	172,522,899	-	611,768,236	784,291,135
-	-	-	-	-	(191,414,250)	(191,414,250)
638,147,500	579,265,000	916,862,667	(862,082,335)	-	6,501,531,313	7,967,123,545
663,569,400	1,472,531,500	916,862,667	41,535,172	-	6,805,286,458	9,899,784,597
-	-	-	-	-	906,293,139	906,293,139
-	-	-	-	(3,663,600)	-	(3,663,600)
-	-	-	(173,195,847)	-	(173,195,847)	(173,195,847)
-	-	-	(173,195,847)	(3,663,600)	906,293,139	729,433,692
-	-	-	-	-	(199,070,820)	(199,070,820)
663,569,400	1,472,531,500	916,862,667	(131,660,675)	-	7,512,508,177	10,430,147,469

Balance as at July 01, 2019 - audited

Total comprehensive income for the period

Profit for the six months period ended December 31, 2019

Share of other comprehensive income from associated companies - net of tax

Total comprehensive income for the period

Transaction with owners, recognized directly in equity

Final cash dividend for the year ended June 30, 2019 @ Rs. 3 per share

Balance as at December 31, 2019

Balance as at July 01, 2020 - audited

Total comprehensive income for the period

Profit for the six months period ended December 31, 2020

Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax

Share of other comprehensive loss from associated companies - net of tax

Total comprehensive income for the period

Transaction with owners, recognized directly in equity

Final cash dividend for the year ended June 30, 2020 @ Rs. 3 per share

Balance as at December 31, 2020

The annexed selected notes from 1 to 25 form an integral part of these unconsolidated condensed interim 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

		December 31, 2020	December 31, 2019
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	18	1,263,166,996	1,167,117,108
Gratuity paid		(30,416,173)	(16,994,735)
Income tax refund / (paid) - net		39,420,421	(211,858,033)
Long-term deposits receipts		4,517,900	4,294,281
Net cash generated from operating activities		1,276,689,144	942,558,621
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(1,355,726,428)	(5,168,162,175)
Capital expenditure - intangibles		(4,991,000)	-
Investment in associated undertakings		-	(16,294,565)
Advance against shares of subsidiary		-	(327,908,000)
Short term investment		-	(200,000,000)
Proceeds from disposal of property, plant and equipment		537,485,279	16,423,071
Net cash used in investing activities		(823,232,149)	(5,695,941,670)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from long term finances - secured		1,040,489,738	5,034,002,158
Lease repayments		(67,111,254)	(79,463,475)
Interest / mark-up paid		(438,116,385)	(533,974,935)
Dividends paid		(198,813,008)	(191,154,584)
Net cash generated from financing activities		336,449,091	4,229,409,164
Net increase / (decrease) in cash and cash equivalents		789,906,086	(523,973,884)
Cash and cash equivalents at the beginning of the period		(1,663,611,508)	(3,267,596,157)
Cash and cash equivalents at the end of the period	19	(873,705,422)	(3,791,570,041)

The annexed selected notes from 1 to 25 form an integral part of these unconsolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

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. 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', 'Biscooni', 'Snackcity' and 'Astro films' respectively.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

The Company has made Capex amounting to Rs. 1.356 billion during the six months period, which majorly includes the addition of production line in Ismail Nutrition division.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated 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.

3.2 These unconsolidated condensed interim financial statements of the Company do not include all of the information and disclosure required in the unconsolidated annual audited financial statements and should be read in conjunction with the unconsolidated annual audited financial statements of the company as at and for the year ended June 30, 2020. 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 unconsolidated condensed interim statement of financial position, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with the relevant notes to the unconsolidated condensed interim financial statements for the six-months period ended December 31, 2020 have been subject to the limited scope review by the statutory auditors of the Company. However, the figures for the three-months period ended December 31, 2020 and 2019 in the unconsolidated condensed interim statement of profit or loss and other comprehensive income and notes forming part thereof have not been reviewed by the auditors.

3.3 Functional and presentation currency

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

3.4 Standards, amendments and interpretations to approved accounting standards

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

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

Standard or Interpretation

Effective Date (Annual periods beginning on or after)

IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)

June 1, 2020

Adoption of the above standard have no significant effect on the amounts for the period ended December 31, 2020.

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

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

Standard or Interpretation**Effective Date
(Annual periods beginning
on or after)**

IFRS 9 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities
(Amendments to IFRS 9)

January 1, 2022

Onerous Contracts - Cost of Fulfilling a Contract
(Amendments to IAS 37)

January 1, 2022

IAS 16 - Proceeds before Intended Use (Amendments to IAS 16)

January 1, 2022

IAS 41 - Taxation in Fair Value Measurements (Amendment to IAS 41)

January 1, 2022

Updating a Reference to the Conceptual Framework
(Amendments to IFRS 3)

January 1, 2022

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the unconsolidated condensed interim financial statements of the Company.

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

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

Standard or Interpretation**IASB effective date
(Annual periods beginning
on or after)**

IFRS 17 'Insurance Contracts'

January 1, 2023

IFRS 1 'First-time Adoption of International
Financial Reporting Standards'

July 1, 2009

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2020.

5 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgments and associated assumptions used in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2020.

The Company's financial risk management objective and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2020.

6 PROPERTY, PLANT AND EQUIPMENT	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		-----Rupees-----	
Operating assets	6.2	14,881,754,713	13,423,796,292
Capital work in progress - at cost	6.3	4,709,224,682	5,843,052,382
		<u>19,590,979,395</u>	<u>19,266,848,674</u>
6.1 Right-of-use assets	6.2	<u>254,032,474</u>	<u>306,955,475</u>

6.2 Details of additions and disposals to operating assets and right-of-use assets during the six-months period are as follows:

	(Un-audited)			
	Additions/Transfers		Disposals	
	-----At cost-----		-----At net book value-----	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees -----			
Owned assets				
Building on leasehold land	692,876,223	175,507,992	-	-
Leasehold land	-	-	293,378,615	-
Plant and machinery	1,642,288,708	1,064,989,722	46,084	4,738,957
Furniture and fittings	4,933,330	6,194,010	-	8,963
Equipment	34,043,356	10,454,600	-	-
Computers	5,622,420	2,677,500	368,885	-
Vehicles	109,790,090	1,191,642	12,570,211	8,054,850
	2,489,554,127	1,261,015,466	306,363,795	12,802,770
Right-of-use assets				
Vehicles	632,192	28,343,202	10,836,190	-
	632,192	28,343,202	10,836,190	-
	2,490,186,319	1,289,358,668	317,199,985	12,802,770

6.3 Details of additions in and transfers from capital work in progress during the six-months period are as follows:

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees -----			
Civil works	351,618,159	887,665,800	692,876,223	175,507,992
Plant and machinery	822,122,319	4,259,978,623	1,604,141,049	1,064,989,722
Electric installation	34,765,054	-	38,147,659	-
Equipment and Computer	-	-	7,168,300	-
	1,208,505,532	5,147,644,423	2,342,333,231	1,240,497,714

7 LONG TERM INVESTMENTS

		(Un-audited)	(Audited)
		December 31, 2020	June 30, 2020
		----- Rupees -----	
Investment in subsidiary Company- unquoted shares			
Hudson Pharma (Private) Limited	7.1	1,605,984,000	605,984,000
Add: Advance against shares			
- opening balance		-	376,115,000
- increase during the year		-	623,885,000
		1,605,984,000	1,605,984,000
Investment in associated undertakings			
Novelty Enterprises (Private) Limited - unquoted shares	7.2	228,703,777	228,703,777
The Bank of Khyber - quoted shares	7.3	3,346,835,009	3,441,616,096
		5,181,522,786	5,276,303,873

7.1 Hudson Pharma (Private) Limited

The Company holds 160,598,400 (June 2020: 160,598,400) shares of Hudson Pharma (Private) Limited (subsidiary), which is equivalent to 77.71% of total paid up share capital (June 2020: 77.71%). 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, wholesale and retail, 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.

The fair value of equity has been worked out at Rs.44.91/- per share, as determined by M/s. Munaf Yusuf & Co., Chartered Accountants, the valuation has been carried out using discounted cash flow method and thus there is no indication of any impairment in the value of these investment.

7.2 Novelty Enterprises (Private) Limited

The Company holds 33% (June 2020: 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, 2020 based on financial statements amounted to Rs. 561.386 million (2019: Rs. 561.422 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated December 15, 2019 fair value of fixed assets of NEL amounted to Rs. 1,079.840 million resulting in surplus on fixed assets of Rs. 518.454 million. Revised net assets after the revaluation surplus amounted to Rs. 1,079.840 million (2019: Rs. 1,045.063 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

NEL has not commenced operations as of the reporting date.

7.3 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 244,339,031 (June 30, 2020: 244,339,031) shares which represents 24.43% of paid-up capital of the Bank (June 2020: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these unconsolidated condensed interim financial statements have been taken from unaudited financial statements of the Bank for the nine-months period ended September 30, 2020 and unaudited interim financial statements for the six-months period ended June 30, 2020. 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 December 31, 2020 was Rs. 3,660.198 million (June 30, 2020: Rs. 3,467.171 million).

7.4 These investments are accounted for under the equity method. The aggregate amount of the investments in associated companies recognized in these unconsolidated condensed interim financial statements are as follows:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31,	June 30,	December 31,	June 30,
	2020	2020	2020	2020
Carrying value at beginning of the period	3,441,616,096	2,001,232,631	228,703,777	228,717,751
Investment made during the period	-	16,284,035	-	-
Share of profit or (loss)	108,978,733	491,986,115	-	(13,974)
Dividend received	-	(122,169,516)	-	-
Share of other comprehensive (loss) / income	(203,759,820)	1,054,282,831	-	-
	3,346,835,009	3,441,616,096	228,703,777	228,703,777

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 associated companies. During the period, no cash dividend has been received from the Bank of Khyber (June 30, 2020: Rs. 0.5 per share).

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
-----Rupees-----			
8 STORES AND SPARES			
Stores and spare parts - gross		408,098,726	360,438,645
Provision for slow moving stores and spares		(8,591,420)	(8,591,420)
Stores and spares - net		399,507,306	351,847,225
9 STOCK-IN-TRADE			
Raw materials	9.1	2,690,784,750	2,752,429,006
Packing materials	9.1	881,365,843	661,948,508
Work-in-process		224,832,136	175,501,874
Finished goods		2,495,678,374	2,661,778,941
		6,292,661,103	6,251,658,329

9.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.12,959,090 (June 30, 2020: Rs.12,959,090) and Rs.109,848,549 (June 30, 2020: Rs. 109,848,549) respectively.

10 TRADE DEBTS

Considered good
 - secured (export debtors)
 - unsecured

Allowance for expected credit loss

Trade debts - net

(Un-audited) December 31, 2020	(Audited) June 30, 2020
-----Rupees-----	
308,732,360	1,056,320,953
3,699,874,879	2,384,634,776
4,008,607,239	3,440,955,729
(100,970,640)	(95,970,640)
3,907,636,599	3,344,985,089

11 SHORT TERM INVESTMENT

The Company has made an investment of Rs. 200 millions in listed Term Finance Certificates (TFC) of Habib Bank Limited having face value of Rs.100,000 per certificate. This investment is classified at fair value through other comprehensive income and unrealized loss or gain is recognized in other comprehensive income. The investment carries mark-up at the rate of three months KIBOR + 160 bps. The market price of each certificate as at Dec 31, 2020 is Rs. 97,420.

12 CASH AND BANK BALANCES

Cash in hand
 Cash with banks in:
 - current accounts- *conventional*
 - current accounts- *islamic*

(Un-audited) December 31, 2020	(Audited) June 30, 2020
-----Rupees-----	
35,791,473	17,840,930
115,185,259	12,680,687
31,182,277	20,673,583
182,159,009	51,195,200

13 LONG TERM FINANCES - SECURED

	(Un-audited)			(Audited)		
	December 31, 2020			June 30, 2020		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	11,538,341,345	2,960,340,386	14,498,681,731	6,018,572,286	2,047,270,107	8,065,842,393
Obtained during the period / year	1,196,535,860	2,307,000	1,198,842,860	6,405,325,391	1,692,653,700	8,097,979,091
Repaid during the period / year	(158,353,122)	-	(158,353,122)	(885,556,332)	(779,583,421)	(1,665,139,753)
	12,576,524,083	2,962,647,386	15,539,171,469	11,538,341,345	2,960,340,386	14,498,681,731
Less: Current maturity	(1,982,867,997)	(593,774,836)	(2,576,642,833)	(796,765,907)	(188,462,996)	(985,228,903)
	10,593,656,086	2,368,872,550	12,962,528,636	10,741,575,438	2,771,877,390	13,513,452,828

13.1 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 charge over present and future fixed assets of the Company and personal guarantees of sponsors. During the period, the Company has also availed long term loan under SBP Temporary Economic Refinance Facility (TERF) for the import of new plant and machinery.

13.2 The Company's total limit for long term loan amounting to Rs. 20,605 million. (June 2020 Rs. 19,207 million)

13.3 The Company has requested Banks/Financial Institutions who have extended long term loans facilities to defer the repayment of principal loan amounts by one year in relevance of BPRD Circular Letter no. 13 of 2020 issued by the State Bank of Pakistan (the SBP). The idea behind this policy of the SBP is to combat the impact of COVID-19 and to help the businesses. The Company will continue to service the mark-up to Banks/Financial Institutions as per agreed terms and conditions with them.

13.4 The Company has also availed Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. These long term financing facilities is secured by way of ranking charge over present and future fixed assets of the Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 0%) plus bank's spread ranges from 1.5% to 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
		-----Rupees-----	
14 DEFERRED LIABILITIES			
Provision for staff gratuity scheme - unfunded		454,955,816	436,910,015
Deferred tax liability		1,640,811,138	1,632,596,024
		2,095,766,954	2,069,506,039
15 TRADE AND OTHER PAYABLES			
Trade creditors		2,318,687,806	2,225,495,468
Other liabilities		2,136,789,266	1,210,989,316
		4,455,477,072	3,436,484,784
16 SHORT TERM FINANCES - SECURED			
Term finances-conventional	16.1	-	855,000,000
Term finances-islamic	16.2	54,988,152	971,931,342
Export refinances	16.3	4,100,592,400	3,248,186,980
Running finance utilized under mark-up arrangement	16.4	1,055,864,431	1,714,806,708
		5,211,444,983	6,789,925,030

16.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 1,005 million (June 2020: Rs. 1,005 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 7.18% to 8.96% per annum (June 2020: 8.43% to 14.29% per annum).

16.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (June 2020: Rs. 1,000 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 6.81% to 8.63% per annum (June 2020: 8.09% to 14.38% per annum).

16.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 4,550.70 million (June 2020: Rs. 3,650.70 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 1% above the State Bank of Pakistan (SBP) rate per annum (June 2020: 0.25% to 1% above SBP rate per annum).

16.4 These facilities for running finances available from various banks aggregated to Rs. 4,039.30 million (June 2020: Rs. 4,039.30 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 7.35% to 8.01% per annum (June 2020: 8.43% to 14.86% per annum).

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There has been no change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2020 except for the following:

17.1.1 OGRA through its notification bearing No. OGRA-10-3(8)/2020, dated: October 23, 2020 has raised the prices of Natural Gas and specified the different prices for both categories that is captive and industrial gas connections. The Company has challenged the notification including category differentiation in the Honorable High Court of Sindh. The Honorable Court has passed an interim order and suspended the afore-mentioned notification on November 30, 2020 and issued directions to submit the disputed amount with the Nazir of the Court. The matter is still pending and the Company's legal counsel is confident that the decision will be in favour of the Company.

17.1.2 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015 and the Company has challenged the GIDC Act 2015 and filed writ petition in the Sindh High Court (SHC) including retrospective treatment of the provisions of the GIDC Act, 2015. On October 2015, SHC decided this suit in favor of

Company with the instructions to refund the GIDC collected so far by the Federation. However, the Government filed an appeal in SHC, where the Company was not party to such litigation. The Honorable Supreme Court of Pakistan (SCP), has disposed off the case on 13 August, 2020 and instruct the gas distribution companies to recover the outstanding amount in 24 equal installments only from those customer who have already passed the burden to their respective customers. Based on the judgement of SCP, the Company has obtained the stay order from SHC on September 16, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. Last proceeding has been carried out on December 24, 2020 and the case is still pending. The legal counsel of the Company is confident that decision of the case will be in favor of the Company.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
		-----Rupees-----	
17.2 Commitments			
Outstanding letter of guarantees		2,238,662,809	2,136,440,528
Outstanding letter of credit for:			
- capital expenditures		2,295,559,314	592,832,875
- others		1,541,525,965	945,731,340
		(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
		-----Rupees-----	
18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note		
Profit before income tax		1,170,724,377	712,835,695
Adjustments for non-cash and other items:			
Depreciation		767,950,915	596,700,469
Amortization charge		15,163,150	14,776,372
Gain on disposal of property, plant and equipment - net		(220,285,294)	(3,620,301)
Provision for staff retirement gratuity		34,857,892	30,689,765
Provision for doubtful debts		5,000,000	10,000,000
Share of profit from associated undertaking		(108,978,733)	(24,072,287)
Unrealized exchange (gain) / loss		(960,415)	6,256,827
Finance cost		400,649,741	590,501,355
Net decrease in working capital	18.1	(800,954,637)	(766,950,787)
Cash generated from operations after working capital changes		1,263,166,996	1,167,117,108
18.1 Working capital changes			
Current assets			
Decrease / (Increase) in current assets			
Stores and spares		(47,660,081)	(51,651,350)
Stock-in-trade		(41,002,774)	(1,270,517,151)
Trade debts		(566,691,095)	(847,191,339)
Loans and advances		(186,974,591)	601,048,706
Trade deposits and short-term prepayments		13,014,142	(22,803,559)
Other receivables		(8,050,137)	(113,496,491)
		(837,364,536)	(1,704,611,185)
Current liabilities			
(Decrease) / Increase in current liabilities			
Trade and other payables		1,032,596,369	867,353,578
Short term finances - secured		(919,537,770)	(94,516,744)
Advances from customers - unsecured		(76,648,700)	164,823,564
		36,409,899	937,660,398
Net decrease in working capital		(800,954,637)	(766,950,787)
19 CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	182,159,009	26,469,798
Running finances utilized under mark-up arrangement	16.4	(1,055,864,431)	(3,818,039,839)
		(873,705,422)	(3,791,570,041)

20 SEGMENT INFORMATION

A resource 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 segments 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 organized 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 result, costs, assets and liabilities for the period are as follows:

	(Un-audited)					
	Three-months Period Ended			Six-months Period Ended		
	Food Processing		Total	Food Processing		Total
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2020	December 31, 2019	December 31, 2020
Revenues						
Sales						
Local	8,280,712,993	8,411,947,832	10,822,851,888	15,768,691,041	15,345,473,896	20,225,977,682
Export	561,565,914	980,676,246	792,223,970	2,712,334,307	1,566,617,602	3,049,330,366
Export rebates	4,934,830	3,685,352	5,319,347	10,411,152	5,809,344	10,793,869
	8,847,211,737	9,396,272,430	11,620,395,405	17,171,001,442	17,171,001,442	23,286,004,117
Less:						
Sales returns and discounts	(697,245,362)	(564,607,133)	(2,243,514)	(890,988,061)	(848,205,540)	(1,084,839,846)
Sales tax	(1,366,505,704)	(1,274,029,760)	(380,495,079)	(2,312,612,057)	(1,564,300,524)	(2,982,086,007)
	(1,673,761,176)	(1,640,637,093)	(292,528,805)	(2,192,311,018)	(1,242,414,915)	(3,066,925,933)
Net sales	7,173,450,561	7,755,635,337	9,327,866,596	15,878,690,382	13,882,306,432	19,310,178,884
Cost of sales	(5,738,561,257)	(5,803,132,097)	(7,609,404,819)	(12,097,196,946)	(10,458,877,682)	(15,574,367,248)
Selling and distribution	(6,988,028,777)	(1,378,877,660)	(1,049,680,623)	(2,009,902,424)	(21,401,959,777)	(2,137,307,933)
Administrative expenses	(10,334,782)	(11,279,155)	(139,625,763)	(229,583,151)	(238,668,224)	(291,890,201)
	(6,836,914,816)	(7,294,771,122)	(8,958,707,462)	(14,336,932,139)	(12,846,015,683)	(18,004,247,094)
Segment result	336,535,745	460,864,225	605,188,174	861,994,043	1,035,800,754	1,314,931,090
Unallocated income and expenses						
Other operating income						
Finance cost						
Other operating expenses						
Share of profit from associated companies-net						
Profit before taxation						
Income tax expense						
Profit for the period						
				(Un-audited)	(Audited)	(Un-audited)
	December 31, 2020	June 30, 2020	December 31, 2020	December 31, 2020	June 30, 2020	December 31, 2020
Revenues						
20.2 Segment assets	20,323,861,640	20,272,965,197	12,147,162,551	11,024,025,316	32,471,024,101	31,296,990,513
20.3 Unallocated assets					5,894,199,843	62,104,443,600
	20,323,861,640	20,272,965,197	12,147,162,551	11,024,025,316	38,365,224,044	37,507,934,602
20.4 Segment liabilities	1,552,651,207	2,529,351,720	9,100,394,896	8,778,093,873	10,653,046,403	11,306,345,973
20.5 Unallocated liabilities					17,280,000,462	16,297,804,471
	1,552,651,207	2,529,351,720	9,100,394,896	8,778,093,873	27,933,076,865	27,604,150,215

20.6 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

20.7 The Company's export sales has been primarily made to countries in the Asia, Africa, Europe, North America and Australia. However, no material amount of export sales have been made to any one or more particular countries.

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

20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES**Assets**

Total assets for reportable segments

Unallocated capital assets

Long term investments

Total assets

Liabilities

Total liabilities for reportable segments

Deferred tax liabilities

Long term finance - secured

Lease liabilities

Total liabilities

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
Note		-----Rupees-----	
20.2		32,471,024,191	31,296,990,513
		712,677,057	934,640,476
7		5,181,522,786	5,276,303,873
		38,365,224,034	37,507,934,862
20.4		10,653,046,103	11,308,345,593
		1,640,811,138	1,632,596,024
13		15,539,171,469	14,498,681,731
		102,047,855	168,526,917
		27,935,076,565	27,608,150,265

21 EARNINGS PER SHARE-Basic and Diluted**Basic earnings per share**

Profit for the period

Weighted average number of ordinary shares during the period

Basic earnings per share

Diluted earnings per share

Profit for the period

Weighted average number of ordinary shares during the period

Adjustment for potential ordinary shares

Weighted average number of ordinary shares for diluted earnings per share

Diluted earnings per share

	(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
	------(Rupees)-----	
	906,293,139	611,768,236
	------(Number)-----	
	66,356,940	63,804,750
	------(Rupees)-----	
	13.66	9.59
	906,293,139	611,768,236
	------(Number)-----	
	66,356,940	63,804,750
	-	2,552,190
	66,356,940	66,356,940
	------(Rupees)-----	
	13.66	9.22

22 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 unconsolidated condensed interim financial statements are as follows:

Transactions**Plastiflex Films (Private) Limited***Common Directorship*

- Purchase of raw & packing Materials

- Metallization service

- Sale of raw & packing materials

- Recovery against Sales

- Payment against purchases

	(Un-audited) December 31, 2020	December 31, 2019
	-----Rupees-----	
	38,402,034	35,326,331
	(17,878,956)	(16,248,232)
	-	(3,296,892)
	15,158,173	11,767,889
	(44,318,366)	(10,534,194)

	(Un-audited)	
	December 31, 2020	December 31, 2019
	-----Rupees-----	
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	5,600,000	5,300,000
Directors	4,800,000	9,150,000
Executives	139,060,020	136,569,810
	149,460,020	151,019,810

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

	(Un-audited)	(Audited)
	December 31, 2020	June 30, 2020
	-----Rupees-----	
Balances		
Plastiflex Films (Private) Limited		
-Payable to associate - net	22,110,296	30,747,411

23 FAIR VALUE MEASUREMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2020. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2020.

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value;

	<u>December 31, 2020</u>			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
	-----Rupees-----				
Investment in associated companies	3,660,198,000	228,703,777	-	3,888,901,777	3,695,874,777
Short term investment	-	194,840,000	-	194,840,000	200,000,000
	3,660,198,000	423,543,777	-	4,083,741,777	3,895,874,777

24 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended June 30, 2020.

25 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 22, 2021 by the Board of the Company.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2020

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	20,641,562,937	20,350,123,183
Right-of-use assets	6.1	254,032,474	306,955,475
Intangible assets		45,121,060	55,293,210
Goodwill		11,959,187	11,959,187
Long term investments	7	3,575,538,786	3,670,319,873
Long term deposits		36,422,539	40,690,439
Total non-current assets		24,564,636,983	24,435,341,367
Current assets			
Stores and spares	8	414,624,851	367,944,563
Stock-in-trade	9	6,445,332,109	6,412,002,447
Trade debts	10	3,946,506,304	3,370,612,422
Loans and advances		1,155,670,674	952,135,742
Trade deposits and short-term prepayments		31,374,889	43,815,508
Short term investment	11	194,840,000	200,000,000
Other receivables		127,969,475	119,919,336
Taxation - net		1,026,697,307	1,296,310,915
Cash and bank balances	12	368,510,042	358,884,421
Total current assets		13,711,525,651	13,121,625,354
Total assets		38,276,162,634	37,556,966,721
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorized share capital			
250,000,000 (June 30, 2020: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
66,356,940 (June 30, 2020: 66,356,940) ordinary shares of Rs.10 each		663,569,400	663,569,400
Non-controlling interest		148,434,126	195,749,872
Reserves		8,954,758,002	8,589,399,383
Total shareholders' equity		9,766,761,528	9,448,718,655
Non-current liabilities			
Long-term finances - secured	13	13,279,347,896	13,881,308,010
Lease liabilities		45,116,061	91,245,081
Deferred liabilities	14	2,120,034,647	2,091,252,475
Total non-current liabilities		15,444,498,604	16,063,805,566
Current liabilities			
Trade and other payables	15	4,531,548,606	3,491,937,991
Accrued mark-up		161,353,630	199,737,582
Short-term finances - secured	16	5,211,444,983	6,789,925,030
Current portion of:			
- long-term finances - secured	13	2,730,955,084	1,036,500,768
- lease liabilities		56,931,794	77,281,836
Unclaimed dividend		2,902,597	2,644,785
Advances from customers - unsecured		369,765,808	446,414,508
Total current liabilities		13,064,902,502	12,044,442,500
Total liabilities		28,509,401,106	28,108,248,066
Total equity and liabilities		38,276,162,634	37,556,966,721
Contingencies and commitments	17		

The annexed selected notes from 1 to 25 form an integral part of these 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

	Note	Six-months Period Ended		Three-months Period Ended	
		December 31, 2020 Rupees	December 31, 2019 Rupees	December 31, 2020 Rupees	December 31, 2019 Rupees
Sales - gross	21.1	23,385,333,739	21,539,707,925	11,687,969,245	11,583,085,278
Sales returns and discounts		(1,004,240,263)	(873,376,375)	(520,587,720)	(375,459,530)
Export rebate		10,795,869	5,809,544	5,319,547	3,648,352
		(993,444,394)	(867,566,831)	(515,268,173)	(371,811,178)
		22,391,889,345	20,672,141,094	11,172,701,072	11,211,274,100
Sales tax		(2,982,086,087)	(2,978,613,958)	(1,547,000,873)	(1,564,309,524)
Sales - net		19,409,803,258	17,693,527,136	9,625,700,199	9,646,964,576
Cost of sales	21.1	(15,695,343,808)	(13,949,988,220)	(7,842,608,084)	(7,547,101,394)
Gross profit		3,714,459,450	3,743,538,916	1,783,092,115	2,099,863,182
Selling and distribution expenses		(2,254,644,947)	(2,403,937,049)	(1,106,027,542)	(1,526,285,359)
Administrative expenses		(349,187,570)	(316,617,651)	(168,091,725)	(164,469,507)
Operating profit		1,110,626,933	1,022,984,216	508,972,848	409,108,316
Other operating expenses		(161,358,215)	(93,628,187)	(33,643,694)	(34,548,280)
		949,268,718	929,356,029	475,329,154	374,560,036
Other income		317,124,990	142,970,287	270,202,953	77,240,377
		1,266,393,708	1,072,326,316	745,532,107	451,800,413
Finance cost		(416,968,063)	(621,875,279)	(195,911,152)	(296,600,002)
		849,425,645	450,451,037	549,620,955	155,200,411
Share of profit from associated companies - net		108,978,733	24,072,287	108,978,733	-
Profit before taxation		958,404,378	474,523,324	658,599,688	155,200,411
Taxation		(264,431,238)	(101,067,459)	(151,226,116)	156,473,239
Profit after taxation		693,973,140	373,455,865	507,373,572	311,673,650
Profit for the period attributable to:					
Shareholders of the Holding Company		741,288,886	441,870,020	529,544,562	342,546,712
Non-controlling interest		(47,315,746)	(68,414,155)	(22,170,990)	(30,873,062)
		693,973,140	373,455,865	507,373,572	311,673,650
Earnings per share - basic	18	11.17	6.93	7.98	5.37
Earnings per share - diluted	18	11.17	6.66	7.98	5.16

The annexed selected notes from 1 to 25 form an integral part of these 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Note	Six-months Period Ended		Three-months Period Ended	
	December 31,	December 31,	December 31,	December 31,
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Profit for the period	693,973,140	373,455,865	507,373,572	311,673,650
<i>Item that will not be reclassified to statement of profit or loss in subsequent periods</i>	-	-	-	-
Share of other comprehensive (loss) / income from associated companies - net of tax	(173,195,847)	-	(173,195,847)	-
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax 7.3	(3,663,600)	172,522,899	(3,663,600)	-
Other comprehensive (loss) / income for the period - net of tax	(176,859,447)	172,522,899	(176,859,447)	-
Total comprehensive income for the period	517,113,693	545,978,764	330,514,125	311,673,650
Total Comprehensive Income for the period attributable to :				
Shareholders of the Holding Company	564,429,439	614,392,919	352,685,115	342,546,712
Non-controlling interest	(47,315,746)	(68,414,155)	(22,170,990)	(30,873,062)
	517,113,693	545,978,764	330,514,125	311,673,650

The annexed selected notes from 1 to 25 form an integral part of these 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 SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

Issued, subscribed and paid-up share capital	Capital reserve		Total Reserves				Non- Controlling Interest	Total shareholders' equity
	Share premium	Amalgamation reserves	Share of OCI from associated companies	Revenue reserve		Total reserves		
				Unappropriated profit	Remeasurement of investments at fair value through OCI			
638,847,500	579,265,000	916,862,067	(854,065,234)	-	5,810,536,250	6,451,888,083	179,714,690	7,269,650,273
-	-	-	-	-	441,870,020	441,870,020	(68,414,155)	373,455,865
-	-	-	172,522,899	-	-	172,522,899	-	172,522,899
-	-	-	172,522,899	-	441,870,020	614,392,919	(68,414,155)	545,978,764
-	-	-	-	-	(91,414,250)	(91,414,250)	-	(91,414,250)
638,847,500	579,265,000	916,862,067	(682,082,335)	-	6,060,322,020	6,874,866,752	111,300,535	7,624,214,787
663,569,400	1,472,531,500	916,862,067	41,535,172	-	6,158,470,644	8,589,399,383	195,749,872	9,448,718,655
-	-	-	-	-	741,288,886	741,288,886	(47,315,746)	693,973,140
-	-	-	-	(3,663,600)	-	(3,663,600)	-	(3,663,600)
-	-	-	-	-	-	-	-	-
-	-	-	(173,195,847)	-	-	(173,195,847)	-	(173,195,847)
-	-	-	(173,195,847)	-	741,288,886	564,429,439	(47,315,746)	517,113,093
-	-	-	-	-	(99,470,820)	(99,470,820)	-	(99,470,820)
663,569,400	1,472,531,500	916,862,067	(131,660,675)	(3,663,600)	6,700,688,710	8,954,758,002	148,434,126	9,766,761,528

The annexed selected notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.

Balance as at July 01, 2019 - audited

Total comprehensive income / (loss) for the period

Profit for the six months period ended December 31, 2019

Share of other comprehensive income from associated companies - net of tax

Total comprehensive income / (loss) for the period

Transaction with owners, recognised directly in equity

Final cash dividend for the year ended June 30, 2019 @ Rs. 3 per share

Balance as at December 31, 2019

Balance as at July 01, 2020 - audited

Total comprehensive income / (loss) for the period

Profit / (loss) for the six months period ended December 31, 2020

value through OCI - net of tax

Share of other comprehensive loss from associated undertaking -
net of tax

Total comprehensive income for the period

Transaction with owners, recognised directly in equity

Final cash dividend for the year ended June 30, 2020 @ Rs. 3 per share

Balance as at December 31, 2020

Abdul Qadir
Chief Financial Officer

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

		December 31, 2020	December 31, 2019
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	19	1,126,154,139	980,426,961
Gratuity paid		(31,922,986)	(17,796,853)
Income tax refund / (paid) - net		45,457,859	(214,543,785)
Long-term deposits receipts		4,267,900	2,641,782
Net cash generated from operating activities		1,143,956,912	750,728,105
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(1,382,482,936)	(5,213,114,491)
Capital expenditure - intangibles		(4,991,000)	-
Investment in associated undertakings		-	(16,294,565)
Short term investment		-	(200,000,000)
Proceeds from disposal of property, plant and equipment		540,866,998	18,092,871
Net cash used in investing activities		(846,606,938)	(5,411,316,185)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from long term finances - secured		1,092,494,202	4,955,668,828
Lease repayments		(67,111,254)	(51,120,275)
Interest / mark-up paid		(455,352,014)	(565,579,823)
Dividends paid		(198,813,008)	(191,154,585)
Net cash generated from financing activities		371,217,926	4,147,814,145
Net increase / (decrease) in cash and cash equivalents		668,567,900	(512,773,935)
Cash and cash equivalents at the beginning of the period		(1,355,922,289)	(3,263,388,199)
Cash and cash equivalents at the end of the period	20	(687,354,389)	(3,776,162,134)

The annexed selected notes from 1 to 25 form an integral part of these consolidated condensed interim financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2020

1 LEGAL STATUS AND OPERATIONS

The Group consist of:

Holding Company: Ismail Industries Limited

Subsidiary company: Hudson Pharma (Private) Limited

a) Ismail Industries Limited

The Holding Company was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office of the Holding Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. The shares of the Holding company are quoted on Pakistan Stock Exchange. 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

2 SIGNIFICANT EVENTS & TRANSACTIONS

The Holding Company has made Capex amounting to Rs. 1.356 billion during the six months period, which majorly includes the addition of production line in Ismail Nutrition division.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated condensed interim financial statements of the Group 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.

3.2 These consolidated condensed interim financial statements of the Group do not include all of the information and disclosure required in the consolidated annual audited financial statements and should be read in conjunction with the consolidated annual audited financial statements of the Group as at and for the year ended June 30, 2020. 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 statement of financial position, consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows together with the relevant notes to the consolidated condensed interim financial statements for the six-months period ended December 31, 2020 and the figures for the three-months period ended December 31, 2020 and 2019 in the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of other comprehensive income and notes forming part thereof have not been reviewed by the auditors.

3.3 Functional and presentation currency

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

3.4 Standards, amendments and interpretations to approved accounting standards**3.4.1 Standards, amendments and interpretations to the published standards that are relevant to the Group and adopted in the current period**

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 16 - Covid-19 Related rent concessions (Amendments to IFRS 16)	June 1, 2020
Adoption of the above standard have no significant effect on the amounts for the period ended December 31, 2020.	

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

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 9 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9)	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
IAS 16 - Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
IAS 41 - Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022

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

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

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

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 1, 2023
IFRS 1 'First-time Adoption of International Financial Reporting Standards'	July 1, 2009

4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

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, 2020.

5 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgments and associated assumptions used in the preparation of these consolidated condensed interim financial information are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2020.

The Group's financial risk management objective and policies are consistent with those disclosed in the Group's consolidated annual audited financial statements for the year ended June 30, 2020.

6 PROPERTY, PLANT AND EQUIPMENT

Note

(Un-audited)
December 31,
2020

(Audited)
June 30,
2020

-----Rupees-----

Operating assets	6.2	15,911,500,012	14,507,070,801
Capital work in progress - at cost	6.3	4,730,062,925	5,843,052,382
		<u>20,641,562,937</u>	<u>20,350,123,183</u>
6.1 Right-of-use assets	6.2	254,032,474	306,955,475

6.2 Details of additions and disposals to operating assets and right-of-use assets during the six-months period are as follows:

(Un-audited)			
Additions/Transfers		Disposals	
-----At cost-----		-----At net book value-----	
December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
----- Rupees -----			
Owned assets			
Building on leasehold land	692,876,223	175,507,992	-
Leasehold land	-	-	293,378,615
Plant and machinery	1,642,649,708	1,065,001,982	46,084
Furniture and fittings	4,977,750	8,944,077	-
Equipment	34,625,601	10,925,587	-
Computers	6,182,520	6,958,700	385,315
Vehicles	114,160,590	10,286,242	14,810,549
	<u>2,495,472,392</u>	<u>1,277,624,580</u>	<u>308,620,563</u>
Right of use assets			
Vehicles	632,192	28,343,202	10,836,190
	<u>632,192</u>	<u>28,343,202</u>	<u>10,836,190</u>
	<u>2,496,104,584</u>	<u>1,305,967,782</u>	<u>319,456,753</u>

6.3 Details of additions in and transfers from capital work-in-progress during the six-months period are as follows:

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	----- Rupees -----			
Civil works	362,824,159	887,665,800	692,876,223	175,507,992
Plant and machinery	828,721,112	4,259,978,623	1,642,288,708	1,064,989,722
Electric installation	34,765,054	-	-	-
Equipment and computers	3,033,450	-	7,168,300	-
	1,229,343,775	5,147,644,423	2,342,333,231	1,240,497,714

7 LONG-TERM INVESTMENTS

Note

(Un-audited)
December 31,
2020

(Audited)
June 30,
2020

-----Rupees-----

Investment in associated undertakings

Novelty Enterprises (Private) Limited- unquoted shares	7.1	228,703,777	228,703,777
The Bank of Khyber - quoted shares	7.2	3,346,835,009	3,441,616,096
		<u>3,575,538,786</u>	<u>3,670,319,873</u>

7.1 Novelty Enterprises (Private) Limited

The Holding Company holds 33% (June 2020: 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, 2020 based on financial statements amounted to Rs. 561.386 million (2019: Rs. 561.442 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated December 15, 2019 fair value of fixed assets of NEL amounted to Rs. 1,079,840 million resulting in surplus on fixed assets of Rs. 518.454 million. Revised net assets after the revaluation surplus amounted to Rs. 1,079,840 million (2019: Rs. 1,045.063 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

NEL has not commenced operations as of the reporting date.

7.2 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 244,339,031 (June 30, 2020 244,339,031) shares which represents 24.43% of paid-up capital of the Bank (June 2020: 24.43%). In addition to this, the Holding Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these consolidated condensed interim financial statements have been taken from unaudited financial statements of the Bank for the nine-months periods ended September 30, 2020 and unaudited interim financial statement for the six-months period ended June 30, 2020. 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 December 31, 2020 was Rs. 3,660.198 million (June 30, 2020: Rs.3,467.171 million).

7.3 These investments are accounted for under the equity method. The aggregate amount of the investment in associated companies recognized in these consolidated condensed interim financial statements are as follows:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	December 31, 2020	June 30, 2020	December 31, 2020	June 30, 2020
Carrying value at beginning of the period	3,441,616,096	2,001,232,631	228,703,777	228,717,751
Investment made during the period	-	16,284,035	-	-
Share of profit or (loss)	108,978,733	491,986,115	-	(13,974)
Dividend received	-	(122,169,516)	-	-
Share of other comprehensive (loss) / income	(203,759,820)	1,054,282,831	-	-
	3,346,835,009	3,441,616,096	228,703,777	228,703,777

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 associated companies. During the period, no cash dividend have been received from the Bank of Khyber (2020: Rs. 0.5 per share)

8 STORES AND SPARES

	Note	December 31, 2019	June 30, 2019
Stores and spare parts - gross		423,216,271	376,535,983
Provision for slow moving stores and spares		(8,591,420)	(8,591,420)
Stores and spares - net		414,624,851	367,944,563

9 STOCK-IN-TRADE

	Note	December 31, 2019	June 30, 2019
Raw materials	9.1	2,756,860,145	2,819,975,284
Packing materials	9.1	902,477,814	674,934,704
Work-in-process		224,832,136	175,501,874
Finished goods		2,561,162,014	2,741,590,585
		6,445,332,109	6,412,002,447

- 9.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.12,959,090 (June 30, 2020: Rs.12,959,090) and Rs. 109,848,549 (June 30, 2020: Rs. 109,848,549) respectively.

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
10 TRADE DEBTS		
Considered good		
- secured (export debtors)	308,732,360	1,056,320,953
- unsecured	3,738,744,584	2,410,262,109
	4,047,476,944	3,466,583,062
Allowance for expected credit loss	(100,970,640)	(95,970,640)
Trade debts - net	3,946,506,304	3,370,612,422

11 SHORT TERM INVESTMENT

The Holding Company has made an investment of Rs. 200 millions in listed Term Finance Certificates (TFC) of Habib Bank Limited having face value of Rs.100,000 per certificate. This investment is classified at fair value through other comprehensive income and unrealized loss or gain is recognized in other comprehensive income. The investment carries mark-up at the rate of three months KIBOR + 160 bps. The market price of each certificate as at Dec 31, 2020 is Rs. 97,420.

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
12 CASH AND BANK BALANCES		
Cash in hand	36,446,607	18,483,676
Cash with banks in:		
- current accounts- <i>conventional</i>	218,856,093	220,956,910
- current accounts- <i>islamic</i>	113,207,342	119,443,835
	368,510,042	358,884,421

13 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	December 31, 2020			June 30, 2020		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	11,787,468,392	3,130,340,386	14,917,808,778	6,307,461,175	2,247,270,107	8,554,731,282
Obtained during the period / year	1,248,540,324	2,307,000	1,250,847,324	6,453,063,549	1,692,653,700	8,145,717,249
Repaid during the period / year	(158,353,122)	-	(158,353,122)	(973,056,332)	(809,583,421)	(1,782,639,753)
	12,877,655,594	3,132,647,386	16,010,302,980	11,787,468,392	3,130,340,386	14,917,808,778
Less: Current maturity	(2,107,180,248)	(623,774,836)	(2,730,955,084)	(838,037,772)	(198,462,996)	(1,036,500,768)
	10,770,475,346	2,508,872,550	13,279,347,896	10,949,430,620	2,931,877,390	13,881,308,010

- 13.1 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 charge over present and future fixed assets of the Holding Company and personal guarantees of sponsors. During the period, the Group has also availed long term loan under SBP Temporary Economic Refinance facility (TERF) for the import of new plant and machinery.
- 13.2 The Holding Company's total limit for long term loan amounting to Rs. 21,272 million. (June 2020 Rs. 19,815 million)

13.3 The Holding Company has requested Banks/Financial Institutions who have extended long term loans facilities to defer the repayment of principal loan amounts by one year in relevance of BPRD Circular Letter no. 13 of 2020 issued by the State Bank of Pakistan (the SBP). The idea behind this policy of the SBP is to combat the impact of COVID-19 and to help the businesses. The Holding Company will continue to service the mark-up to Banks/Financial Institutions as per agreed terms and conditions with them.

13.4 The Holding Company has also availed Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. These long term financing facilities is secured by way of ranking charge over present and future fixed assets of the Holding Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 0%) plus bank's spread ranges from 1.5% to 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

		(Un-audited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rupees-----	
14 DEFERRED LIABILITIES			
Provision for staff gratuity scheme - unfunded		479,223,509	458,656,452
Deferred tax liability		1,640,811,138	1,632,596,023
		2,120,034,647	2,091,252,475
15 TRADE AND OTHER PAYABLES			
Trade creditors		2,352,778,555	2,256,405,358
Other liabilities		2,178,770,051	1,235,532,633
		4,531,548,606	3,491,937,991
16 SHORT TERM FINANCES - SECURED			
Term finances-conventional	16.1	-	855,000,000
Term finances-islamic	16.2	54,988,152	971,931,342
Export refinances	16.3	4,100,592,400	3,248,186,980
Running finance utilized under mark-up arrangement	16.4	1,055,864,431	1,714,806,708
		5,211,444,983	6,789,925,030

16.1 These represent facilities for term finances arranged from various banks / financial institutions aggregating to Rs. 1,005 million (June 2020: Rs. 1,005 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 7.18% to 8.96% per annum (June 2020: 8.43% to 14.29% per annum).

16.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (June 2020: Rs. 1,000 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 6.81% to 8.63% per annum (June 2020: 8.09% to 14.38% per annum).

16.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 4,550.70 million (June 2020: Rs. 3,650.70 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Holding Company along with the personal guarantees of the directors. These carried mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2020: 0.25% to 1% above SBP rate per annum).

16.4 These facilities for running finances available from various banks aggregated to Rs. 4,039.30 million (June 2020: Rs. 4,039.30 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 7.36% to 8.01% per annum (June 2020: 8.43% to 14.86% per annum).

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There has been no changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended June 30, 2020 except for the following:

17.1.1 OGRA through its notification bearing No. OGRA-10-3(8)/2020, dated: October 23, 2020 has raised the prices of Natural Gas and specified the different prices for both categories that is captive and industrial gas connections. The Company has challenged the notification including category differentiation in the Honorable High Court of Sindh. The Honorable Court has passed an interim order and suspended the afore-mentioned notification on November 30, 2020 and issued directions to submit the disputed amount with the Nazir of the Court. The matter is still pending and the Company's legal counsel is confident that the decision will be in favour of the Company.

17.1.2 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015 and the Holding Company has challenged the GIDC Act 2015 and filed writ petition in the Sindh High Court (SHC) including retrospective treatment of the provisions of the GIDC Act, 2015. On October 2015, SHC decided this suit in favor of Holding Company with the instructions to refund the GIDC collected so far by the Federation. However, the Government filed an appeal in SHC, where the Holding Company was not party to such litigation. The Honorable Supreme Court of Pakistan (SCP), has disposed off the case on 13 August, 2020 and instruct the gas distribution companies to recover the outstanding amount in 24 equal installments only from those customer who have already passed the burden to their respective customers. Based on the judgement of SCP, the Holding Company has obtained the stay order from SHC on September 16, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. Last proceeding has been carried out on December 24, 2020 and the case is still pending. The legal counsel of the Holding Company is confident that decision of the case will be in favor of the Holding Company.

17.2 Commitments

Outstanding letter of guarantees
Outstanding letter of credit for:
- capital expenditures
- others

(Un-audited) December 31, 2020	(Audited) June 30, 2020
-----Rupees-----	
2,238,662,809	2,136,440,528
2,295,559,314	592,832,875
1,541,525,965	946,531,340

18 EARNINGS PER SHARE-Basic and Diluted

Basic earnings per share

Profit for the period

(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
-----Rupees-----	
741,288,886	441,870,020

----- (Number) -----

Weighted average number of ordinary shares during the period

66,356,940	63,804,750
------------	------------

-----Rupees-----

Basic earnings per share

11.17	6.93
-------	------

Diluted earnings per share

Profit for the period

741,288,886	441,870,020
-------------	-------------

----- (Number) -----

Weighted average number of ordinary shares during the period

66,356,940	63,804,750
------------	------------

Adjustment for potential ordinary shares

-	2,552,190
---	-----------

Weighted average ordinary shares for diluted earning per share

66,356,940	66,356,940
------------	------------

-----Rupees-----

Diluted earnings per share

11.17	6.66
-------	------

		(Un-audited) December 31, 2020	(Un-audited) December 31, 2019
	Note	-----Rupees-----	
19 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Profit before income tax		958,404,378	474,523,324
Adjustments for non-cash and other items:			
Depreciation		825,141,620	660,364,599
Ammortization charge		15,163,150	14,776,372
Gain on disposal of property, plant and equipment - net		(221,410,244)	(3,954,012)
Provision for staff retirement gratuity		38,885,969	34,636,916
Provision for doubtful debts		5,000,000	10,000,000
Share of profit from associated undertaking		(108,978,733)	(24,072,287)
Unrealized exchange (gain) / loss		(960,415)	6,256,827
Finance cost		416,968,063	621,875,279
Net decrease in working capital	19.1	(802,059,649)	(813,980,056)
Cash generated from operations after working capital changes		<u>1,126,154,139</u>	<u>980,426,962</u>
19.1 Working capital changes			
Current assets			
Decrease / (Increase) in current assets			
Stores and spares		(46,680,288)	(53,887,821)
Stock-in-trade		(33,329,662)	(1,293,260,001)
Trade debts		(579,933,467)	(862,791,472)
Loan and advances		(203,534,932)	618,626,477
Trade deposits and short-term prepayments		12,440,619	(26,508,890)
Other receivables		(8,050,139)	(113,496,490)
		<u>(859,087,869)</u>	<u>(1,731,318,197)</u>
Current liabilities			
(Decrease) / Increase in current liabilities			
Trade and other payables		1,053,214,690	847,031,323
Short term finances - secured		(919,537,770)	(94,516,745)
Advances from customers - unsecured		(76,648,700)	164,823,563
		<u>57,028,220</u>	<u>917,338,141</u>
Net decrease in working capital		<u>(802,059,649)</u>	<u>(813,980,056)</u>
20 CASH AND CASH EQUIVALENTS			
Cash and bank balances	12	368,510,042	41,877,704
Running finances under mark-up arrangement	16.4	(1,055,864,431)	(3,818,039,839)
		<u>(687,354,389)</u>	<u>(3,776,162,135)</u>

21 SEGMENT INFORMATION

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

Based on internal management reporting structure and products produced and sold, the Group is organized into the following three operating segments:

- Food processing
- Plastic film
- Pharmaceutical segment

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 result, costs, assets and liabilities for the period are as follows:

	Food Processing				Plastic Film				Pharmaceutical Segment				Total			
	December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019		December 31, 2020		December 31, 2019	
	(Un-audited)				(Un-audited)				(Un-audited)				(Un-audited)			
	Revenue	Cost of Sales	Profit	Loss	Revenue	Cost of Sales	Profit	Loss	Revenue	Cost of Sales	Profit	Loss	Revenue	Cost of Sales	Profit	Loss
Sales	8,230,712,973	8,411,047,782	24,522,624	179,327,809	72,893,387	67,985,810	4,907,576	4,907,576	15,765,691,241	15,457,876,906	3,086,814,335	3,086,814,335	20,332,003,173	19,972,753,811	3,530,249,362	3,530,249,362
Local	501,463,914	508,076,085	23,664,066	20,052,786	-	-	-	-	2,712,344,181	2,667,677,642	44,666,539	44,666,539	3,049,330,566	2,992,330,566	56,999,999	56,999,999
Export shares	8,847,251,737	9,967,272,439	2,178,385,668	2,126,075,021	72,893,387	67,985,810	4,907,576	4,907,576	13,053,347,060	12,790,209,264	2,712,344,181	2,712,344,181	17,282,672,607	16,980,423,245	3,022,249,362	3,022,249,362
Less:																
Interest income and discounts	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)
Sales tax	(1,166,965,796)	(1,274,621,760)	(2,74,655,964)	(2,74,655,964)	(1,166,965,796)	(1,274,621,760)	(2,74,655,964)	(2,74,655,964)	(1,166,965,796)	(1,274,621,760)	(2,74,655,964)	(2,74,655,964)	(1,166,965,796)	(1,274,621,760)	(2,74,655,964)	(2,74,655,964)
Net sales	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)
Cost of sales	7,171,450,501	7,553,532,137	2,380,443,636	1,877,246,286	-	-	-	-	13,053,347,060	12,790,209,264	2,712,344,181	2,712,344,181	17,282,672,607	16,980,423,245	3,022,249,362	3,022,249,362
Cost of sales	(7,171,450,501)	(7,553,532,137)	(2,380,443,636)	(1,877,246,286)	-	-	-	-	(13,053,347,060)	(12,790,209,264)	(2,712,344,181)	(2,712,344,181)	(17,282,672,607)	(16,980,423,245)	(3,022,249,362)	(3,022,249,362)
Selling and distribution	(98,028,777)	(1,78,827,661)	(69,808,884)	(73,707,946)	(654,362,921)	(73,707,946)	(654,362,921)	(73,707,946)	(2,712,344,181)	(2,712,344,181)	(654,362,921)	(654,362,921)	(2,712,344,181)	(2,712,344,181)	(654,362,921)	(654,362,921)
Administrative expenses	(19,324,928)	(1,12,711,353)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)	(29,386,425)
Other income	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Segment result	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Unallocated income and expenses																
Other operating income																
Other operating expenses																
Share of profit from associated companies - net																
Profit before taxation																
Profit for the period																
	(Un-audited)				(Un-audited)				(Un-audited)				(Un-audited)			
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Assets	20,332,003,173	19,972,753,811	3,530,249,362	3,530,249,362	20,332,003,173	19,972,753,811	3,530,249,362	3,530,249,362	20,332,003,173	19,972,753,811	3,530,249,362	3,530,249,362	20,332,003,173	19,972,753,811	3,530,249,362	3,530,249,362
Liabilities	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)
Equity	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669
Net assets	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669	18,724,686,997	18,365,437,635	3,445,530,669	3,445,530,669
Net liabilities	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)	(1,607,316,176)	(1,607,316,176)	(84,718,693)	(84,718,693)
Net equity	17,117,370,821	16,758,121,459	3,360,811,976	3,360,811,976	17,117,370,821	16,758,121,459	3,360,811,976	3,360,811,976	17,117,370,821	16,758,121,459	3,360,811,976	3,360,811,976	17,117,370,821	16,758,121,459	3,360,811,976	3,360,811,976
Net income	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,973,321	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425	(50,213,286)	(50,213,286)	152,747,425	152,747,425
Net loss	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)	(50,213,286)	(50,213,286)	(84,718,693)	(84,718,693)
Net profit	1,353,573,749	660,964,325	26,655,424	40,												

21.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES**Assets**

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
Total assets for reportable segments	21.2	33,975,987,604	32,952,006,370
Unallocated capital assets		724,636,244	934,640,478
Long term investment	7	3,575,538,786	3,670,319,873
Total assets		38,276,162,634	37,556,966,721

Liabilities

Total liabilities for reportable segments	21.4	11,227,370,639	11,389,316,347
Deferred liabilities		1,640,811,143	1,632,596,024
Long term finance - secured	13	15,539,171,469	14,917,808,778
Lease liabilities		102,047,855	168,526,917
Total liabilities		28,509,401,106	28,108,248,066

22 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) December 31, 2020	December 31, 2019
	-----Rupees-----	
Transactions		
Plasitflex Films (Private) Limited		
<i>Common Directorship</i>		
- Purchase of raw and packing Materials	38,402,034	7,077,395
- Metallization service	(17,878,956)	5,382,157
- Sale of raw and packing materials	-	2,099,770
- Recovery against sales	15,158,173	-
- Payment against purchases	(44,318,366)	4,257,544
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	9,800,000	4,450,000
Directors	4,800,000	3,975,000
Executives	168,543,606	89,946,049
	183,143,606	98,371,049

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

	(Un-audited) December 31, 2020	(Audited) June 30, 2020
	-----Rupees-----	
Balances		
Plasitflex Films (Private) Limited		
-Payable to associate - net	22,110,296	30,747,411

23 FAIR VALUE MEASUREMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2020. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Group for the year ended June 30, 2020.

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Group held the following financial assets at fair value;

	December 31, 2020			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
	-----Rupees-----				
Investment in associated companies	3,660,198,000	228,703,777	-	3,888,901,777	3,695,874,777
Short term investment	-	194,840,000	-	194,840,000	200,000,000
	3,660,198,000	423,543,777	-	4,083,741,777	3,895,874,777

24 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended June 30, 2020.

25 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on February 22, 2021 by the Board of the Group.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



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