



ISMAIL
INDUSTRIES
LIMITED

GROWING

INTO NEW
HORIZONS

HALF YEARLY REPORT
DECEMBER 31, 2021

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COMPANY PROFILE

Board of Directors

Mr. Muhammad M. Ismail	Chairman
Mr. Munzarim 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, Pakistan.

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

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

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

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

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

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

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

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 Company Limited
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

The Board of Directors of the Company feel immense pleasure to present the brief performance review together with the standalone interim financial statements reviewed by the auditor's and un-audited consolidated condensed interim financial statements of the Company for the second quarter and half year ended December 31, 2021.

Description	Dec-21	Dec-20	Change in %
	PKR in Million		
Gross Sales	31,446	23,275	35%
Gross Profit	4,818	3,745	29%
Operating Profit	1,800	1,315	37%
Profit after tax	1,207	906	33%
Earnings per share - Rs.	18.19	13.66	33%

The Pakistan's economy is on path of its struggling to the recovery despite the current account deficits, depreciating currency, reduction in foreign exchange reserves, rising inflation and a new variant of Pandemic-Omicron. However, inflationary trends on the back of increasing international commodity prices along with the upward trend of interest rates does pose certain uncertainties and may impact consumer spending. Company's financial results are quite encouraging owing to the exceptional performances across all businesses. The Company continues the track of delivering substantial growth and reported 35% increase in gross revenue, 33% in profit after tax and earnings per share for the period under review versus same period of last year. The growth momentum achieved through an aggressive and multi-dimensional focus on brand building with customer satisfaction. The Company continues to accelerate the business transformation by focusing on optimizing revenue, cost transformation and driving volume initiatives across the board through brand and consumer led activities. The Company will keep its focus in preserving value and trust of stakeholder and endeavors to strengthen its bond with its customers. Diversification, vertical and horizontal

integration, technological advancement and transformation and informed portfolio investment will lead the strategic decision making of the Board of Directors. Equity investment in Subsidiary Company, M/s. Ismail Resin (Private) Limited and capital investment for flour mill will hedge the Company from future supply chain shocks and upside risk of inflation. We believe that we have a strong portfolio of brands that will enable us to achieve sustainable growth in periods ahead. We will continue to grow these brands through focused execution and targeted innovation where relevant.

FUTURE OUTLOOK

The Company's management is very confident and all set to achieve historic milestones both in food and plastic segments. Markets are also expected to grow, however considerable downside risks to the economic outlook of the country with the most significant being commodities prices, increasing interest rate, current account deficit & severe depreciating currency will surge the cost of doing business and competitive intensity will continue to pose challenges for the periods ahead. The management will closely monitor the situation and strategize accordingly to drive business fundamentals and improve / maintain its market leadership position in all major categories.

ACKNOWLEDGEMENT

The Board of Directors expresses their gratitude and heartfelt appreciation to all stakeholders for confidence, continued support, and encouragement.

On behalf of the Board of Directors

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Karachi: February 17, 2022

تعلقات کو مضبوط بنانے کی کوشش کرے گی۔ تنوع، عموماً اور افقی انضمام، تکنیکی ترقی اور تبدیلی اور باہر تفصیل سرمایہ کاری بورڈ آف ڈائریکٹرز کے حکمت فہم سازی میں معاونت کرے گی۔ ذیلی کمپنی، اسماعیل ریزین (پرائیویٹ) لمیٹڈ اور فلور مل میں سرمایہ کاری کمپنی کو مستقبل میں سپلائی چین کے اثرات اور افراط زر کے بڑھتے خطرات سے محفوظ رکھے گی۔

ہمیں یقین ہے کہ ہمارے پاس برانڈز کا ایک مضبوط پورٹ فولیو ہے جو ہمیں آنے والے ادوار میں پائیدار ترقی حاصل کرنے کے قابل بنائے گا۔ ہم ان برانڈز کو متعلقہ توہی عمل درآمد اور جدت برائے حصول اہداف کے ذریعے بڑھاتے رہیں گے۔

مستقبل کی پیش بینی

کمپنی کی انتظامیہ بہت پر اعتماد ہے اور غذائی و پلاسٹک دونوں شعبوں میں تنازعہ میں سبک میل حاصل کرنے کے لیے پوری طرح تیار ہے۔ ماکینوں کی افزائش متوقع ہے، تاہم ملک کے اقتصاد کے لیے کافی منفی خطرات جس میں اشیاء کی قیمتوں میں اضافہ، شرح سود میں اضافہ، کرنٹ اکاؤنٹ خسارہ اور کرنسی کی شدید گراؤ سے کاروبار کرنے کی لاگت میں اضافہ ہوگا اور مسابقتی دشواریاں بھی آنے والے ادوار کے لیے پریشان کن رہیں گی۔ انتظامیہ صورتحال پر گہری نظر رکھے گی اور اس کے مطابق حکمت عملی بنائے گی تاکہ کاروبار کے بنیادی اصولوں کو آگے بڑھایا جاسکے اور مارکیٹ کے تمام بڑے متعلقہ شعبوں میں اپنی برتری کو حیثیت بہتر / برقرار رکھا جاسکے۔

اعتراف

بورڈ آف ڈائریکٹرز اعتماد، مسلسل تعاون، اور حوصلہ افزائی کے لیے تمام متعلقین کا قلب کی گہرائیوں سے تعریف کرتے ہیں اور مشکور ہیں۔

من جانب بورڈ آف ڈائریکٹرز

مقصود اسماعیل
ڈائریکٹر

منصرم سیف اللہ
چیف ایگزیکٹو آفیسر

کراچی: 17 فروری، 2022

ڈائریکٹران کی جائزہ رپورٹ

کمپنی ڈائریکٹر ز انتہائی مسرت کے ساتھ کمپنی کے دسمبر 31، 2021 تک کے انفرادی (آڈیٹڈ کے نظر ثانی شدہ) ویشر کہ (غیر آڈٹ شدہ) دوسری ماہی وسط مدتی مالیاتی نتائج پیش کر رہے ہیں۔

تفصیل	دسمبر 2021	دسمبر 2020	تبدیلیہ %
مجموعی آمد	31,446	23,275	35%
غلام مال	4,818	3,745	29%
کاروباری نتائج	1,800	1,315	37%
مالیاتی آمد	1,207	906	33%
فی کس آمد	18.19	13.66	33%

پاکستان کی معیشت کرنٹ اکاؤنٹ خسارے، کرنسی کی گرتی ہوئی قدر، زر مبادلہ کے ذخائر میں کمی، مہنگائی میں اضافے اور وبائی امراض کی ایک نئی شکل بنام اومی کرون کے باوجود بحالی کی راہ پر گامزن ہے۔ تاہم، افراط زر کے رجحانات کے باعث بین الاقوامی اجناس کی قیمتوں میں اضافے کے ساتھ ساتھ شرح سود میں اضافہ غیر یقینی صورتحال پیدا کرتے ہیں اور صارفین کے اخراجات کو متاثر کر سکتے ہیں۔

تمام کاروباری سرگرمیوں میں غیر معمولی کارکردگی کی وجہ سے کمپنی کے مالیاتی نتائج کافی حوصلہ افزا ہیں۔ کمپنی نے خاطر خواہ ترقی کی فراہمی کا رجحان جاری رکھا ہے اور مجموعی فروخت میں 35 فیصد اضافہ، بعد از حصول منافع میں 33 فیصد اور گزشتہ سال کی اسی مدت کے مقابلے میں زیر جائزہ مدت کے لیے فی حصص آمدنی ظاہر کی ہے۔ صارفین کے اطمینان کے ساتھ برانڈ کی تعمیر پر جارحانہ اور کثیر الجہتی توجہ کے ذریعے ترقی حاصل کی گئی۔ کمپنی برانڈ اور صارفین سے متعلق نمایاں سرگرمیوں کے ذریعے آمدنی، لاگت کی تبدیلی اور بڑے پیمانے پر اقدامات کو بہتر بنانے پر توجہ مرکوز کرتے ہوئے کاروباری تجدید کو تیزی سے جاری رکھے ہوئے ہے۔

کمپنی شراکت داروں کے قدر اور اعتماد کے تحفظ پر اپنی توجہ مرکوز رکھے گی اور اپنے صارفین کے ساتھ اپنے

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Ismail Industries Limited as at December 31, 2021 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 "interim financial statements"). Management is responsible for the preparation and presentation of these 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 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 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 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, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2021.

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: February 24, 2022

UDIN: RR2021101547m0whlqrO

**UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2021**



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	22,271,488,868	20,797,301,134
Right-of-use assets	7.1	51,392,487	82,762,838
Intangible assets		16,933,116	33,730,783
Long term investments	8	5,898,753,748	5,277,725,078
Long term deposits		22,083,842	26,838,890
Total non-current assets		28,260,652,061	26,218,358,723
Current assets			
Stores and spares	9	455,434,702	459,511,285
Stock-in-trade	10	7,633,717,662	7,570,435,262
Trade debts	11	5,969,350,772	3,345,669,807
Loans and advances		2,883,895,514	1,529,096,136
Trade deposits and short-term prepayments		56,649,250	30,581,266
Short term investment	12	580,370,968	318,381,590
Other receivables		115,228,379	117,644,543
Taxation - net		1,223,170,120	1,256,736,585
Cash and bank balances	13	594,327,883	143,565,665
Total current assets		19,512,145,250	14,771,622,139
Total assets		47,772,797,311	40,989,980,862
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (June 30, 2021: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital		663,569,400	663,569,400
Reserves		10,776,928,099	10,611,167,244
Total shareholders' equity		11,440,497,499	11,274,736,644
Non-current liabilities			
Long term finances - secured	14	14,672,717,365	12,890,753,566
Lease liabilities		6,512,043	19,401,180
Deferred liabilities	15	2,308,412,047	2,291,284,075
Total non-current liabilities		16,987,641,455	15,201,438,821
Current liabilities			
Trade and other payables	16	6,312,107,529	3,993,579,951
Accrued mark-up		203,426,889	162,665,518
Short term finances - secured	17	8,926,745,087	6,063,068,547
Current portion of:			
- long term finances - secured	14	3,495,698,039	3,672,098,318
- lease liabilities		19,980,928	42,765,702
Unclaimed dividend		4,197,267	2,902,597
Advances from customers - unsecured		382,502,618	576,724,764
Total current liabilities		19,344,658,357	14,513,805,397
Total liabilities		36,332,299,812	29,715,244,218
Total equity and liabilities		47,772,797,311	40,989,980,862

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

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

	Note	Six-months Period Ended		Three-months Period Ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		-----Rupees-----		-----Rupees-----	
Sales - gross	21.1	31,446,043,018	23,275,308,248	16,361,407,857	11,615,075,858
Sales returns and discounts		(1,139,369,623)	(984,839,846)	(539,441,793)	(509,498,896)
Export rebate		20,976,330	10,795,869	1,534,372	5,319,547
		(1,118,393,293)	(974,043,977)	(537,907,421)	(504,179,349)
		30,327,649,725	22,301,264,271	15,823,500,436	11,110,896,509
Sales tax		(3,824,588,385)	(2,982,086,087)	(1,942,169,054)	(1,547,000,873)
Sales - net		26,503,061,340	19,319,178,184	13,881,331,382	9,563,895,636
Cost of sales	21.1	(21,685,100,304)	(15,574,367,348)	(11,321,884,498)	(7,769,401,819)
Gross profit		4,817,961,036	3,744,810,836	2,559,446,884	1,794,493,817
Selling and distribution expenses		(2,615,009,244)	(2,137,989,201)	(1,436,610,661)	(1,049,680,621)
Administrative expenses		(402,667,746)	(291,890,545)	(209,921,303)	(139,625,022)
Operating profit		1,800,284,046	1,314,931,090	912,914,920	605,188,174
Other operating expenses		(247,285,413)	(161,006,815)	(63,144,957)	(33,442,296)
		1,552,998,633	1,153,924,275	849,769,963	571,745,878
Other income		488,137,912	308,471,110	119,942,397	265,313,396
		2,041,136,545	1,462,395,385	969,712,360	837,059,274
Finance cost		(584,564,048)	(400,649,741)	(298,028,955)	(187,950,410)
		1,456,572,497	1,061,745,644	671,683,405	649,108,864
Share of profit from associated company - net		41,655,893	108,978,733	41,655,893	108,978,733
Profit before taxation		1,498,228,390	1,170,724,377	713,339,298	758,087,597
Taxation		(291,307,171)	(264,431,238)	(67,455,810)	(151,226,116)
Profit after taxation		1,206,921,219	906,293,139	645,883,488	606,861,481
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) from associated company - net of tax		(45,806,265)	(173,195,847)	(45,806,265)	(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) for the period - net of tax		(45,806,265)	(176,859,447)	(45,806,265)	(176,859,447)
Total comprehensive income for the period		1,161,114,954	729,433,692	600,077,223	430,002,034
Earnings per share - basic & diluted	22	18.19	13.66	9.73	9.15

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

Issued, subscribed and paid-up share capital	Capital reserve		Total Reserves			Total shareholders' equity
	Share premium	Amalgamation reserves	Revenue reserve		Total reserves	
			Remeasurement of investment in associated company	Remeasurement of investments at fair value through OCI		
663,569,400	1,472,531,500	916,862,067	41,535,172	-	6,805,286,458	9,899,784,591
-	-	-	-	-	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)	729,433,692	729,433,692
Transaction with owners, recognized directly in equity						
Final cash dividend for the year ended June 30, 2020 @ Rs. 3 per share						
-	-	-	-	-	(199,070,820)	(199,070,820)
663,569,400	1,472,531,500	916,862,067	(131,660,675)	(3,663,600)	7,512,308,777	10,430,147,469
663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	8,417,555,738	11,274,736,644
Transaction with owners, recognized directly in equity						
Final cash dividend for the year ended June 30, 2021 @ Rs. 15 per share						
-	-	-	-	-	1,206,921,219	1,206,921,219
-	-	-	(45,806,265)	-	(45,806,265)	(45,806,265)
-	-	-	(45,806,265)	-	1,161,114,954	1,161,114,954
Transaction with owners, recognized directly in equity						
Final cash dividend for the year ended June 30, 2021 @ Rs. 15 per share						
663,569,400	1,472,531,500	916,862,067	(237,730,710)	(3,857,616)	8,629,122,858	11,440,497,499
663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	10,776,928,099	12,440,497,499

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



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

		December 31, 2021	December 31, 2020
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	19	2,925,893,819	1,263,166,996
Gratuity paid		(22,084,426)	(30,416,173)
Income tax (paid) / refund - net		(275,168,043)	39,420,421
Long-term deposits - net		4,755,048	4,517,900
Net cash generated from operating activities		2,633,396,398	1,276,689,144
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(2,628,309,220)	(1,355,726,428)
Capital expenditure - intangibles		-	(4,991,000)
Investment in subsidiary companies - unquoted shares		(633,262,500)	-
Short term investments		(261,989,378)	-
Proceeds from disposal of property, plant and equipment		485,888,145	537,485,279
Net cash used in investing activities		(3,037,672,953)	(823,232,149)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from long term finances - secured		1,605,563,520	1,040,489,738
Lease repayments		(35,673,911)	(67,111,254)
Interest / mark-up paid		(543,802,677)	(438,116,385)
Dividends paid		(994,059,429)	(198,813,008)
Net cash generated from financing activities		32,027,503	336,449,091
Net (decrease) / increase in cash and cash equivalents		(372,249,052)	789,906,086
Cash and cash equivalents at the beginning of the period		(1,065,726,882)	(1,663,611,508)
Cash and cash equivalents at the end of the period	20	(1,437,975,934)	(873,705,422)

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



NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

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, nutritional products, cast polypropylene (CPP) and biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity', 'Ismail Nutrition' and 'Astro films' respectively.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the period, the Company has made further investment in its associated company M/s. Ismail Resin (Private) Limited (IRPL) amounting to Rs. 633.26 million. All requisite regulatory requirements has been completed and IRPL has become the subsidiary of the Company by subscribing 112,500,000 shares as mentioned in note 8.2 of unconsolidated condensed interim financial statements. The purpose of this investment is to setup polyester Resin (PET Resin) manufacturing plant, having the production capacity of 108,000 tons per annum.

3 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.

4 BASIS OF PREPARATION

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, 2021. 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, 2021 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, 2021 and 2020 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.

4.1 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.

4.2 Standards, amendments and interpretations to approved accounting standards

4.2.1 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 year.

Standard or Interpretation

Effective Date (Annual periods beginning on or after)

IBOR Reform and its Effects on Financial Reporting - Phase 2

January 1, 2021

Adoption of the above standards have no significant effect on the amounts for the year ended December 31, 2021 except for those mentioned in change in accounting policy note.

4.2.2 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
Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Disclosure Initiative—Accounting Policies	January 1, 2023
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.	

4.2.3 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

5 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, 2021.

6 USE OF JUDGEMENTS / 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, 2021.

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, 2021.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-----Rupees-----	
7 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	7.2	20,013,841,986	19,820,929,398
Capital work in progress - at cost	7.3	2,257,646,882	976,371,736
		22,271,488,868	20,797,301,134
7.1 Right-of-use assets	7.2	51,392,487	82,762,838

7.2 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	----- Rupees -----			
Owned assets				
Building on leasehold land	344,726,536	692,876,223	-	-
Leasehold land	17,818,190	-	119,676,555	293,378,615
Plant and machinery	759,651,384	1,642,288,708	-	46,084
Furniture and fittings	9,635,724	4,933,330	-	-
Equipment	5,859,618	34,043,356	-	-
Computers	18,230,517	5,622,420	224,480	368,885
Vehicles	235,355,248	109,790,090	32,018,592	12,570,211
	1,391,277,217	2,489,554,127	151,919,627	306,363,795
Right-of-use assets				
Vehicles	(44,243,138)	632,192	-	10,836,190
	(44,243,138)	632,192	-	10,836,190
	1,347,034,079	2,490,186,319	151,919,627	317,199,985

7.3 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	----- Rupees -----			
Civil works	317,977,946	351,618,159	344,726,536	692,876,223
Plant and machinery	2,067,675,115	822,122,319	759,651,384	1,604,141,049
Electric installation	-	34,765,054	-	38,147,659
Equipment and Computer	-	-	-	7,168,300
	2,385,653,061	1,208,505,532	1,104,377,920	2,342,333,231

8 LONG TERM INVESTMENTS

		(Un-audited)	(Audited)
		December 31, 2021	June 30, 2021
Investment in subsidiary companies - unquoted shares	Note	-----Rupees-----	
Hudson Pharma (Private) Limited	8.1	1,605,984,000	1,605,984,000
Ismail Resin (Private) Limited	8.2	1,125,000,000	-
		2,730,984,000	1,605,984,000
Investment in associated undertakings			
Ismail Resin (Private) Limited	8.2	-	491,737,500
The Bank of Khyber - quoted shares	8.3	3,167,769,748	3,180,003,578
		5,898,753,748	5,277,725,078

8.1 Hudson Pharma (Private) Limited

The Company holds 160,598,400 (June 2021: 160,598,400) shares of Hudson Pharma (Private) Limited (subsidiary), which is equivalent to 77.71% of total paid up capital of the subsidiary (June 2021: 77.71%). The subsidiary is incorporated as a private limited company. The registered office of the subsidiary is situated at 17 - Bangalore town, main Shahrah-e-Faisal, Karachi. Principal activities of the subsidiary are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholeselling and retailing, trading and selling of all kinds of pharmaceutical drugs and medicines. The shares of subsidiary are not publicly listed on a stock exchange, 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/- in 2019 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.

8.3 The Bank of Khyber

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	

Share deposit money		
- opening balance	491,737,500	-
- increase during the period	633,262,500	491,737,500
	1,125,000,000	491,737,500
Converted into ordinary shares / advance	(1,125,000,000)	-
	-	491,737,500

Converted into ordinary shares / advance

8.4 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	
	(Un-audited)	(Audited)
	December 31, 2021	June 30, 2021
Carrying value at beginning of the period	3,180,003,578	3,441,616,096
Share of profit	41,655,893	379,554,402
Dividend received	-	(366,508,547)
Share of other comprehensive loss	(53,889,723)	(274,658,373)
	3,167,769,748	3,180,003,578

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, 2021: Rs. 1.50 per share).

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note		Rupees-----
9 STORES AND SPARES			
Stores and spare - gross		464,026,122	468,102,705
Provision for slow moving stores and spares		(8,591,420)	(8,591,420)
Stores and spares - net		455,434,702	459,511,285
10 STOCK-IN-TRADE			
Raw materials	10.1	3,866,397,800	3,869,985,980
Packing materials	10.1	1,226,230,889	827,608,134
Work-in-process		320,268,515	232,913,398
Finished goods		2,220,820,458	2,639,927,750
		7,633,717,662	7,570,435,262

- 10.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs. 20,408,377 (June 30, 2021: Rs. 13,576,856) and Rs. 137,989,808 (June 30, 2021: Rs. 152,848,549) respectively.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
11 TRADE DEBTS		
Considered good	1,968,474,776	542,466,672
- export - secured	4,101,846,636	2,904,173,775
- local - unsecured	6,070,321,412	3,446,640,447
Allowance for expected credit loss	(100,970,640)	(100,970,640)
Trade debts - net	5,969,350,772	3,345,669,807

12 **SHORT TERM INVESTMENT**

Term finance certificates	194,840,000	194,840,000
Pakistan investment bond	123,314,318	123,541,590
Treasury bill	142,216,650	-
Term deposit receipt	120,000,000	-
	580,370,968	318,381,590

13 **CASH AND BANK BALANCES**

Cash in hand	61,844,655	4,830,605
Cash with banks in:		
- current accounts- conventional	156,265,906	71,083,473
- current accounts- islamic	376,217,322	67,651,587
	594,327,883	143,565,665

14 **LONG TERM FINANCES - SECURED**

	(Un-audited)			(Audited)		
	December 31, 2021			June 30, 2021		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	13,197,885,437	3,364,966,447	16,562,851,884	11,538,341,345	2,960,340,386	14,498,681,731
Obtained during the period / year	2,693,327,396	766,822,688	3,460,150,084	2,562,526,064	645,166,000	3,207,692,064
Repaid during the period / year	(1,315,464,392)	(539,122,172)	(1,854,586,564)	(902,981,972)	(240,539,939)	(1,143,521,911)
	14,575,748,441	3,592,666,963	18,168,415,404	13,197,885,437	3,364,966,447	16,562,851,884
Less: Current maturity	(2,647,196,520)	(848,501,519)	(3,495,698,039)	(2,575,582,046)	(1,096,516,272)	(3,672,098,318)
	11,928,551,921	2,744,165,444	14,672,717,365	10,622,303,391	2,268,450,175	12,890,753,566

- 14.1 These represent financings for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of directors.
- 14.2 The Company's total limit for long term loan amounting to Rs. 27,035 million. (June 2021: Rs. 24,835 million)

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
15 DEFERRED LIABILITIES		
Provision for staff gratuity scheme - unfunded	489,945,147	447,306,385
Deferred tax liability	1,818,466,900	1,843,977,690
	2,308,412,047	2,291,284,075
16 TRADE AND OTHER PAYABLES		
Trade creditors	3,621,670,962	1,869,718,370
Other liabilities	2,690,436,567	2,123,861,581
	6,312,107,529	3,993,579,951

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
17	SHORT TERM FINANCES - SECURED		
	Note	-----Rupees-----	
	Term finances - conventional	17.1	1,504,912,070
	Term finances - islamic	17.2	559,529,200
	Export refinances	17.3	4,830,000,000
	Running finance utilized under mark-up arrangement	17.4	2,032,303,817
			1,209,292,547
			8,926,745,087
			6,063,068,547

- 17.1** These represent facilities for term finances arranged from various banks aggregating to Rs. 2,065 million (June 2021: Rs. 1,005 million). These are secured against pari-passu / ranking hypothecation over stocks and book debts of the Company along with the personal guarantees of directors. These carry mark-up at the rates ranging from 7.39% to 10.58% per annum (June 2021: 7.18% to 8.96% per annum).
- 17.2** These represent facilities for term finances arranged from various banks aggregating to Rs. 1300 million (June 2021: Rs. 300 million). These are secured against pari-passu / ranking hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 8.70% to 11.63% per annum (June 2021: 6.81% to 8.63% per annum).
- 17.3** These represented facilities for export refinance arranged from various banks aggregating to Rs. 5,450.70 million (June 2021: Rs. 4,950.70 million). These are secured against pari-passu / ranking hypothecation of stocks, book debts and lien on export letters of credit 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 2021: 0.25% to 1% above SBP rate per annum).
- 17.4** These facilities for running finances available from various banks aggregated to Rs. 3,269.30 million (June 2021: Rs. 3,829.30 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 7.61% to 10.27% per annum (June 2021: 7.35% to 8.28% per annum).

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no material changes in the status of contingencies as reported in note no. 27 to the unconsolidated financial statements of the Company for the year ended June 30, 2021.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
18.2 Commitments	-----Rupees-----	
18.2.1 Outstanding letter of guarantees	2,209,169,786	2,112,978,557
18.2.2 Cross Corporate guarantees issued by the Company on behalf of subsidiaries / associated company	4,078,811,644	4,078,811,644
18.2.3 Outstanding letters of credit for:		
- capital expenditures	1,780,958,245	2,600,935,956
- others	2,548,678,170	1,018,228,669

- 18.2.4** The Company has executed sponsors support agreement with the lenders of M/s. Ismail Resin (Private) Limited for investment in the form of equity or subordinated debts to cover the cost over-run, or to cover the funding shortfall or any other obligation that may arise under financing documentations / agreements executed with them.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
The Company's share of commitments of associated companies.	-----Rupees-----	
- Guarantees	5,035,618	4,874,734
- Commitments	16,784,234	158,324,352



19 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

		(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
	Note	Rupees-----	
Profit before income tax		1,498,228,390	1,170,724,377
Adjustments for non-cash and other items:			
Depreciation		1,033,572,214	767,950,915
Amortization charge		16,797,667	15,163,150
Gain on disposal of property, plant and equipment - net		(333,968,518)	(220,285,294)
Provision for staff retirement gratuity		56,754,087	34,857,892
Provision for doubtful debts		-	5,000,000
Provision for slow moving - stock in trade		(8,027,220)	-
Share of profit from associated undertaking		(41,655,893)	(108,978,733)
Unrealized exchange loss		5,258,028	-
Unrealized exchange (gain)		(13,213,574)	(960,415)
Finance cost		584,564,048	400,649,741
Net decrease / (Increase) in working capital	19.1	127,584,590	(800,954,637)
Cash generated from operations after working capital changes		<u>2,925,893,819</u>	<u>1,263,166,996</u>
19.1 Working capital changes			
Current assets			
Decrease / (Increase) in current assets			
Stores and spares		4,076,583	(47,660,081)
Stock-in-trade		(55,255,180)	(41,002,774)
Trade debts		(2,610,467,391)	(566,691,095)
Loans and advances		(1,354,799,378)	(186,974,591)
Trade deposits and short-term prepayments		(26,067,984)	13,014,142
Other receivables		2,416,164	(8,050,137)
		<u>(4,040,097,186)</u>	<u>(837,364,336)</u>
Current liabilities			
(Decrease) / Increase in current liabilities			
Trade and other payables		2,321,238,651	1,032,596,369
Short term finances - secured		2,040,665,270	(919,537,770)
Advances from customers - unsecured		(194,222,146)	(76,648,700)
		<u>4,167,681,776</u>	<u>36,409,899</u>
Net decrease / (increase) in working capital		<u>127,584,590</u>	<u>(800,954,637)</u>
20 CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	594,327,883	182,159,009
Running finances utilized under mark-up arrangement	17.4	(2,032,303,817)	(1,055,864,431)
		<u>(1,437,975,934)</u>	<u>(873,705,422)</u>

21 SEGMENT INFORMATION

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

Based on internal management reporting structure and products produced and sold, the company is 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:

[illegible]

¹¹ Transactions among the business segments are recorded at estimated cost.

21.7 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.

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

21.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----	
Assets			
Total assets for reportable segments	21.2	40,979,013,341	34,968,998,317
Unallocated capital assets		895,030,223	743,257,467
Long term investments	8	5,898,753,747	5,277,725,078
Total assets		47,772,797,311	40,989,980,862
Liabilities			
Total liabilities for reportable segments	21.4	16,318,924,537	11,246,247,761
Deferred tax liabilities		1,818,466,900	1,843,977,690
Long term finance - secured	14	18,168,415,404	16,562,851,884
Lease liabilities		26,492,971	62,166,882
Total liabilities		36,332,299,812	29,715,244,218

22 EARNINGS PER SHARE - Basic and Diluted

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
	-----Rupees-----	
Basic earnings per share		
Profit for the period	1,206,921,219	906,293,139
	-----Number-----	
Weighted average number of ordinary shares during the period	66,356,940	66,356,940
	-----Rupees-----	
Basic earnings per share	18.19	13.66

As at December 31, 2021 there is no diluted effect on the basic earning per share of the Company.

23 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:

	(Un-audited) December 31, 2021	December 31, 2020
	-----Rupees-----	
Transactions		
Plastiflex Films (Private) Limited		
<i>Common Directorship</i>		
- Purchase of raw & packing materials	26,106,828	38,402,034
- Metallization service	(14,401,412)	(17,878,956)
- Recovery against sales	16,372,937	15,158,173
- Payment against purchases	(22,459,733)	(44,318,366)
Ismail Resin (Private) Limited		
Sale of land	446,500,000	-
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	8,266,668	5,600,000
Director	7,566,668	4,800,000
Executives	303,879,599	252,791,335
	319,712,935	263,191,335

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

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
Balances		
Plastiflex Films (Private) Limited		
-Payable to associate - net	7,578,707	1,960,087

24 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, 2021. 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, 2021.

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;

	December 31, 2021			Total	June 30, 2021
	(Level 1)	(Level 2)	(Level 3)		
	-----Rupees-----				
Investment in associated company	3,167,769,748	-	-	3,167,769,748	3,180,003,578
Short term investment	194,840,000	385,530,968	-	580,370,968	318,381,590
	3,362,609,748	385,530,968	-	3,748,140,716	3,498,385,168

25 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, 2021.

26 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 17, 2022 by the Board of the Company.

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2021**



CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	25,146,039,889	21,817,195,645
Right-of-use assets	7.1	51,392,487	82,762,838
Intangible assets		16,933,116	33,730,783
Goodwill		12,173,560	11,959,187
Long term investments	8	3,167,769,748	3,671,741,078
Long term deposits		26,698,500	31,458,748
Total non-current assets		28,421,007,300	25,648,848,279
Current assets			
Stores and spares	9	481,407,250	481,325,971
Stock-in-trade	10	7,778,976,890	7,723,683,283
Trade debts	11	6,048,327,527	3,393,522,541
Loans and advances		3,005,942,113	1,633,606,052
Trade deposits and short-term prepayments		78,873,587	39,453,161
Short term investment	12	991,577,009	318,381,590
Other receivables		143,696,938	117,644,543
Taxation - net		1,251,289,144	1,273,215,243
Cash and bank balances	13	721,256,103	158,547,846
Total current assets		20,501,346,561	15,139,380,230
Total assets		48,922,353,861	40,788,228,509
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (June 30, 2021: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital		663,569,400	663,569,400
Non-controlling interest		462,749,418	116,036,838
Reserves		9,752,559,279	9,686,368,083
Total shareholders' equity		10,878,878,097	10,465,974,321
Non-current liabilities			
Long-term finances - secured	14	15,267,912,814	13,115,268,004
Lease liabilities		6,512,043	19,401,180
Deferred liabilities		2,948,011,549	2,316,501,620
Total non-current liabilities		18,222,436,406	15,451,170,804
Current liabilities			
Trade and other payables	15	6,449,647,921	4,033,432,976
Accrued mark-up		210,729,518	166,153,705
Short-term finances - secured	16	9,076,745,087	6,168,068,547
Current portion of:			
- long-term finances - secured	14	3,677,236,018	3,878,636,296
- lease liabilities		19,980,928	42,765,702
Unclaimed dividend		4,197,267	2,902,597
Advances from customers - unsecured		382,502,619	579,123,561
Total current liabilities		19,821,039,358	14,871,083,384
Total liabilities		38,043,475,764	30,322,254,188
Total equity and liabilities		48,922,353,861	40,788,228,509
Contingencies and commitments	17		

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

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

	Note	Six-months Period Ended		Three-months Period Ended	
		December 31, 2021 Rupees	December 31, 2020 Rupees	December 31, 2021 Rupees	December 31, 2020 Rupees
Sales - gross	20.1	31,653,766,265	23,385,333,739	16,488,923,042	11,687,969,245
Sales returns and discounts		(1,168,983,472)	(1,004,240,263)	(556,168,581)	(520,587,720)
Export rebate		20,976,330	10,795,869	1,534,372	5,319,547
		(1,148,007,142)	(993,444,394)	(554,634,209)	(515,268,173)
		30,505,759,123	22,391,889,345	15,934,288,833	11,172,701,072
Sales tax		(3,824,588,385)	(2,982,086,087)	(1,942,169,054)	(1,547,000,873)
Sales - net		26,681,170,738	19,409,803,258	13,992,119,779	9,625,700,199
Cost of sales	20.1	(21,846,927,686)	(15,695,343,808)	(11,420,339,091)	(7,842,608,084)
Gross profit		4,834,243,052	3,714,459,450	2,571,780,688	1,783,092,115
Selling and distribution expenses		(2,677,756,872)	(2,254,644,947)	(1,461,549,777)	(1,106,027,542)
Administrative expenses		(473,495,554)	(349,187,570)	(247,027,098)	(168,091,725)
Operating profit		1,682,990,626	1,110,626,933	863,203,813	508,972,848
Other operating expenses		(247,828,392)	(161,358,215)	(65,355,208)	(33,643,694)
		1,435,162,234	949,268,718	797,848,605	475,329,154
Other income		501,129,333	317,124,990	132,624,390	270,202,953
		1,936,291,567	1,266,393,708	930,472,995	745,532,107
Finance cost		(604,504,335)	(416,968,063)	(307,879,281)	(195,911,152)
		1,331,787,232	849,425,645	622,593,714	549,620,955
Share of profit from associated company - net		41,655,893	108,978,733	41,655,893	108,978,733
Profit before taxation		1,373,443,125	958,404,378	664,249,607	658,599,688
Taxation		(294,378,985)	(264,431,238)	(70,527,624)	(151,226,116)
Profit after taxation		1,079,064,140	693,973,140	593,721,983	507,373,572
Profit for the period attributable to:					
Shareholders of the Holding Company		1,107,351,560	741,288,886	605,140,350	529,544,562
Non-controlling interest		(28,287,420)	(47,315,746)	(11,418,367)	(22,170,990)
		1,079,064,140	693,973,140	593,721,983	507,373,572
Other Comprehensive (loss) / income					
<i>Item that will not be reclassified to consolidated statement of profit or loss in subsequent periods</i>					
Share of other comprehensive loss from associated company - net of tax		(45,806,265)	(173,195,847)	(45,806,265)	(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 for the period - net of tax		(45,806,265)	(176,859,447)	(45,806,265)	(176,859,447)
Total comprehensive income for the period		1,033,257,875	517,113,693	547,915,718	330,514,125
Total comprehensive income for the period attributable to:					
Shareholders of the Holding Company		1,061,545,295	564,429,439	559,334,085	352,685,115
Non-controlling interest		(28,287,420)	(47,315,746)	(11,418,367)	(22,170,990)
		1,033,257,875	517,113,693	547,915,718	330,514,125
Earnings per share - basic & diluted	21	16.69	11.17	9.12	7.98

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

	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 company	Reassessment of investments at fair value through OCI	Unappropriated profit	Total reserves		
Balance as at July 01, 2020 - audited									
Total comprehensive income / (loss) for the period					Ruppes				
Profit for the six months period ended December 31, 2020	663,569,400	1,472,531,500	916,802,067	41,535,172	-	6,158,470,644	8,589,399,383	195,749,872	9,448,718,655
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	-	-	-	(47,315,740)	693,973,140
Share of other comprehensive loss from associated company - net of tax	-	-	-	(173,195,847)	(3,663,600)	-	(3,663,600)	-	(3,663,600)
Total comprehensive income for the period	-	-	-	(173,195,847)	(3,663,600)	741,288,886	564,429,439	(47,315,740)	(173,195,847)
Transaction with owners, recognised directly in equity	-	-	-	-	-	-	-	-	571,413,693
Final cash dividend for the year ended June 30, 2020 @ Rs. 3 per share	-	-	-	-	-	(199,070,820)	(199,070,820)	-	(199,070,820)
Balance as at December 31, 2020	663,569,400	1,472,531,500	916,802,067	(131,660,675)	(3,663,600)	6,700,688,710	8,394,758,002	148,434,126	9,766,961,526
Balance as at July 01, 2021 - audited									
Total comprehensive income / (loss) for the period									
Profit / (loss) for the six months period ended December 31, 2021	663,569,400	1,472,531,500	916,802,067	(19,924,445)	(3,857,616)	7,492,756,577	9,886,368,083	116,036,838	10,465,974,321
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	-	-	-	(28,287,420)	1,079,064,140
Share of other comprehensive loss from associated company - net of tax	-	-	-	-	-	(45,806,265)	(45,806,265)	-	(45,806,265)
Total comprehensive income for the period	-	-	-	-	-	1,107,351,560	1,061,545,395	(28,287,420)	1,033,257,875
NCI recognized on acquisition	-	-	-	-	-	-	-	-	-
Final cash dividend for the year ended June 30, 2021 @ Rs. 15 per share	-	-	-	-	-	(995,354,099)	(995,354,099)	-	(995,354,099)
Balance as at December 31, 2021	663,569,400	1,472,531,500	916,802,067	(237,730,710)	(3,857,616)	7,604,754,038	9,752,555,797	462,749,418	10,878,878,097

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021**

		December 31, 2021	December 31, 2020
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	18	3,547,225,144	1,126,154,139
Gratuity paid		(27,500,567)	(31,922,986)
Income tax (paid) / refund - net		(281,516,756)	45,457,859
Long-term deposits - net		4,760,248	4,267,900
Net cash generated from operating activities		3,242,968,069	1,143,956,912
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(3,275,148,633)	(1,382,482,936)
Capital expenditure - intangibles		-	(4,991,000)
Short term investment		(313,843,948)	-
Acquisition of subsidiary net cash acquired		(450,641,224)	-
Proceeds from disposal of property, plant and equipment		487,028,145	540,866,998
Net cash used in investing activities		(3,552,605,660)	(846,606,938)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from long term finances - secured		1,640,386,532	1,092,494,202
Lease repayments		(35,673,911)	(67,111,254)
Interest / mark-up paid		(561,318,613)	(455,352,014)
Dividends paid		(994,059,429)	(198,813,008)
Net cash generated from financing activities		49,334,579	371,217,926
Net (decrease) / increase in cash and cash equivalents		(260,303,013)	668,567,900
Cash and cash equivalents at the beginning of the period		(1,050,744,701)	(1,355,922,289)
Cash and cash equivalents at the end of the period	19	(1,311,047,714)	(687,354,389)

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



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2021

1 LEGAL STATUS AND OPERATIONS

The Group consist of:

Holding Company: Ismail Industries Limited

Subsidiary Companies: Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited

a) Ismail Industries Limited

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

b) Hudson Pharma (Private) Limited

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

c) Ismail Resin (Private) Limited

The subsidiary company was incorporated in Karachi, Pakistan on January 13, 2021, under the Companies Act, 2017 as a private limited company. The registered office/ head office of the subsidiary company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of the company are manufacturing and selling of Polyester Resin.

2 SIGNIFICANT EVENTS & TRANSACTIONS

During the period, the Holding Company has made further investment in its associated company M/s. Ismail Resin (Private) Limited (IRPL) amounting to Rs. 633.26 million. All requisite regulatory requirements has been completed and IRPL has become the subsidiary of the Holding Company by subscribing 112,500,000 shares. The purpose of this investment is to setup polyester Resin (PET Resin) manufacturing plant, having the production capacity of 108,000 tons per annum.

3 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.

4 BASIS OF PREPARATION

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, 2021. 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.

4.1 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.

4.2 Standards, amendments and interpretations to approved accounting standards

4.2.1 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 year.

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

IBOR Reform and its Effects on Financial Reporting - Phase 2

January 1, 2021

Adoption of the above standards have no significant effect on the amounts for the year ended December 31, 2021 except for those mentioned in change in accounting policy note.

4.2.2 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

Subsidiary as a First-time Adopter (Amendment to IFRS 1)

January 1, 2022

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

January 1, 2023

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

January 1, 2023

Definition of Accounting Estimates (Amendments to IAS 8)

January 1, 2023

Disclosure Initiative—Accounting Policies

January 1, 2023

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.

4.2.3 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

5 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, 2021.

6 USE OF JUDGEMENTS / ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgements and associated assumptions used in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2021.

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's consolidated annual audited financial statements for the year ended June 30, 2021.



7 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-----Rupees-----	
Operating assets	7.2	20,962,640,178	20,818,215,632
Capital work in progress - at cost	7.3	4,183,399,711	998,980,013
		25,146,039,889	21,817,195,645
7.1 Right-of-use assets	7.2	51,392,487	82,762,838
7.2 Detail of additions and disposals to operating assets and right-of-use assets during the six-months period are as follows:			

Owned assets

	(Un-audited)			
	Additions/Transfers		Disposals	
	-----At cost-----		-----At net book value-----	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	-----Rupees-----			
Building on leasehold land	344,726,536	692,876,223	-	-
Leasehold land	17,818,190	-	119,676,555	293,378,615
Plant and machinery	759,720,088	1,642,649,708	-	46,084
Furniture and fittings	9,906,224	4,977,750	-	-
Equipment	5,912,768	34,625,601	-	-
Computers	19,813,049	6,182,520	224,480	385,315
Vehicles	240,123,070	114,160,590	32,967,841	14,810,549
	1,398,019,925	2,495,472,392	152,868,876	308,620,563
Right-of-use assets				
Vehicles	(44,243,138)	632,192	-	10,836,190
	(44,243,138)	632,192	-	10,836,190
	1,353,776,787	2,496,104,584	152,868,876	319,456,753

7.3 Detail 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	-----Rupees-----			
Civil works	710,049,807	362,824,159	344,726,536	692,876,223
Freehold Land	880,872,500	-	-	-
Plant and machinery	2,618,671,444	828,721,112	759,651,384	1,642,288,708
Electric installation	-	34,765,054	-	-
Equipments and computers	79,203,861	3,033,450	-	7,168,300
	4,288,797,612	1,229,343,775	1,104,377,920	2,342,333,231

8 LONG-TERM INVESTMENTS

Investment in associated undertakings

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
Share deposit money		-	491,737,500
The Bank of Khyber - quoted shares	8.1	3,167,769,748	3,180,003,578
		3,167,769,748	3,671,741,078

8.1 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 256,555,982 (June 30, 2021: 256,555,982) shares which represents 24.43% of paid-up capital of the Bank (June 2021: 24.43%). In addition to this, the 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 period ended September 30, 2021. 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, 2021 was Rs. 3,976.62 million (June 30, 2021: Rs. 4,156.21 million).

This investment is accounted for under the equity method. The aggregate amount of the investment in associated company recognized in these consolidated condensed interim financial statements are as follows:

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
Carrying value at beginning of the period	3,180,003,578	3,441,616,096
Share of profit	41,655,893	379,554,402
Dividend received	-	(366,508,547)
Share of other comprehensive loss	(53,889,723)	(274,658,373)
	<u>3,167,769,748</u>	<u>3,180,003,578</u>

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 company. During the period, no cash dividend have been received from the Bank of Khyber (June 30, 2021: Rs. 1.50 per share).

9 STORES AND SPARES

Stores and spare - gross

Provision for slow moving stores and spares

Stores and spares - net

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
	489,998,670	489,917,391
	(8,591,420)	(8,591,420)
	<u>481,407,250</u>	<u>481,325,971</u>

10 STOCK-IN-TRADE

Raw materials

Packing materials

Work-in-process

Finished goods

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	3,923,042,383	3,929,756,610
	1,242,329,411	842,685,060
	320,268,515	232,913,397
	2,293,336,581	2,718,328,216
	<u>7,778,976,890</u>	<u>7,723,683,283</u>

Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.20,408,377 (June 30, 2021: Rs.13,576,856) and Rs.137,989,808 (June 30, 2021: Rs. 152,848,549) respectively.

11 TRADE DEBTS

Considered goods

- export - secured

- local - unsecured

Allowance for expected credit loss

Trade debts - net

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
	1,968,474,776	542,466,672
	4,180,823,391	2,952,026,509
	6,149,298,167	3,494,493,181
	(100,970,640)	(100,970,640)
	<u>6,048,327,527</u>	<u>3,393,522,541</u>

12 SHORT TERM INVESTMENT

Term Finance Certificates

Pakistan Investment Bonds

Treasury bills

Term deposit receipts

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	194,840,000	194,840,000
	123,314,318	123,541,590
	142,216,650	-
	531,206,041	-
	<u>991,577,009</u>	<u>318,381,590</u>

**13 CASH AND BANK BALANCES**

Cash in hand

Cash with banks in:

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

(Un-audited) December 31, 2021	(Audited) June 30, 2021
--------------------------------------	-------------------------------

-----Rupees-----	
62,979,058	5,518,264
281,833,748	84,939,262
376,443,297	68,090,320
721,256,103	158,547,846

14 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	December 31, 2021			June 30, 2021		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	13,468,937,853	3,524,966,447	16,993,904,300	11,787,468,392	3,130,340,386	14,917,808,778
Obtained during the period / year	3,142,277,402	766,822,688	3,909,100,090	2,632,138,529	645,166,000	3,277,304,529
Repaid during the period / year	(1,398,733,386)	(559,122,172)	(1,957,855,558)	(950,669,068)	(250,539,939)	(1,201,209,007)
	15,212,481,869	3,732,666,963	18,945,148,832	13,468,937,853	3,524,966,447	16,993,904,300
Less: Current maturity	(2,788,734,499)	(888,501,519)	(3,677,236,018)	(2,742,120,024)	(1,136,516,272)	(3,878,636,296)
	12,423,747,370	2,844,165,444	15,267,912,814	10,726,817,829	2,388,450,175	13,115,268,004

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

14.2 The Group's total limit for long term loan amounting to Rs. 31,462 million. (June 2021: Rs. 25,762 million)

15 TRADE AND OTHER PAYABLES

Note

Trade creditors

Other liabilities

(Un-audited) December 31, 2021	(Audited) June 30, 2021
--------------------------------------	-------------------------------

-----Rupees-----	
3,705,006,904	1,886,612,724
2,744,641,017	2,146,820,252
6,449,647,921	4,033,432,976

16 SHORT TERM FINANCES - SECURED

Term finances-conventional

Term finances-islamic

Export refinances

Running finance utilized under mark-up arrangement

16.1

16.2

16.3

16.4

1,504,912,070	-
709,529,200	105,000,000
4,830,000,000	4,853,776,000
2,032,303,817	1,209,292,547
9,076,745,087	6,168,068,547

16.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 2,065 million (June 2021: Rs. 1,005 million). These are secured against pari-passu / ranking hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 7.39% to 10.58% per annum (June 2021: 7.18% to 8.96% per annum).

16.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,450 million (June 2021: Rs. 450 million). These are secured against pari-passu hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 8.70% to 11.63% per annum (June 2021: 6.81% to 8.63% per annum).

16.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 5,450.70 million (June 2021: Rs. 4,950.70 million). These are secured against pari-passu / ranking hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2021: 0.25% to 1% above SBP rate per annum).

16.4 These facilities for running finances available from various banks aggregated to Rs. 3,269.30 million (June 2021: Rs. 3,829.30 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 7.61% to 10.27% per annum (June 2021: 7.35% to 8.28% per annum).

17 CONTINGENCIES AND COMMITMENTS**17.1 Contingencies**

There are no material changes in the status of contingencies as reported in note no. 29 to the consolidated financial statements of the Company for the year ended June 30, 2021.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-----Rupees-----	
17.2 Commitments			
17.2.1 Outstanding letter of guarantees		2,209,169,786	2,113,128,557
17.2.2 Cross Corporate guarantees issued by the Company on behalf of subsidiaries / associated company		4,078,811,644	4,078,811,644
17.2.3 Outstanding letter of credit for:			
- capital expenditures		5,315,480,396	2,850,901,463
- others		2,548,678,170	1,018,228,669
The Company's share of commitments of associated company			
- Guarantees		5,035,618	4,874,734
- Commitments		16,784,234	158,324,352
		(Un-audited) December 31, 2021	(Audited) December 31, 2020
		-----Rupees-----	
18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES	Note		
Profit before income tax		1,373,443,125	958,404,378
Adjustments for non-cash and other items:			
Depreciation		1,087,853,711	825,141,620
Amortization charge		16,797,667	15,163,150
Gain on disposal of property, plant and equipment - net		(334,159,269)	(221,410,244)
Provision for staff retirement gratuity		59,152,186	38,885,969
Provision for doubtful debts		-	5,000,000
Provision for slow moving - stock in trade		(8,027,220)	-
Share of profit from associated undertaking		(41,655,893)	(108,978,733)
Unrealized exchange loss		5,258,028	
Unrealized exchange (gain)		(13,213,574)	(960,415)
Finance cost		604,504,335	416,968,063
Net decrease / (increase) in working capital	18.1	797,272,048	(802,059,649)
Cash generated from operations after working capital changes		3,547,225,144	1,126,154,139
18.1 Working capital changes			
Current assets			
Decrease / (Increase) in current assets			
Stores and spares		(81,279)	(46,680,288)
Stock-in-trade		(47,266,387)	(33,329,662)
Trade debts		(2,641,591,412)	(579,933,467)
Loan and advances		(1,371,594,421)	(203,534,932)
Trade deposits and short-term prepayments		(39,420,426)	12,440,619
Other receivables		(24,337,667)	(8,050,139)
		(4,124,291,592)	(859,087,869)
Current liabilities			
(Decrease) / Increase in current liabilities			
Trade and other payables		3,032,519,312	1,053,214,690
Short term finances - secured		2,085,665,270	(919,537,770)
Advances from customers - unsecured		(196,620,942)	(76,648,700)
		4,921,563,640	57,028,220
Net decrease / (increase) in working capital		797,272,048	(802,059,649)
19 CASH AND CASH EQUIVALENTS			
Cash and bank balances	13	721,256,103	368,510,042
Running finances under mark-up arrangement	16.4	(2,032,303,812)	(1,055,864,431)
		(1,311,047,714)	(687,354,389)



20 SIGNMENT INFORMATION

A signement is a distinguishable component of the Group that is engaged in business activities from which the Group can measure and assess performance. Further, distinct financial information is available for each business segment.

Based on internal management reporting structure and practices, product and sub-product, the Group is organized into the following four operating segments:

- Food segment
- Plant segment
- Pharmaceutical segment
- Retail segment

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

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

	(In Lakhs)									
	Three months Period ended				Six months Period ended					
	Food segment	Plant segment	Pharmaceutical segment	Retail segment	Total	Food segment	Plant segment	Pharmaceutical segment	Retail segment	Total
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2020
Sales										
Iced	9,76,80,00,00	8,28,71,22,91	2,54,71,30,05	-	12,27,82,34,94	13,83,81,32,86	13,56,67,01,04	2,70,67,01,04	4,07,26,75,48	20,72,23,47
Export	3,09,30,00,00	5,08,30,00,00	1,00,00,00,00	-	5,08,30,00,00	5,08,30,00,00	5,08,30,00,00	-	5,08,30,00,00	5,08,30,00,00
Export returns	13,09,34,00,00	84,87,21,27,17	1,27,62,01,13	72,01,13,47	16,09,05,57,04	16,09,05,57,04	16,09,05,57,04	16,09,05,57,04	16,09,05,57,04	16,09,05,57,04
I.e.t	1,03,00,00,00	70,00,00,00	1,03,00,00,00	-	2,06,00,00,00	2,06,00,00,00	2,06,00,00,00	-	2,06,00,00,00	2,06,00,00,00
Sales return and discounts	(1,03,00,00,00)	(70,00,00,00)	(1,03,00,00,00)	(1,03,00,00,00)	(4,06,00,00,00)	(4,06,00,00,00)	(4,06,00,00,00)	(4,06,00,00,00)	(4,06,00,00,00)	(4,06,00,00,00)
Sales tax	(1,03,00,00,00)	1,03,00,00,00	1,03,00,00,00	-	1,03,00,00,00	1,03,00,00,00	1,03,00,00,00	-	1,03,00,00,00	1,03,00,00,00
Net sales	11,08,84,00,00	17,73,46,24,14	2,54,71,30,05	-	13,93,10,79,79	13,93,10,79,79	13,93,10,79,79	-	13,93,10,79,79	13,93,10,79,79
Cost of sales	(6,97,52,42,00)	(57,53,51,23)	(2,09,94,52)	-	(9,17,40,45,75)	(9,17,40,45,75)	(9,17,40,45,75)	-	(9,17,40,45,75)	(9,17,40,45,75)
Gross profit	(4,09,32,00,00)	(4,09,32,00,00)	(4,09,32,00,00)	-	(4,09,32,00,00)	(4,09,32,00,00)	(4,09,32,00,00)	-	(4,09,32,00,00)	(4,09,32,00,00)
Selling and distribution expenses	(61,54,00,00)	(1,03,52,52)	(1,03,52,52)	-	(1,03,52,52)	(1,03,52,52)	(1,03,52,52)	-	(1,03,52,52)	(1,03,52,52)
Administrative expenses	(60,48,99,00)	(60,48,99,00)	(60,48,99,00)	-	(1,21,97,98,00)	(1,21,97,98,00)	(1,21,97,98,00)	-	(1,21,97,98,00)	(1,21,97,98,00)
Segment result	179,02,02	338,53,75,41	338,53,75,41	-	85,02,02	85,02,02	85,02,02	-	85,02,02	85,02,02
Unallocated income and expenses										
Other operating income										
Other operating expenses										
Share of profit from associated company - net										
Profit from unallocated income										
Profit for the period										
201 Segment assets										
201 Unallocated assets										
201 Segment liabilities										
201 Unallocated liabilities										

201 Inter-segment trading

Transactions among the business segments are recorded at estimated cost.

202 The following Company report sets its main primary market countries in India, Africa, Europe, North America and Australia. However, no material amount of export sales have been made to any one or more particular countries.

203 There are no major customers of the Group which formed 10 percent or more of the Group's revenue.

		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		-----Rupees-----	
20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES	Note		
Assets			
Total assets for reportable segments	20.2	44,859,553,890	36,373,229,964
Unallocated capital assets		895,030,223	743,257,467
Long term investment	8	3,167,769,748	3,671,741,078
Total assets		48,922,353,861	40,788,228,509
Liabilities			
Total liabilities for reportable segments	20.4	17,253,367,061	11,422,205,316
Deferred liabilities		1,818,466,900	1,843,977,690
Long term finance - secured	14	18,945,148,832	16,993,904,300
Lease liabilities		26,492,971	62,166,882
Total liabilities		38,043,475,764	30,322,254,188

21 EARNINGS PER SHARE - Basic and Diluted

	(Un-audited) December 31, 2021	(Un-audited) December 31, 2020
	----- (Rupees) -----	
Basic earnings per share		
Profit for the period	1,107,351,560	741,288,886
	----- (Number) -----	
Weighted average number of ordinary shares as at December 31.	66,356,940	66,356,940
	----- (Rupees) -----	
Basic and diluted earnings per share	16.69	11.17

As at December 31, 2021 there is no diluted effect on the basic earnings per share of the Group.

22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Detail 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, 2021	December 31, 2020
	-----Rupees-----	
Transactions		
Plastiflex Films (Private) Limited		
<i>Common Directorship</i>		
- Purchase of raw and packing Materials	26,106,828	38,402,034
- Metallization service	(14,401,412)	(17,878,956)
- Recovery against sales	16,372,937	15,158,173
- Payment against purchases	(22,459,733)	(44,318,366)
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	22,666,668	9,800,000
Directors	14,766,668	4,800,000
Executives	327,980,919	168,543,606
	365,414,255	183,143,606

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



	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	-----Rupees-----	
Balances		
Plastiflex Films (Private) Limited		
- Payable to associate - net	7,578,707	1,960,087

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, 2021. 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, 2021.

The carrying values of financial assets and liabilities are approximate to 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;

	Decemeber 31, 2021				June 30, 2021
	(Level 1)	(Level 2)	(Level 3)	Total	
	-----Rupees-----				
Investment in associated undertaking	3,167,769,748	-	-	3,167,769,748	3,180,003,578
Short term investment	194,840,000	796,737,009	-	991,577,009	318,381,590
	3,362,609,748	796,737,009	-	4,159,346,757	3,498,385,168

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, 2021.

25 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on February 17, 2022 by the Board of the Group.



ISMAIL INDUSTRIES LIMITED

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