



ISMAIL
INDUSTRIES
LIMITED

GROWING

INTO NEW
HORIZONS



ANNUAL REPORT
2020-2021



COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Muhammad 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, Pakistan

FACTORIES

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

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

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

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

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

Unit-6: D-91, D-92 & D-94 North Western Industrial 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-1A, H.I.T.E., Hub,
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
BankIslami 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





Ismail Industries Limited is one of the largest business entities of Pakistan. The company has a diverse portfolio ranging from food products (confectioneries, biscuits, snacks, and nutrition) to high-quality packaging films.



WELCOME

Our vision is to grow our business, while decoupling our environmental footprint from our growth and increasing our positive social impact.

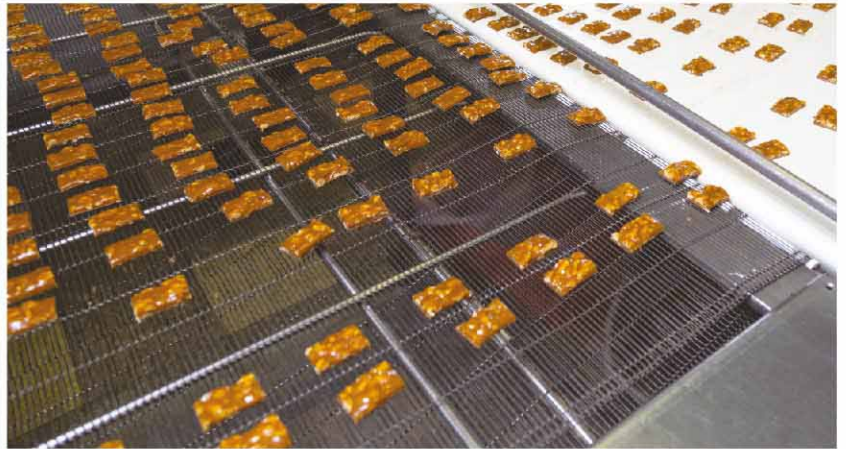




TABLE OF CONTENTS

Our Story	6
Mission & Vision	8
Our Businesses	10
Core Values	11
Candyland	12
Bisconni	16
SnackCity	20
Astro Films	22
Ismail Nutrition	24
Hudson Pharma	26
IIL Export Business	28
Corporate Social Responsibility	30
Notice of 33rd Annual General Meeting	32
Financial and Statistical Highlights	48
Graphical Presentation of Financial Outlook	52
Chairman's Review Report	56
Directors' Review Report on Company's Affairs	59
Statement of Compliance with the Listed Companies (Code of Corporate Governance) ..	83
Review Report to the Members on Statement of Compliance with COCG	86
Independent Auditor's Report to the Members on Unconsolidated Financial Statements ..	88
Unconsolidated Statement of Financial Position	92
Unconsolidated Statement of Profit or Loss	94
Unconsolidated Statement of Comprehensive Income	95
Unconsolidated Statement of Changes in Equity	96
Unconsolidated Statement of Cash Flows	97
Notes to the Unconsolidated Financial Statements	98
Independent Auditor's Report to the Members on Consolidated Financial Statements	154
Consolidated Statement of Financial Position	158
Consolidated Statement of Profit or Loss	160
Consolidated Statement of Comprehensive Income	161
Consolidated Statement of Changes in Equity	162
Consolidated Statement of Cash Flows	163
Notes to the Consolidated Financial Statements	164
Pattern of Shareholding	216
Proxy Form	219



OUR STORY

Since inception, our focus has remained on developing the most innovative and unique products for our customers. This commitment has resulted in some of the most loved sweet and savory products that are enjoyed by millions of our customers today. We are proud of developing the best brands in the business and some of the most innovative products which have become a part of our national lifestyle. The wide array of products appeals to children and grown-ups alike and is a source of joy for millions.

Candyland is where it all started in 1988 with our first factory bringing to life the largest confectionery company of Pakistan. Our strong ethos of honesty, dedication and relentless hard work has seen us become a name of quality and consumer trust for over three decades. Candyland is an incredible and inspiring story of determination which has made us the market leader in the confectionery business.

Later in 2002, the Bisconni division was introduced, which soon became one of the fastest growing biscuits industries in the country. In 2006, the SnackCity division was set in motion to explore the chips and peanuts category. Our business further strengthened when, in the same year, Astro Films was launched as a specialized division that manufactures packaging and plastic films.



At **Ismail Industries Limited (IIL)**, we take pride in being **ISO 22000 certified** and meeting the global quality standard developed by the International Organization for Standardization dealing with food safety. We are also certified by SANHA (South African National Halal Authority) which is a leading authority in the certification for Halal products around the world.

For over two decades, **IIL** has been exporting its products to more than **40 countries** in North America, Europe, Australia, Africa, the Far East, and the Middle East. Our long-standing customer relationships are a testament to our commitment to manufacturing the highest quality products and ensuring the satisfaction of our customers all around the world.

Our employees operate in an environment where they are empowered to think and act in the highest interest of our key stakeholders. It is the same culture of innovation that has resulted in many home-grown ideas resulting in some of the most innovative products brought to Pakistan confectionery, biscuit, and snack market along with various achievements internally on driving efficiency and operational excellence.



MISSION

Our mission is to capitalize on our values and maximize our customers' satisfaction through continuous efforts of delivering consistent quality of products to our consumers. We aim to constantly empower and enable our people to deliver value for our consumers. Our target is to extensively cater to the home markets and to strengthen our roots in international ones. The overarching mission of Ismail Industries Limited is to become a socially responsible organization that contributes towards the betterment, growth and development of Pakistan.



VISION

Ismail Industries' vision is to continue our growth trajectory in the coming years and become the largest food manufacturing company in Pakistan. We aim to serve our customers with delightful treats and products with the promise of taste and bringing smiles. The company plans to become the best snacking company in the country through its strategy focused on quality products, leveraging people's capabilities, employing technology for efficiency, bold innovation, and continuous process improvements.





OUR BUSINESSES



ISMAIL
INDUSTRIES
LIMITED



CORE VALUES

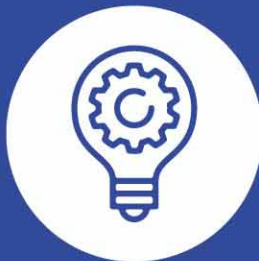


BELIEF

Our mantra is to keep dreams alive. We have faith in the notion that the belief in oneself and the overall purpose is the first step to achieve something. We strongly believe in our products, our processes, our partners, and above all - we believe in each other.

LEADERSHIP

We believe that business performance is driven by effective leaders who can truly inspire people to unleash their individual and collective potential. We focus on providing a leadership that provides a vision, inculcates aspirations, promotes communication, and displays passion.



EXCELLENCE

Our corporate purpose is to manifest excellence in our performance attitude. We view it as a continuous process that enables us to excel in everything we do.

FAIRNESS

Fairness is a professional behavior that establishes reliability and credibility. We keep fairness paramount - we do what we say.



TEAMWORK

We focus on leveraging collective efforts and nurturing a culture of appreciation. Our aim is to empower our people to make collective decisions with utmost integrity and responsibility.



CandyLand



Division Introduction

From humble beginnings to being the current largest confectionary segment of Ismail Industries Limited in Pakistan, CandyLand began its operations on June 21, 1988. The foundation of our first production plant was laid down on 1 acre of land and the first brand was launched in 1990. From that point onwards, the company has constantly achieved one milestone after the other and has expanded its production facilities to over 8 acres.

Being the pioneer in the jellies category, Candyland has also launched brands in technically difficult categories such as lollipops and marshmallows. We take pride in delivering the best quality products and our brands strive hard to always delight our consumers. This has also helped us export our products to more than 40 countries around the globe.

Backed by a consumer-centric and innovation driven mindset, Candyland has been known to bring new product categories to the Pakistani consumer. Our state-of-the-art facilities have enabled us to become one of the most technologically advanced and superior companies within the industry. Our customers and consumers are at the core of everything we do. We strive to deliver the best customer value proposition and ensure that our consumers receive the utmost satisfaction every time they choose our products. A blend of highly qualified and experienced individuals in our technical and marketing teams help us achieve consumer delight. Our sales force, one of the largest and most efficient in the category, ensures that we reach our customers even in the most remote areas of the country.

Candyland offers a plethora of product categories such as Jellies, Chocolates, Marshmallows, Candies, Toffees, Chews, Lollipops, Gums, Milk chocolates, Spreads, Brittles and Truffles, all meeting international standards of quality and food safety. All Candyland products are certified ISO 22000 and have Halaal certification from SANHA.

The pandemic stricken year 2020/21 was a challenging one for Candyland. However, we stuck to our philosophy of providing our consumers with a delightful consumption experience and broke records along the way. Some of the notable campaigns aired were for our brands Paradise and Butterscotch while Choc-Oh and Kitchen Creations were supported by fully digital campaigns. We also introduced some new brands to the market such as Puffs Junior, Floaty, Snow Mints, POP, LIT, ZAP and Burger Jelly. These latest additions to our portfolio have been launched with great zeal across the company and are a part of Candyland's long-term growth strategy.

At Candyland, we promise to uphold our values, continue to nurture our existing brands and grow our category by constantly innovating and launching new brands that connect with our consumers, meet their needs and continue to delight them for many years to come.

Objectives 2020-21

Strengthening the Sales & Distribution Structure

Research-based communication development

Brand health tracking and ROI-based marketing

Channel management and development

Profitability improvement initiatives

Strengthen existing consumer touch points and identify new areas for tapping consumers post-Covid-19

Objectives 2021-22

Portfolio growth through product innovation

Investment in flagship product categories

Strengthen consumer value proposition

Improve quality of existing portfolio

Strategic alliances to enhance brand equity

Portfolio expansion with introduction of new channels and geographies

KPI-based sales management

Resource optimization

Formation of organizational structure to gear up for future business demands

PARADISE

Candyland's top-selling brand was back on air with a new campaign in March 2021. The new TVC for Paradise took us on a journey to a tropical paradise, in line with the product proposition. The catchy jingle and cinematography of the TVC further enhanced the brand image and made the campaign a huge hit for the brand.



CHOC-OH

Staying true to its philosophy of innovation and quality, Candyland launched Choc-Oh chocolate hazelnut spread backed by a media campaign. A functional ad copy was aired on TV and digital media, supported by an extensive PR campaign and in-store activation. The campaign helped create inroads within the spreads category and establish Candyland as a force to be reckoned with.



BUTTER SCOTCH

One of the most awaited campaigns, Butter Scotch hit the airwaves in February 2021. Building on its famous predecessor of the '90s, the new campaign featured both, a bit of nostalgia and the contemporary imagery which the new Butter Scotch encapsulates.

The campaign featured well known faces, with Iqra Aziz and Ahmed Ali Butt the main protagonists of a frenzy-filled storyline which is calmed down once the Butter Scotch effect comes into play. The tagline "Chaltee... Jaye" further strengthened the brand proposition of a long-lasting, buttery smooth candy.

The Butter Scotch campaign was a critical point in enhancing and sustaining brand volumes.



KITCHEN CREATIONS

The launch of our cooking chocolate range, Candyland Kitchen Creations, was supported by a digital campaign for the brand.

The brand launch focused on garnering awareness through PR bursts with food bloggers, collaboration with food content creators, trial generation initiatives and the establishment of a dedicated food services trade channel. This resulted in the successful entry into the home baking segment for Candyland.

NEW LAUNCHES

POP, LIT AND ZAP

With rising demand for high quality chocolate, Candyland introduced a premium range of chocolate bars. Priced at only Rs. 20, POP, LIT and ZAP boast funky pop-art packaging and deliver chocolate consumption experiences like no other.



FLOATY

Candyland launched a stellar product, Floaty, in sensational style, bringing consumer favorite flavors in a yummy coated chew candy in November 2020.

Floaty is a bite-sized candy with a coated hard shell and chewy center available in four different flavors; Blackcurrant, Mango, Orange and Strawberry. This was the first locally produced coated chew of this size and format.



SNOW MINT

In September 2020, Snow Mint was launched as a mouth freshener! Candyland paved its way into a completely new and exciting category while appealing to a wider segment of adults who want to have a fresh breath throughout their day!

Snow Mint is a bite-sized mint candy with a coated hard shell and chewy center.



JELLY BURGER

The new trend in the market showed children preferring fusion jelly formats over traditional forms. Therefore, Candyland came to the rescue in order to fulfill the experimental needs of Gen Z and launched Candyland Jelly Burger in November 2020 with a fusion of three fruity layers! The aim behind this launch was to take the jellies category to the next level. Today, Jelly Burger stands as the third highest selling jelly at Candyland!

Jelly Burger is a unique three-layered burger shaped jelly which can be consumed all at once or one layer at a time!



Perfecting the art of Baking

Carrying the ambition to bring an exquisite taste in every bite, Bisconni has inculcated an unbreakable bond with its customers, becoming a leading player in the biscuit industry. With an array of tantalizing offerings, it has become a household name that aspires to deliver unmatched quality every time.

At Bisconni, we have an exciting range that continues to expand and grow. By launching popular and powerful brands over the past 17 years, Bisconni has firmly established itself among the three leading biscuit manufacturers. We are poised to continue our journey towards opportunities and increase growth with innovative products of high quality and impeccable taste. Currently present in two categories of Cookies and Cakes, our flagship brands include the country's favorites Cocomo, Chocolatto, Chocolate Chip, Novita, Rite, Craving, Flo Cake, Chai Wala Biskut and Crux. These are widely preferred by consumers as they constantly bring compelling value proposition and unforgettable experience that tantalizes the consumer's taste buds.

Since the beginning, Bisconni has adopted a customer-centric approach. Innovation and quality are at the heart of our corporate identity, resulting in all our products being ISO 22000 and Halal certified from SANHA. Our commitment to creating the ultimate brand experience at the forefront of our guiding philosophy has enabled us to deliver our promises and convert consumers' brand loyalty into brand love.

Bisconni is the value driver for Ismail Industries Limited and will continue to increase its market share in all categories by exploring untapped opportunities within the country and beyond. With great importance given to the introduction of exciting choices elevating consumers' delight, we are confident that Bisconni will reach new heights.





CRUX

Bisconni introduced a new age baked cracker, delicious to its core and baked to perfection. This campaign launch was one of its kind because the groovy jingle and appealing visuals looked fresh on the television screens. It was further amplified through PR, digital and vehicle branding which increased its viewability and awareness a lot, and made #GimmeCrux go viral.



CHOCOLATTO

Chocolatto ended the year with a classy advertisement, poured with the celebrity power of Syra Yousuf, aesthetic visuals and soft music, making it Bisconni's biggest campaign. On digital, it was further amplified by interesting boomerangs and DVCs that increased brand engagement. On the other hand, Chocolatto's image was strengthened by wonderfully put together PR packages, which were used by the influencers/bloggers for styling themselves and indulging in the delicious center-filled biscuit.



COCOMO

In August 2020, Biscoffi's flagship brand, Cocomo, brought a one-of-a-kind consumer promotion for all its fans by introducing an exclusive NEW diamond doodle in a few lucky packs! For the first time in the biscuit industry, we witnessed up to 85 unique scratch code entries! The campaign was fully supported on TV with a fresh new consumer promo copy explaining the mechanics of the promotion, along with in-store branding through posters, countertops and mobiles, and amplification on digital with 100 winner announcements every week! The campaign received an overwhelming response.



BISCOFFI CHOCOLATE CHIP COOKIES 'SCRATCH KARO WIN KARO'

Biscoffi Chocolate Chip Cookies launched the 'Scratch Karo Win Karo' consumer promotion campaign in October 2020. Through its collaboration with Biscoffi Films, a movie trailer-like communication, featuring Ali Rehman, was launched, capitalizing on different marketing touchpoints such as TV, digital, PR, and out-of-home in smaller cities to reach the masses. Over 500,000 people have taken part in the campaign with over 2 million missed calls received so far.







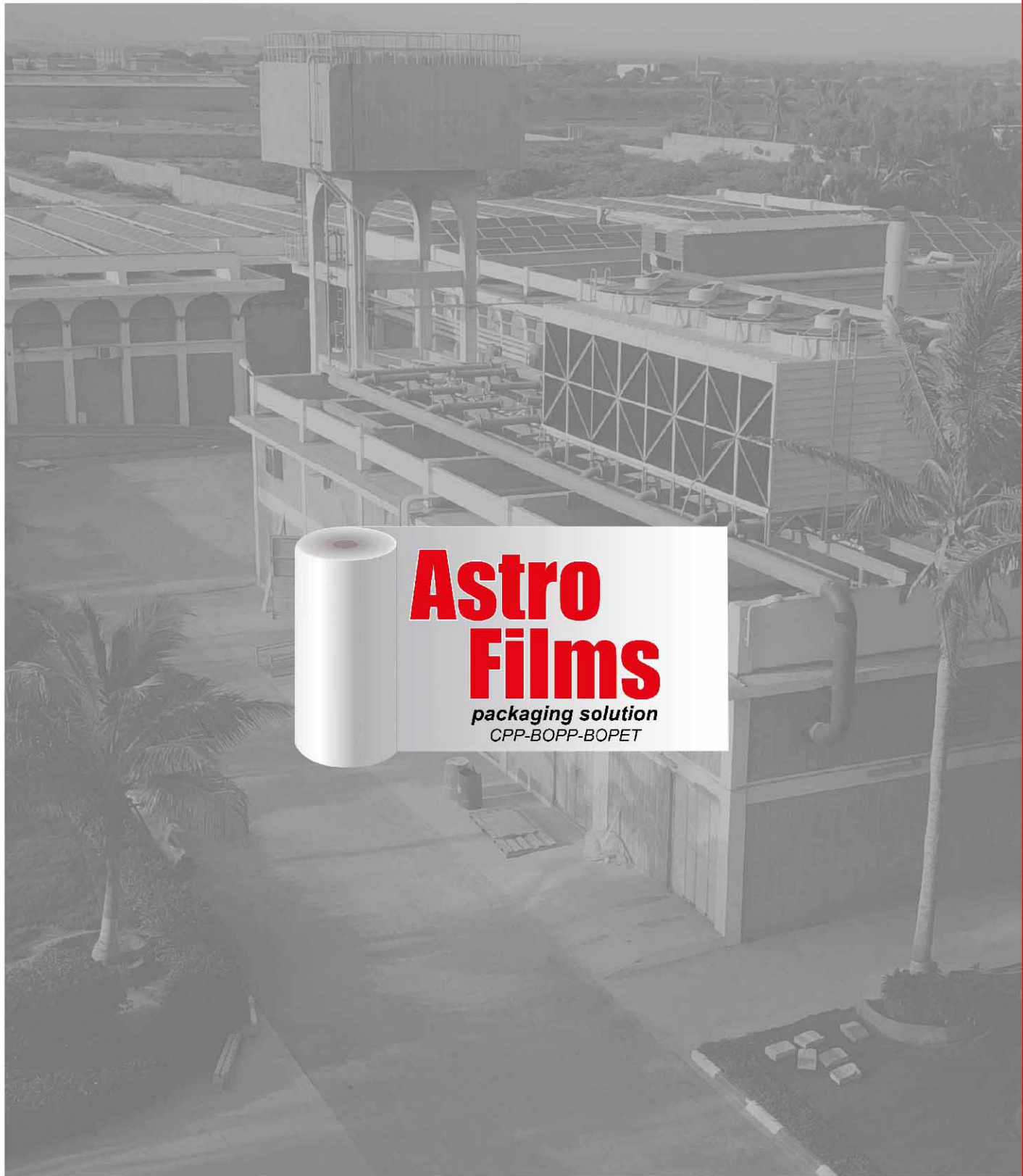
FRESHLY BAKED **EVERY DAY**

The SnackCity division of Ismail Industries was established in June 2006 when the company set up its purpose-built manufacturing facility in Hub and began the production of its potato chips, Kurleez. Having achieved great success in a short period, the foundation for a second production facility was laid down in Lahore in March 2010, which today is operational and caters to the demand of our potato chips in the North and Central regions of Pakistan.

Customer satisfaction has always been a priority, which is why the company has invested in the world's best machinery, employed the best food technicians and experts, and adopted the best practices to ensure that the consumers taste the goodness of SnackCity products in each bite. Since its inception, SnackCity's Kurleez has grown to become the market leader in the crinkle chips category. The company has successfully ventured into other categories as well. Chillz, our brand of potato sticks, has also grown to become the market leader in its category, while our Nimko category includes the brand SnackCity Peanuts.

Yearly goals for SnackCity consisted of achieving maximum coverage of its flagship brand Kurleez on digital. The importance of using digital marketing platforms to support the digital transformation of the respective brands and division growth was at the forefront of SnackCity's yearly marketing plan.

Considering this, we aggressively pursued digital campaigns with greater emphasis on our website and Facebook page to reach a wider audience.



Astro Films

packaging solution
CPP-BOPP-BOPET

Astro Films is one of Pakistan's leading flexible packaging film suppliers, manufacturing CPP, BOPP, and BOPET films. Operating from the port city of Karachi, Astro Films is a regionally and globally recognized brand in the flexible packaging industry; offering a complete flexible packaging solution to its prestigious customers.

Astro Films has its production facilities in two locations in Pakistan; Hub and Port Qasim industrial areas. In Hub, Astro Films set up a CPP plant from renowned Italian company Gruppo Colines with an annual production capacity of 6,000 tons. Enhancing capacity and market share in 2014, Astro Films set up a new 10,000 tons per annum CPP plant from the same company at Port Qasim, increasing overall annual CPP films capacity to 16,000 tons.

In addition, we have three metallizers from General Vacuum (UK). Two metallizers are installed at the Hub CPP plant and one at Port Qasim. The two facilities have an annual metallization capacity of 12,000 and 7,000 tons, respectively.

The Ismail Family added a small BOPP plant from Bruckner (Germany) with a capacity of 4,500 tons per annum as a strategic addition to packaging portfolio under the name of Plastiflex Films (Pvt) Ltd. This expansion was especially executed to support the in-house requirement of IIL's food businesses.

In 2011, the company embarked on further expansion of its packaging film portfolio by ordering the first-ever BOPET film line in Pakistan from Bruckner. With an annual capacity of 18,000 tons per annum, this state-of-the-art film line is designed to produce BOPET films ranging from 12 μ to 120 μ thickness.

The enhanced features in the BOPET line have further improved operational efficiency, providing the technical capabilities to meet the customer's expectations.

Complying to the highest quality, process, and food safety standards, Astro Films possesses certifications including ISO 9001:2015 and FSSC 22000 (version 5). We are proud of our accomplishments and manufacturing capabilities which have enabled us to become one of the most competitive suppliers of CPP and BOPET films in the international market.

Our international customer base, spanning from the USA to Europe and Asia, is a testament to our truly global footprint as a packaging film supplier. Our competitive advantage in international markets has been the ability to supply the best quality film in the fastest lead times; creating sustainable business and a strongly established image of reliability.



Adding another milestone to its illustrious history, Astro Films' new state-of-the-art 8.7-meter production line is operational since November 2020 with an annual output capacity of 42,000 tons, increasing Astro Films' overall BOPET capacity to 60,000 tons per annum. With the addition of this latest production line, Astro Films' total film production capacity will be 80,000+ tons per annum.







ISMAIL NUTRITION

Malnutrition is a universal plague which affects a population of over 815 million people in the world.

Due to overpopulation and scarcity of adequate nutrition in Pakistan, stunting has become prevalent in children belonging to low socioeconomic backgrounds. As a socially responsible company dedicated to providing high quality food products, Ismail Industries Limited initiated the manufacturing of lipid-based nutritional products in 2010.

The urgent need of nutritional foods combined with the food manufacturing experience of the company resulted in the creation of the Ismail Nutrition division. The overwhelming success of these products in Pakistan encouraged Ismail Industries Limited to begin exporting to neighboring countries. Many international social welfare agencies joined in as recipients of these vital nutritional aids. Ismail Nutrition is an approved supplier of United Nations Children's Fund (UNICEF) and World Food Program (WFP). Ismail Nutrition's manufacturing facility is currently capable of producing 75 metric tons per day.

Ismail Nutrition further aims to work towards freeing the world of malnutrition.



Development, Research & Technology

Ismail Nutrition benefits from the rich heritage brought by Ismail Industries Limited in the food sector with over 50 years of experience in production, research & development. In addition to this, Ismail Industries' expansive network of partners in advanced food technology aids Ismail Nutrition in the consistent development of products with high quality standards. All our products are designed to meet WHO specifications and requirements.





**HUDSON
PHARMA
(PVT.) LTD.**

(A Subsidiary of IIL)

MISSION

Hudson Pharma's focus is to identify safe and efficacious treatments that address patients' unmet needs across the globe. We identify treatments that are either unavailable or under-penetrated, often with innovative delivery methods or manufacturing processes that vastly improve both safety and attainability. We have a well-established track record of executing our vision based on a repeatable and reliable process that we have developed and refined over many years. Our mission is simple. We are making game-changing drugs attainable and safer for the populations we serve.

INTERNATIONAL EXPANSIONS

Our first step is to identify geographies with similar customer habits, socio-economic conditions, genealogy and routes to market. We are continuously looking across the world for new markets to plant seeds of future growth. We are cognizant, however, that the returns will be higher and execution risk lower in geographies where we already have a strong physical presence. Our view is to use a balanced approach by continuously investing for long-term growth while making sure that our current competitiveness in our existing markets is not hampered.

OPERATIONS

At our plant in Karachi, Pakistan, we produce injectables, oral liquids and respules in polyethylene containers using the innovative blow-fill-seal (BFS) process. Our ophthalmic eye drops are manufactured using barrier isolation, which ensures a safer and thus superior end product. We have further extended our portfolio with the introduction of Dry Powder Inhalation (DPI) capsules filled through the microencapsulation process to ensure accurate dosing. Our firm also plans to launch our dermatology line in innovative lacquer-free packaging.

Our activities include developing, contract manufacturing, and marketing branded generic and specialty drugs in the following therapeutic areas: respiratory products, vitamins, diluting agents, anti-inflammatories, anaesthetics, anti-infectives, anti-nauseants, antiemetics, anti-ulcers, NSAIDs and ophthalmics.

RESPONSIBILITY

Patients & Care Providers

Safety is our first priority. At every step, we make

decisions and design processes with patient safety at the forefront to ensure that the end product we market is safe, efficacious and effectively addresses patient and provider needs.

EMPLOYEES

The welfare and morale of our employees is an important factor in order to ensure that our team is singularly focused on the safety of both patients and Hudson team members. We work diligently to promote a culture where creativity, innovation, teamwork, honesty and productivity are rewarded irrespective of age, race, gender, seniority, ethnicity, or socioeconomic background.

BUSINESS PARTNERS

We take seriously protecting the interests and reputation of our partners as though they were our own.

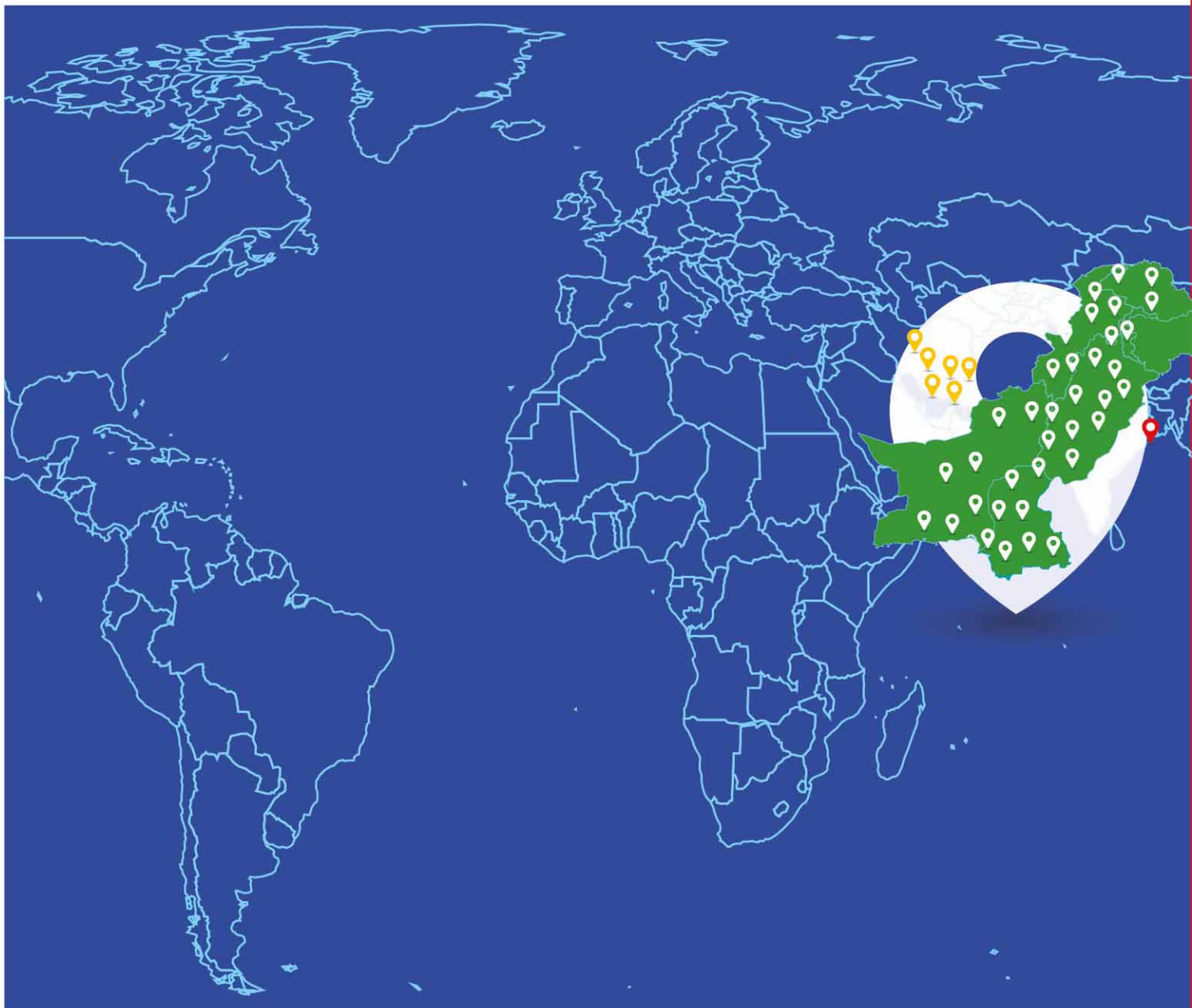
COMMUNITY & ENVIRONMENT

We are committed to making business decisions that protect and preserve the Earth's natural resources and environment. Our procurement and business development teams seek suppliers and partners respectively that share Hudson's commitment to environmental responsibility.

HUDSON AT PRESENT

Hudson Pharma has managed to achieve double-digit growth in the past year, despite facing various impediments because of COVID-19. Sales from all of its current product portfolio have managed to achieve commendable growth in this period. The firm is currently in an expansion phase, with the ongoing construction of a new healthcare facility for the manufacturing of vitamins & minerals premix and over-the-counter (OTC) vitamins, dermatology and other healthcare products. The new facility will be operational during the current fiscal year tentatively. Furthermore, Hudson Pharma is installing a new manufacturing line for steroidal inhalation and oral capsule products, whose launch is also anticipated in this coming fiscal year. Apart from manufacturing and selling pharmaceutical products, the firm also engaged in a consulting role for an international NGO regarding dissemination of nutritional products among pregnant and lactating women from low income groups in Pakistan.





LOCAL PRESENCE

2000+ Sales Force Personnel	5 Regional Sales Office
400+ Towns	135,000 Outlets
1400+ Vans	6 Warehouses
1200+ Distributors	400,000 Weekly Sales Calls



IIL EXPORT BUSINESS

IIL is exporting to over 40 countries in 6 continents. Our growing distribution network has enabled us to expand our consumer base across geographies and demographics. We have exhibited our products across the globe by participating in multiple trade fairs and exhibitions.

Africa & Afghanistan continue performing well and we have made further inroads in GCC, EU, US and Oceania. Despite strong headwinds in the form of Covid-19, exchange rate volatility and increasing material cost, we closed the year at positive growth.

To build on our past success and meet the rapidly-evolving needs of customers globally, the company is committed to an exports future that is more agile, productive, and customer-centric. We are making significant changes in the department, the way we operate, what we prioritize, and how we work together. We are moving faster, taking more calculated risks, and working towards what matters most - the customer. We would also be working on packaging standardization and SKU rationalization that should reduce complexity and lead to operational savings.

Our top priority for the next fiscal is to maximize inorganic growth to boost our top-line sales and volume gains. We will work on adjusting our route to market, on tapping white spaces and on expanding our business with the current distributors. We also plan to further develop our presence in modern trade and digital.

GLOBAL FOOTPRINT

6 Continents
40+ Countries
64+ Customers

CORPORATE SOCIAL RESPONSIBILITY

Ismail Industries Limited is imbued with a noble mission of inspiring hope and contributing to the well-being of underserved communities in Pakistan. The aim is to initiate social developmental projects; provide educational and vocational opportunities; and to organize recreational events that help in improving & strengthening society.





SOCIAL WELLBEING & HEALTHCARE

Ismail Industries Limited has launched an initiative to provide free health insurance to over 2000 field force to ensure the well-being of the staff and their families. The group also donates generously to leading healthcare institutions such as Indus Hospital to help them deliver quality healthcare to the underprivileged.



THE GREEN INITIATIVE

It cannot be ignored that global warming is real & it is affecting our environment drastically. The solution to this is to plant more trees. Tree plantation drives have always been central to the vision of Ismail Industries Limited. From converting various barren parks into gardens to collaborating with universities, we have worked tirelessly towards a cleaner and greener Pakistan. We recently collaborated with Institute of Business Administration (IBA) to plant over 10,000 plants within IBA, at Quaid's Residency, and other areas of the city.



EDUCATION FOR ALL

At Ismail Industries Limited, we are committed more than ever to make quality education accessible for everyone in Pakistan. A storytelling activity project has been initiated that will cover government schools in underserved areas of Karachi. This activity aimed to engage students and attract them to a learning culture. So far, we have carried out this activity in more than 20 schools and this long-term project continues to target many other schools in the city.

Moreover, a 3-day certified course was offered to young individuals at Shanti Nagar. The course covered the necessary entrepreneurial skills and techniques in order to motivate participants to learn about how to start their own businesses. The instructors also spent time in career counseling and encouraged the participants to identify their interests.

In addition to these initiatives, we continue to sponsor Ismail Academy and Khadija Girls College, where approximately 1000 underprivileged students are receiving education through smart learning techniques and extracurricular activities. With qualified faculty, these institutes are places for students from low-income families to learn and grow into productive members of society.



EMPLOYMENT OPPORTUNITIES

We organized a job fair in collaboration with Daraz at Shanti Nagar. The job fair provided a window of opportunity to the talented youth ready to step into the job market. This initiative ended up providing occupational prospects for more than 100 individuals.



TAHAFFUZ PROGRAM

The COVID pandemic undeniably affected a major chunk of the population in Pakistan, and one major consequence was unemployment. Ismail Industries Limited resorted to contributing over Rs. 1 million to support its employees in need during this difficult time. We provided health insurance to around 1500 people – protecting approximately 5000 lives. We are the only local company which has taken such an initiative.



SUSTAINABLE ENVIRONMENT

After exploring various alternate sources of energy, we have installed solar panels at our factories. This new energy source now generates about 2.71 MW of electrical power for our production units.



WASL

WASL (Water and Sanitation Logistics) is a project of Ismail Industries Limited, launched with the aim of providing clean drinking water to underdeveloped areas in Pakistan. The RO plant installed in Landhi area has the capacity to provide 20,000 liters of clean drinking water every day, which can be bought at a minimal price. The profits from the WASL project are to be used for the betterment of the community.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of Ismail Industries Limited will be held at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi on Monday, October 25, 2021 at 12:00 noon to transact the following businesses.

Ordinary Businesses:

1. To confirm the minutes of the Extra Ordinary General Meeting of the Company held on April 12, 2021.
2. To receive, consider, approve and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2021 together with the Chairman's Review, Directors' Review, and Auditors' Reports thereon.
3. To approve and declare the final cash dividend @ 150% (Rs. 15/- per share) on the ordinary shares of the Company as recommended by the Board of Directors for the year ended June 30, 2021.
4. To appoint Auditors for the year ending June 30, 2022 and fix their remuneration. The Audit Committee of the Board has recommended that the retiring auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants being eligible have offered themselves for re-appointment.

Special Businesses:

5. To consider and approve the remuneration of the Chief Executive Officer and Executive Director.
6. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2022 by passing the following special resolutions with or without modification:

RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2022.

FURTHER RESOLVED THAT these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval.

7. To consider and if deemed appropriate, pass the following resolutions, with or without modifications, under Section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

RESOLVED THAT pursuant to the requirements of section 199 of the Companies Act, 2017 the Board has decided to make further long-term equity investment in its subsidiary company M/s. Hudson Pharma (Private) Limited up to Rs. 800,000,000/- (Rupees: Eight hundred million only) to meet its capital expenditures requirement of expansion planned for setting up of Pakistan's first Vitamins & Minerals Premix facility as well as for operational expenses / working capital requirements.



8. **RESOLVED THAT** pursuant to the requirements of section 199 of the Companies Act, 2017 the Board has decided to further increase the Cross Corporate Guarantee amount for its subsidiary company M/s. Hudson Pharma (Private) Limited as approved by the shareholders in the Extra Ordinary General Meeting of the Company held on April 12, 2021 from Rs. 600,000,000/- (Rupees: Six hundred million only) to Rs. 700,000,000/- (Rupees: Seven hundred million only).
9. **RESOLVED THAT** pursuant to the requirements of section 199 of the Companies Act, 2017 the Board has decided to make further long-term equity investment in its subsidiary company M/s. Ismail Resin (Private) Limited as approved by the shareholders in the Extra Ordinary General Meeting of the Company held on April 12, 2021 from Rs. 1,500,000,000/- (Rupees: One thousand Five hundred million only) to Rs. 2,500,000,000/- (Rupees: Two thousand five hundred million only) to meet the estimated cost over-run arises in which one of the reasons is massive devaluation of Pak Rupee.

FURTHER RESOLVED THAT the Chief Executive Officer / Company Secretary of the Company be and is hereby singly authorized to take any and/or all actions to implement and give effect to above resolutions and to complete any or all required corporate and necessary legal formalities for the purpose of implementation of above resolutions.

10. To transact any other business with permission of the Chair.

"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolutions, is attached along with the Notice circulated to the members of the Company, and is deemed to be an integral part hereof."

By order of the Board

Karachi: October 1, 2021

Ghulam Farooq
Company Secretary

Notes:

1. Closure of Shares Transfer Book

The shares transfer book of the Company shall remain closed with effect from October 19, 2021 to October 25, 2021 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Ltd, Plot # 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Phone # 021-111-000-322 (the Share Registrar) at the close of business on October 18, 2021 will be considered in time to attend and vote at the meeting.



2. Participation in Annual General Meeting

A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxy, in order to be effective must reach the Company Share Registrar Office not less than 48 hours before the time of the meeting during working hours.

An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant I.D. numbers to prove his/her identity. A representative of Corporate members, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 on dated: January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

3. Submission of the CNIC/NTN Details (Mandatory)

In accordance with the notification of the Securities and Exchange Commission of Pakistan Notifications SRO 779 (I) dated: August 18, 2011, and SRO 831 (I) 2012 dated: July 05, 2012, which mandates that the dividend counters should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate entities. Shareholder are requested to submit the same to the Company's Share Registrar. In case of non-compliance, the Company shall withhold credit of dividend as per law.

4. Withholding Tax on Dividend

Pursuant to the provisions of section 150 of the Income Tax Ordinance, 2001 the rates of deduction of income tax from dividend payment shall be made on the basis of following criteria:

- (i) Rate of tax deduction for filer of income tax return 15%
 - (ii) Rate of tax deduction for non-filer of income tax return 30%
- I) All the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of book closure date otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
- II) According to clarification received from Federal Board of Revenue, Withholding Tax will be determined separately on 'Filer/Non-Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts. In this regard, all Members/Shareholders of the Company either holding shares in physical form or in CDC, who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing and in the following manner:

Folio/ CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)



The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

- III) A valid Exemption Certificate under Section 159 of the Ordinance, 2001 is mandatory to claim exemption of withholding tax under Clause 47-B of Part-IV of Second Schedule to the Ordinance, 2001. Those who wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Share Registrar prior to the date of commencement of Book Closure otherwise tax will be deducted according to the applicable Law.

5. Payment of Cash Dividend Electronically (Mandatory Requirement)

The provisions of section 242 of the Companies Act, 2017, and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the Shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to Company's Share Registrar at the address given herein above. In case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN	
Bank's Name	
Branch Name & Code No.	
Branch Address	

6. Transmission of Annual Report through Email

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



7. Transmission of Annual Report through CD

The Company has circulated annual audited financial statements to its members through CD at their registered address. Printed copy of above said statements can be provided to members upon request.

8. Unclaimed / Unpaid Entitlements

Shareholders who by any reason could not collect their dividends/bonus shares/other entitlements are advised to contact our Share Registrar to collect / enquire about their unclaimed dividends/bonus shares/other entitlements, if any.

9. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities & Exchange Commission of Pakistan, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. Further, the Securities & Exchange Commission of Pakistan vide its letter dated: March 26, 2021 has advised to comply Section 72 of the Act and encourage shareholders to convert their shares in book-entry form.

The shareholders having physical shares are encouraged to open CDC sub-account with any of the broker or Investor account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including save custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

10. E-Voting

Pursuant to the Companies (E-voting) Regulations, 2016, shareholders will be able to exercise their right to vote through e-voting by giving their consent in writing, holding 10% of the voting power, at least 10 days before the date of the meeting to the Company on the appointment of Execution Officer by the intermediary as Proxy.

11. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Director and for any other agenda item subject to the requirement of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

12. Request for Video Conference Facility

In accordance with section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city. To avail this facility, fill the request form reproduce below and submitted to the registered address of the Company.



REQUEST FOR VIDEO CONFERENCE FACILITY

I/We/Messrs. _____ of _____, being Member(s) of Ismail Industries Limited, holder of _____ ordinary share(s) as per Folio # _____ and/or CDC Participant ID & Sub-Account No. _____, hereby opt for video conference facility at _____ city.

Signature of Member(s)
(Please affix Company stamp in case of Corporate entity)



STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Ismail Industries Limited to be held on Monday, October 25, 2021 at 12:00 noon, at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi, Pakistan, and set out the material facts concerning the Special Business to be transacted at the Meeting.

Agenda # 5. Chief Executive Officer and Executive Director Remunerations

Approval is being sought for the increase in payment of remunerations to the Chief Executive Officer and Executive Director.

For this purpose, the following Resolutions will be moved at the meeting.

RESOLVED THAT the Company be and is hereby approves and authorizes the payment as remunerations to the Chief Executive Officer a sum of Rs. 16,800,000/- per annum and Executive Director a sum of Rs. 14,400,000/-per annum.

FURTHER RESOLVED THAT in addition to remunerations, all utilities bills, perks & benefits will be paid by the Company. The approximate value of utilities bill, perks & benefits to be borne by the Company would be Rs. 1,500,000/- per annum for the Chief Executive Officer and Rs. 1,250,000/- per annum for the Executive Director.

Agenda # 6. Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2022.

The Company shall be conducting transactions with its related parties during the year ending June 30, 2022 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with related parties from time-to-time on case-to-case basis for the year ending June 30, 2022, which shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval.

Agenda # 7 and 8. Investment in subsidiary company M/s. Hudson Pharma (Private) Limited u/s. 199 of the Companies Act, 2017.

(A) Regarding associated company or associated undertaking:

(i)	Name of the associated company or associated undertaking	M/s. Hudson Pharma (Private) Limited
(ii)	Basis of relationship	Subsidiary Company with 77.71% shareholding and common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Hamid Maqsood Ismail 3) Mr. Ahmed Muhammad

(iii)	Earnings per share for the last three years;	Loss per share: 2021 – 1.75 2020 – 5.91 2019 – 3.94																		
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 3.80/- per share																		
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<table><tr><th colspan="2">Financial Position and Profit or Loss</th></tr><tr><th colspan="2">Year ended June 30, 2021</th></tr><tr><th></th><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>1,024,514,369</td></tr><tr><td>Total Assets</td><td>1,392,272,460</td></tr><tr><td>Equity – net</td><td>785,262,495</td></tr><tr><td>Non-Current Liabilities</td><td>249,731,982</td></tr><tr><td>Total Liabilities</td><td>607,009,965</td></tr><tr><td>Loss for the Year</td><td>361,784,895</td></tr></table>	Financial Position and Profit or Loss		Year ended June 30, 2021			Rs.	Non-Current Assets	1,024,514,369	Total Assets	1,392,272,460	Equity – net	785,262,495	Non-Current Liabilities	249,731,982	Total Liabilities	607,009,965	Loss for the Year	361,784,895
Financial Position and Profit or Loss																				
Year ended June 30, 2021																				
	Rs.																			
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Non-Current Liabilities	249,731,982																			
Total Liabilities	607,009,965																			
Loss for the Year	361,784,895																			
(vi)	<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;</p> <p>(i) Description of the project and its history since conceptualization;</p> <p>(ii) Starting date and expected date of completion of work;</p> <p>(iii) Time by which such project shall become commercially operational;</p> <p>(iv) Expected time by which the project shall start paying return on investment; and</p> <p>(v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	<p>Vitamins & Minerals Premix manufacturing Plant with the capacity of 2,000 tons per annum.</p> <p>Letter of Credits for procurement of Plant & machineries have already been established and extension in factory building is in final phase of construction.</p> <p>By January 2022 project will be commercially operational.</p> <p>From financial year 2024-2025</p> <p>Funds to be invested by the sponsors in shape of cash.</p>																		



(B) General disclosures:

(i)	Maximum amount of investment to be made	<p>Further long-term equity investment upto Rs. 800,000,000/ (Rupees: Eight hundred million only)</p> <p>Further increase the Cross Corporate Guarantee amount from Rs. 600,000,000/- (Rupees: Six hundred million) to Rs. 700,000,000/- (Rupees: Seven hundred million)</p>
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	<p>To make further long term equity investment to meet its capital expenditures requirement of expansion planned for setting up of Pakistan's first Vitamins & Minerals Premix facility as well as for operational expenses/ working capital requirements.</p> <p>The purpose of enhancement in Cross Corporate Guarantee amount is to facilitate the subsidiary company to securitize its lender against financing facility for proposed expansion plan</p> <p>The Company expects to get good return in long run on this long-term strategic equity investment.</p> <p>Period of Investment: The investment would be made in piecemeal as and when needed till the completion of project.</p>
(iii)	<p>Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:</p> <p>(i) Justification for investment through borrowings:</p> <p>(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and</p> <p>(iii) Cost benefit analysis:</p>	<p>From Surplus funds of the Company</p> <p>Not Applicable</p>
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not Applicable
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	<p>Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad, are Directors of Ismail Industries Limited (the investing company), they are also Directors of Hudson Pharma (Private) Limited. Whereas, the investing company is a major shareholder of Hudson Pharma (Private) Limited, However, they have no direct or indirect interest except to the extent of their shareholding in the Hudson Pharma (Private) Limited.</p>



(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	<p>Ismail Industries Limited have made an equity investment of Rs. 1,605,984,000/- (Rupees: One billion six hundred five million nine hundred eighty-four thousand only) and issued Rs. 578,811,644/- (Rupees: Five hundred seventy-eight million eight hundred eleven thousand six hundred forty-four only) Cross Corporate Guarantee for facilitating the subsidiary company to securitize its lender against financing facility for proposed expansion plan.</p> <p>Hudson Pharma having the state of art and most modern facility anywhere in Pakistan. It has a well-established track record of executing their vision based on repeatable and reliable process that they have developed and refined over many years. It has an aim to provide health institution with more sterile injectable materials which are easier to administer as compare to other form of dosage. Now, they are moving forward with a diversify vision to expand the business and setting-up a Pakistan's first vitamins and minerals premix facility.</p> <p>There are no impairment and write off relating to the investment made so far.</p>
(vii)	Any other important details necessary for the members to understand the transaction.	Not significant

Additional information for equity investment:

(i)	Maximum price at which securities will be acquired.	At face value of Rs. 10/- per share
(ii)	In case the purchase price is higher than is market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not Applicable
(iii)	Maximum number of securities to be acquired.	80,000,000 Ordinary shares of Rs. 10/- each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment.	At present, the Company holds 160,598,400 ordinary shares constituting 77.71%, after the proposed investment it will hold 240,598,400 ordinary shares in same proportion.
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities;	Not Applicable
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	The fair value of equity has been worked out at Rs. 14/- per share, as determined by the M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using discounted cash flow method. The underlying 5 years projections were prepared by the management.

**Additional information for Cross Corporate Guarantee:**

(i)	Category-wise amount of investment.	Further Cross Corporate Guarantee upto Rs. 100,000,000/- will be issued by Ismail Industries Limited in favor of Hudson Pharma (Private) Limited's to securitize its lender against financing facility for proposed expansion plan.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	The current average borrowing cost of Ismail Industries Limited for the year ended June 30, 2021 is 4.56%.
(iii)	Rate of interest, markup, fees or commission etc. to be charged by investing company.	Not Applicable
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment.	No security obtained from the subsidiary company as it will be in the form of equity or subordinated debt to cover the financial or any other obligation of the lenders.
(v)	If the investment carries conversion features i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Not Applicable

Agenda # 9. Investment in subsidiary company M/s. Ismail Resin (Private) Limited u/s. 199 of the Companies Act, 2017.**(A) Regarding associated company or associated undertaking:**

(i)	Name of the associated company or associated undertaking.	M/s. Ismail Resin (Private) Limited
(ii)	Basis of relationship	Subsidiary Company with 75% shareholding and common directorship of following directors: 1) Mr. Muhammad M. Ismail 2) Mr. Maqsood Ismail Ahmed 3) Mr. Munsarim Saifullah 4) Mr. Hamid Maqsood Ismail 5) Mr. Ahmed Muhammad

(iii)	Earnings per share for the last three years;	Company incorporated on dated: January 13, 2021. The total expense/loss of Rs. 159,348/- charged on Profit and Loss account at the close of its 1 st financial year on dated: June 30, 2021. Only the subscriber shares issued at the reporting date, i.e. 5,000 ordinary shares. 2021: Loss per share Rs. 31.87/-																				
(iv)	Break-up value per share, based on latest audited financial statements.	Rs. -21.87 per share (Negative)																				
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	<table><tr><th colspan="2">Financial Position and Profit or Loss</th></tr><tr><th colspan="2">Year ended June 30, 2021</th></tr><tr><th></th><th>Rs.</th></tr><tr><td>Non-Current Assets</td><td>615,581,090</td></tr><tr><td>Total Assets</td><td>824,613,811</td></tr><tr><td>Equity – net</td><td>(109,348)</td></tr><tr><td>Advance against issue of shares</td><td>655,600,000</td></tr><tr><td>Non-Current Liabilities</td><td>168,697,000</td></tr><tr><td>Total Liabilities</td><td>169,123,159</td></tr><tr><td>Loss for the Year</td><td>159,348</td></tr></table>	Financial Position and Profit or Loss		Year ended June 30, 2021			Rs.	Non-Current Assets	615,581,090	Total Assets	824,613,811	Equity – net	(109,348)	Advance against issue of shares	655,600,000	Non-Current Liabilities	168,697,000	Total Liabilities	169,123,159	Loss for the Year	159,348
Financial Position and Profit or Loss																						
Year ended June 30, 2021																						
	Rs.																					
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Advance against issue of shares	655,600,000																					
Non-Current Liabilities	168,697,000																					
Total Liabilities	169,123,159																					
Loss for the Year	159,348																					
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely; (i) Description of the project and its history since conceptualization; (ii) Starting date and expected date of completion of work; (iii) Time by which such project shall become commercially operational; (iv) Expected time by which the project shall start paying return on investment; and (v) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	 Polyester Resin (PET Resin) Manufacturing Plant with capacity of 108,000 tons per annum. Letter of Credits for procurement of Plant & machineries have already been established and factory building is under construction. By September 2022 project will be commercially operational. From financial year 2023-2024 Funds to be invested by the sponsors in shape of cash.																				

(B) General disclosures:

(i)	Maximum amount of investment to be made.	Further long-term equity investment upto Rs. 1,000,000,000/ (Rupees: One billion only).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment.	<p>Purpose: To make further long-term equity investment to meet the estimated cost over-run arises in which one of the reasons is massive devaluation of Pak Rupee.</p> <p>Benefits:</p> <ol style="list-style-type: none"> 1. To earn dividend income which ultimately maximize the shareholder value of the investing company. 2. PET Resin will be available locally for investing company which it presently procures locally as well as from abroad through import. <p>Period of Investment: The investment would be made in piecemeal as and when needed till the completion of project.</p>
(iii)	Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds:	From Surplus funds of the Company
	(i) Justification for investment through borrowings:	Not Applicable
	(ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and	Not Applicable
	(iii) Cost benefit analysis:	Not Applicable
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	Not Applicable
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Muhammad M. Ismail, Mr. Maqsood Ismail Ahmed, M Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad, are the Directors of Ismail Industries Limited (the investing company), they are also Directors of Ismail Resin (Private) Limited. Whereas, the investing company is the major shareholder in Ismail Resin (Private) Limited, However, they have no direct or indirect interest except to the extent of their shareholding in the Ismail Resin (Private) Limited.

(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	Ismail Industries Limited have made an equity investment of Rs. 1,125,000,000/- (Rupees: One billion one hundred twenty-five million only) for acquisition of land and construction of building and issued Cross Corporate Guarantee of Rs. 3,500,000,000/- Rupees: (Three billion five hundred million only) for facilitating the subsidiary company to securitize its lender for financing extended to them for setting-up the project. There are no impairment and write off relating to the investment made so far.
(vii)	Any other important details necessary for the members to understand the transaction.	Not significant

Additional information for equity investment:

(i)	Maximum price at which securities will be acquired.	At face value of Rs. 10/- per share
(ii)	In case the purchase price is higher than is market value in case of listed securities and fair value in case of unlisted securities, justification thereof;	Not Applicable
(iii)	Maximum number of securities to be acquired.	100,000,000 Ordinary shares of Rs. 10/- each.
(iv)	Number of securities and percentage thereof held before and after the proposed investment.	Ismail Resin (Private) Limited issued shares in September 10, 2021. The Company holds 112,500,000 ordinary shares constituting 75%, and after the proposed investment Company will maintain the same ratio of the paid-up share capital of Ismail Resin (Private) Limited.
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities;	Not Applicable
(vi)	Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	The fair value of equity has been worked out at Rs. 19.21/- per share, as determined by the M/s. Munaf Yusuf & Co., Chartered Accountants. The valuation has been carried out using discounted cash flow method. The underlying 5 years projections were prepared by the management.

Information under Rule 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

As mentioned above and as per the disclosure requirement of Regulation 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, it is informed that the following Directors of the Company are also the Directors of Investee companies.



Ismail Resin (Private) Limited	Hudson Pharma (Private) Limited
Mr. Munsarim Saifullah	Mr. Munsarim Saifullah
Mr. Hamid Maqsood Ismail	Mr. Hamid Maqsood Ismail
Mr. Ahmed Muhammad	Mr. Ahmed Muhammad
Mr. Muhammad M. Ismail	
Mr. Maqsood Ismail Ahmed	

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of the Investee Company	Ismail Resin (Private) Limited
Total Amount approved	Rs. 1,500,000,000 (Rupees: One billion five hundred million only) as equity investment and Rs. 4,700,000,000/- (Rupees: Four billion seven hundred million only) as Cross Corporate Guarantee in favor of Ismail Resin (Private) Limited lenders for the project financing extended to them was duly approved by members in Extra Ordinary General Meeting held on April 12, 2021.
Amount of investment made to date	Equity Investment Rs. 1,125,000,000/- Guarantee Issued Rs. 3,500,000,000/-
Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time.	Investment in the Ismail Resin (Private) Limited shall be valid till the completion of the project.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	There is no material change in financial statements of Ismail Resin (Private) Limited.

Name of the Investee Company	Hudson Pharma (Private) Limited
Total Amount approved	Rs. 600,000,000 (Rupees: Six hundred million only) as Cross Corporate Guarantee in favor of Hudson Pharma (Private) Limited lenders for securitization the project expansion financing extended to them was duly approved by members in Extra Ordinary General Meeting held on April 12, 2021.



Amount of investment made to date	Guarantee Issued Rs. 578,811,644/-
Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time.	Guarantee shall be valid till the completion of expansion project.
Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	There is no material change in financial statements of Hudson Pharma (Private) Limited.



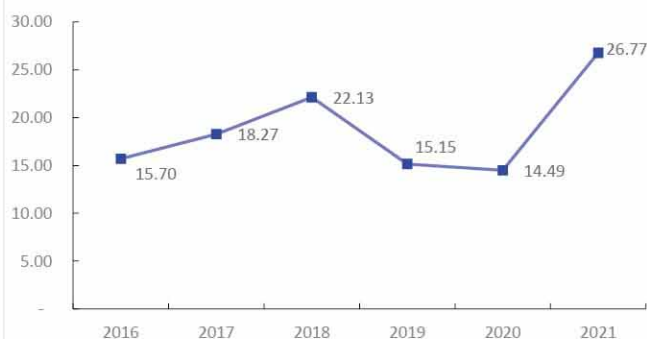
KEY OPERATING AND FINANCIAL DATA

	2021	2020	2019	2018	2017	2016
	----- (Rs. in million) -----					
ASSETS EMPLOYED						
Operating fixed assets	19,903	13,731	12,121	10,756	9,221	7,277
Capital work - in - progress	976	5,843	638	157	1,175	701
Intangible assets	34	55	86	42	-	-
Long term investment	5,278	5,276	3,212	3,560	3,926	4,272
Long term deposits	27	37	44	39	33	57
Net current assets / (liabilities)	258	632	97	133	725	(111)
Total Assets Employed	26,476	25,574	16,198	14,687	15,080	12,196
FINANCED BY						
Shareholders equity	11,275	9,900	7,374	7,220	6,272	5,999
Long term financing	12,910	13,605	7,191	6,037	7,595	5,397
Deferred liabilities	2,291	2,069	1,633	1,430	1,213	800
	26,476	25,574	16,198	14,687	15,080	12,196
SALES & PROFITS						
Net Sales / Turnover	37,308	33,218	30,091	23,906	19,605	17,008
Gross Profit	7,194	6,878	6,354	5,361	3,721	3,109
Profit before Taxation	2,213	1,323	1,404	1,838	1,643	1,292
Profit after Taxation	1,777	932	967	1,412	1,166	1,002
Proposed Dividend (%age)	150.00	35.00	45.00	27.50	65.00	60.00
Un - appropriated Profit	10,611	9,236	6,736	6,582	5,634	5,361

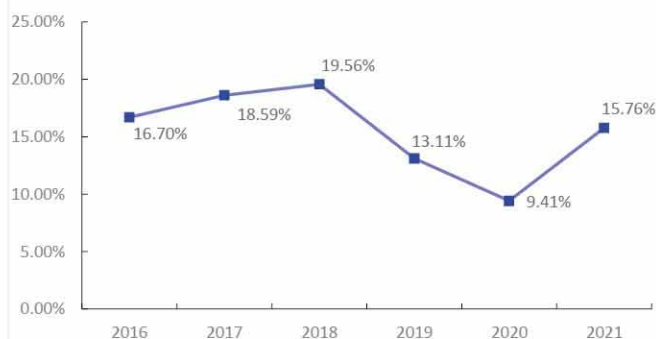
FINANCIAL RATIOS

	2021	2020	2019	2018	2017	2016
GP to Sales (%age)	19.28	20.70	21.12	22.43	18.98	18.28
EBIT to Sales (%age)	7.79	7.46	7.67	10.27	11.81	12.29
PAT to Sales (%age)	4.76	2.81	3.21	5.91	5.95	5.89
Earnings per share (Rs.)	26.77	14.49	15.15	22.13	18.27	15.70
Break up value (Rs.)	169.91	149.19	115.58	113.16	98.29	94.02
Market Value per share (Rs.)	410.00	370.00	390.00	410.00	350.00	257.90
Return on equity (%age)	15.76	9.41	13.11	19.56	18.59	16.70
Dividend per share (Rs.)	15.00	3.50	4.50	2.75	6.50	6.00
Dividend payout (%age)	56.02	24.16	29.70	12.42	35.57	38.21
Price to earning ratio (Times)	15.31	25.54	25.74	18.52	19.15	16.42
Dividend Yield Ratio (%age)	3.66	0.95	1.15	0.67	1.86	2.33
Dividend Cover Ratio (Times)	1.78	4.14	3.37	8.05	2.81	2.62
Current ratio (Times)	1.02	1.05	1.01	1.02	1.10	0.99
Quick / Acid test ratio (Times)	0.46	0.50	0.51	0.40	0.40	0.28

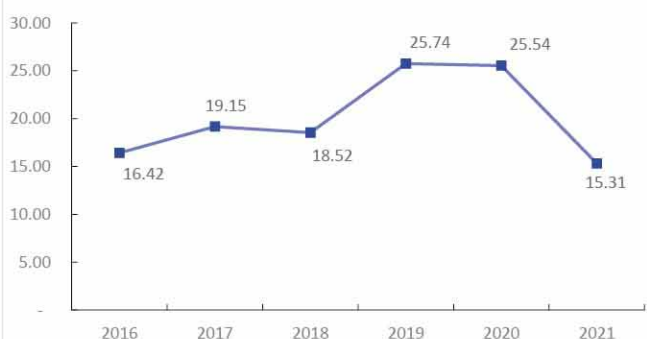
Earnings per Share (in rupees)



Return on Equity (in %age)



Price to Earning Ratio



GP & PAT to Sales (%age)





SUMMARY OF CASH FLOW STATEMENT

SIX YEARS

	2021	2020	2019	2018	2017	2016
	(Rs. in million)					
Cash generated from operations	2,432	5,957	2,619	2,241	2,933	1,957
(Increase) / decrease in current assests					-	
Gratuity paid	(69)	(32)	(20)	(20)	(24)	(19)
Income tax paid-net	(178)	(534)	(340)	(344)	(375)	(214)
Long term deposits - net	10	7	(5)	(6)	23	(2)
Net cash generated from operating activities	2,195	5,398	2,254	1,871	2,557	1,722
Capital expenditure (including CWIP)	(3,355)	(8,127)	(3,161)	(1,558)	(3,209)	(1,598)
Intangible assets	(10)	-	(47)	(36)	-	-
Long term investment - advances to subsidiary	-	(624)	(376)	-	-	(605)
Investment in associated undertakings	(492)	(16)	-	-	-	-
Proceed from dissolution of associated company	188	-	-	-	-	-
Proceed from sale of long term investment	-	-	196	117	-	-
Purchase of investment - at fair value through profit or loss	-	-	(2)	-	37	-
Sale of investment - at fair value through profit or loss	-	-	2	-	-	-
Dividend received	629	122	-	362	362	302
Short-term investment	(124)	(200)	-	-	-	(37)
Proceeds from disposal of property, plant and equipment	585	58	231	76	28	4
Net cash used in investing activities	(2,579)	(8,787)	(3,157)	(1,039)	(2,782)	(1,934)
Receipts / (repayment) from long term financing-net	2,014	6,433	902	(1,439)	2,183	1,320
Sponsor's loan	-	17	-	-	-	-
(Lease repayments) / lease repayments net off sale and lease back	(106)	(68)	(263)	251	(12)	122
Interest / mark-up paid	(727)	(1,166)	(801)	(610)	(659)	(866)
Dividend paid	(199)	(223)	(287)	(176)	(414)	(303)
Payment against purchase of shares	-	-	-	-	-	(9)
Net cash generated from / (used in) financing activities	982	4,993	(449)	(1,974)	1,098	264
Net increase / (decrease) in cash and cash equivalents	598	1,604	(1,352)	(1,142)	873	52
Cash and cash equivalents at beginning of the year	(1,664)	(3,268)	(1,916)	(774)	(1,647)	(630)
Transfer from APL	-	-	-	-	-	(1,069)
Cash and cash equivalents at end of the year	(1,066)	(1,664)	(3,268)	(1,916)	(774)	(1,647)

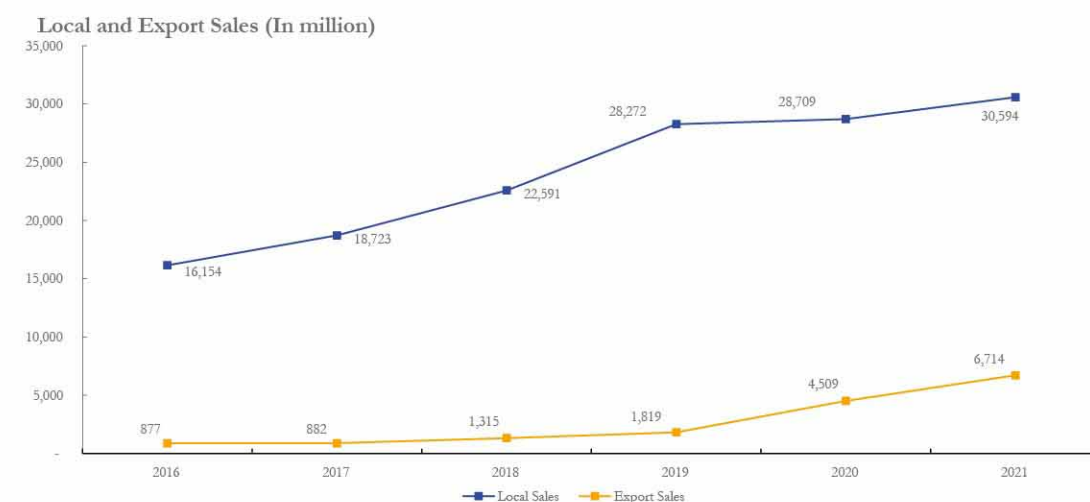
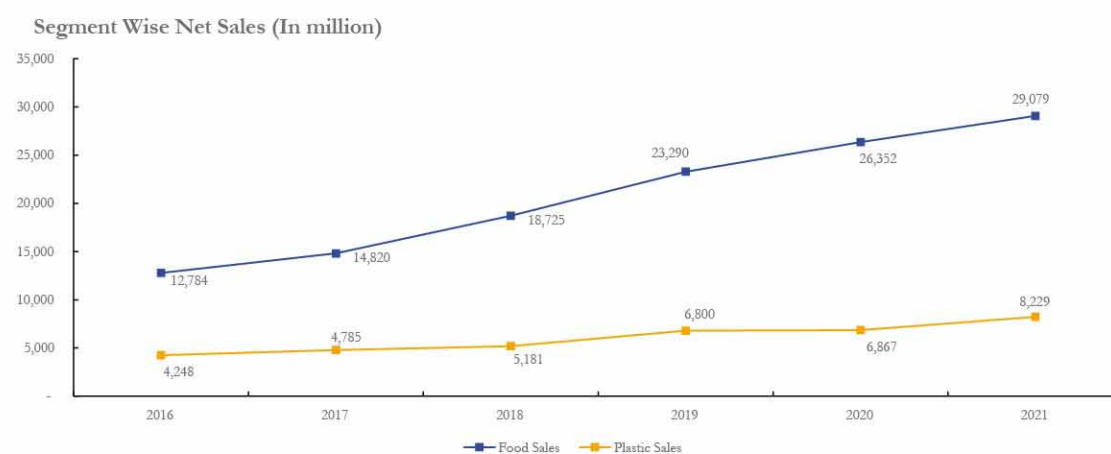


SUMMARY OF PROFIT OR LOSS SIX YEARS

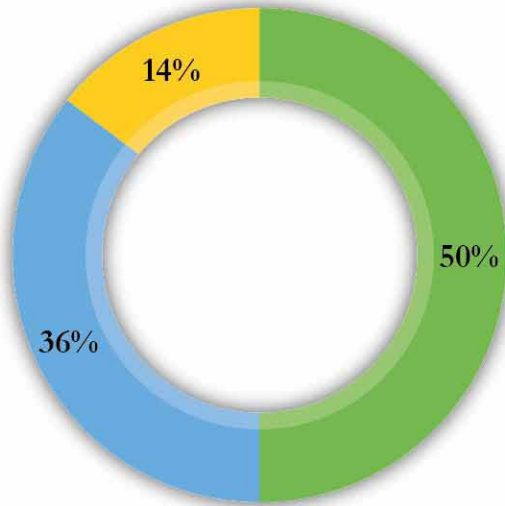
	2021		2020		2019		2018		2017		2016	
	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%	Rs	%
Profit or Loss Account	(Rs. in million)											
Sales - gross	44,949		40,807		37,011		29,971		24,295		20,004	
Sales - net	37,308	100.00%	33,218	100.00%	30,091	100.00%	23,906	100.00%	19,605	100.00%	17,008	100.00%
Cost of Sales	(30,114)	-80.72%	(26,340)	-79.30%	(23,737)	-78.88%	(18,545)	-77.57%	(15,884)	-81.02%	(13,899)	-81.72%
Gross profit	7,194	19.28%	6,878	20.70%	6,354	21.12%	5,361	22.43%	3,721	18.98%	3,109	18.28%
Selling & Distribution expenses	(4,236)	-11.35%	(4,469)	-13.45%	(3,590)	-11.93%	(2,896)	-12.12%	(1,663)	-8.48%	(1,367)	-8.04%
Administrative expenses	(652)	-1.75%	(594)	-1.79%	(541)	-1.80%	(381)	-1.59%	(260)	-1.33%	(191)	-1.13%
Other operating expenses	(394)	-1.06%	(181)	-0.55%	(172)	-0.57%	(254)	-1.06%	(147)	-0.75%	(132)	-0.77%
Other operating income	393	1.05%	353	1.06%	213	0.71%	232	0.97%	195	1.00%	166	0.98%
Share of profit from associated company	601	1.61%	492	1.48%	45	0.15%	393	1.64%	468	2.39%	506	2.98%
Profit from operation	2,907	7.79%	2,479	7.46%	2,309	7.67%	2,455	10.27%	2,314	11.81%	2,091	12.29%
Finance cost	(694)	-1.86%	(1,156)	-3.48%	(905)	-3.01%	(617)	-2.58%	(671)	-3.42%	(798)	-4.69%
Profit / (loss) before taxation	2,214	5.93%	1,323	3.98%	1,404	4.66%	1,838	7.69%	1,643	8.38%	1,293	7.60%
Taxation	(437)	-1.17%	(391)	-1.18%	(437)	-1.45%	(425)	-1.78%	(477)	-2.43%	(291)	-1.71%
Profit/ (loss) after taxation	1,777	4.76%	932	2.81%	967	3.21%	1,413	5.91%	1,166	5.95%	1,002	5.89%
Balance Sheet												
Total equity	11,275	27.51%	9,900	26.39%	7,374	27.35%	7,220	31.29%	6,272	28.20%	5,999	29.12%
Total non-current liabilities	15,201	37.09%	15,674	41.79%	8,824	32.72%	7,467	32.36%	8,808	39.61%	6,197	30.08%
Total current liabilities	14,514	35.41%	11,934	31.82%	10,766	39.93%	8,385	36.34%	7,159	32.19%	8,407	40.81%
Total equity and liabilities	40,990	100.00%	37,508	100.00%	26,964	100.00%	23,072	100.00%	22,239	100.00%	20,603	100.00%
Total non-current assets	26,218	63.96%	24,942	66.50%	16,100	59.71%	14,554	63.08%	14,356	64.55%	12,307	59.73%
Total current assets	14,772	36.04%	12,566	33.50%	10,864	40.29%	8,518	36.92%	7,883	35.45%	8,296	40.27%
Total assets	40,990	100.00%	37,508	100.00%	26,964	100.00%	23,072	100.00%	22,239	100.00%	20,603	100.00%



GRAPHICAL PRESENTATION YEAR ENDED JUNE 30, 2021

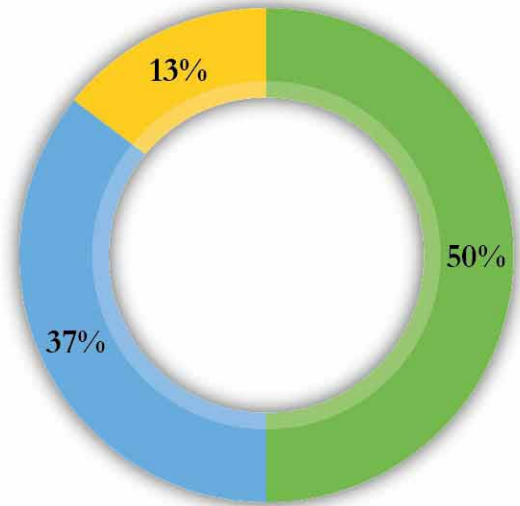


Financial Position 2021



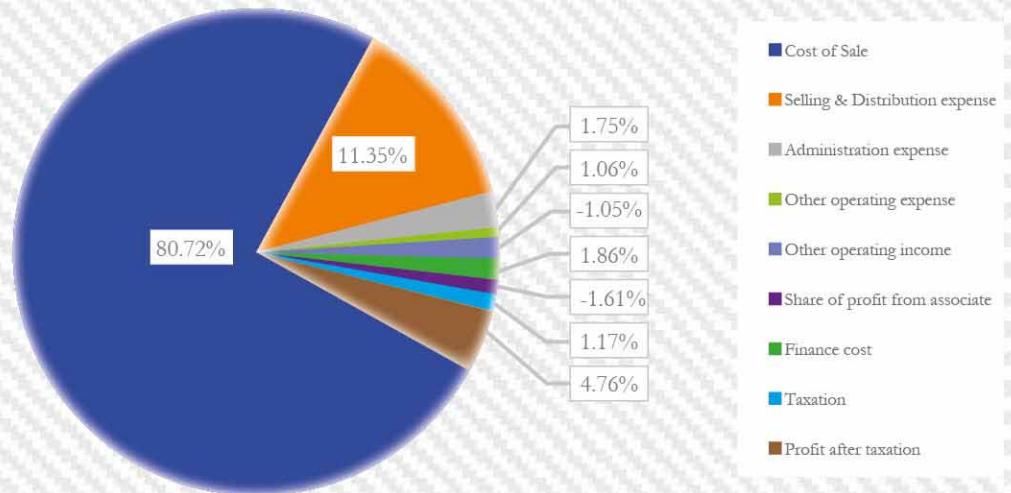
■ Total Asset ■ Total Liabilities ■ Total Equity

Financial Position 2020

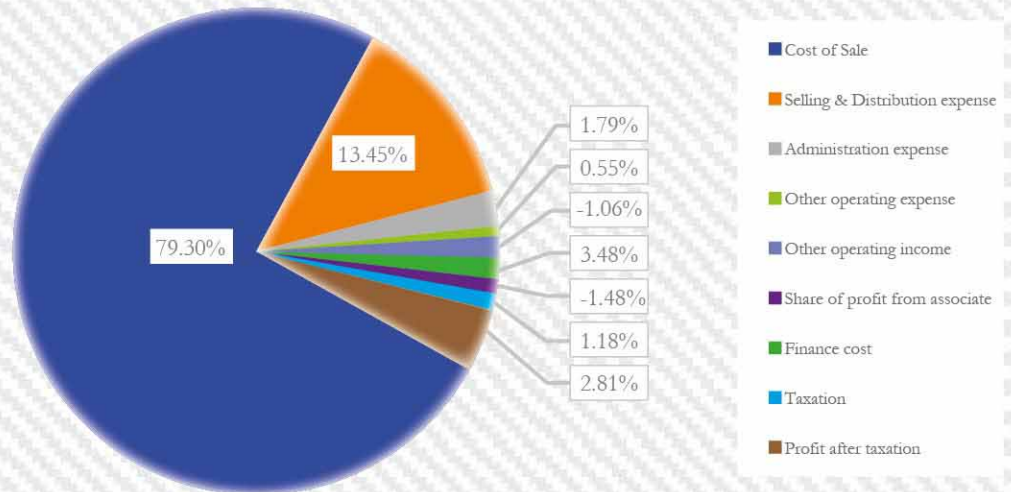


■ Total Asset ■ Total Liabilities ■ Total Equity

Profit or Loss Account 2021

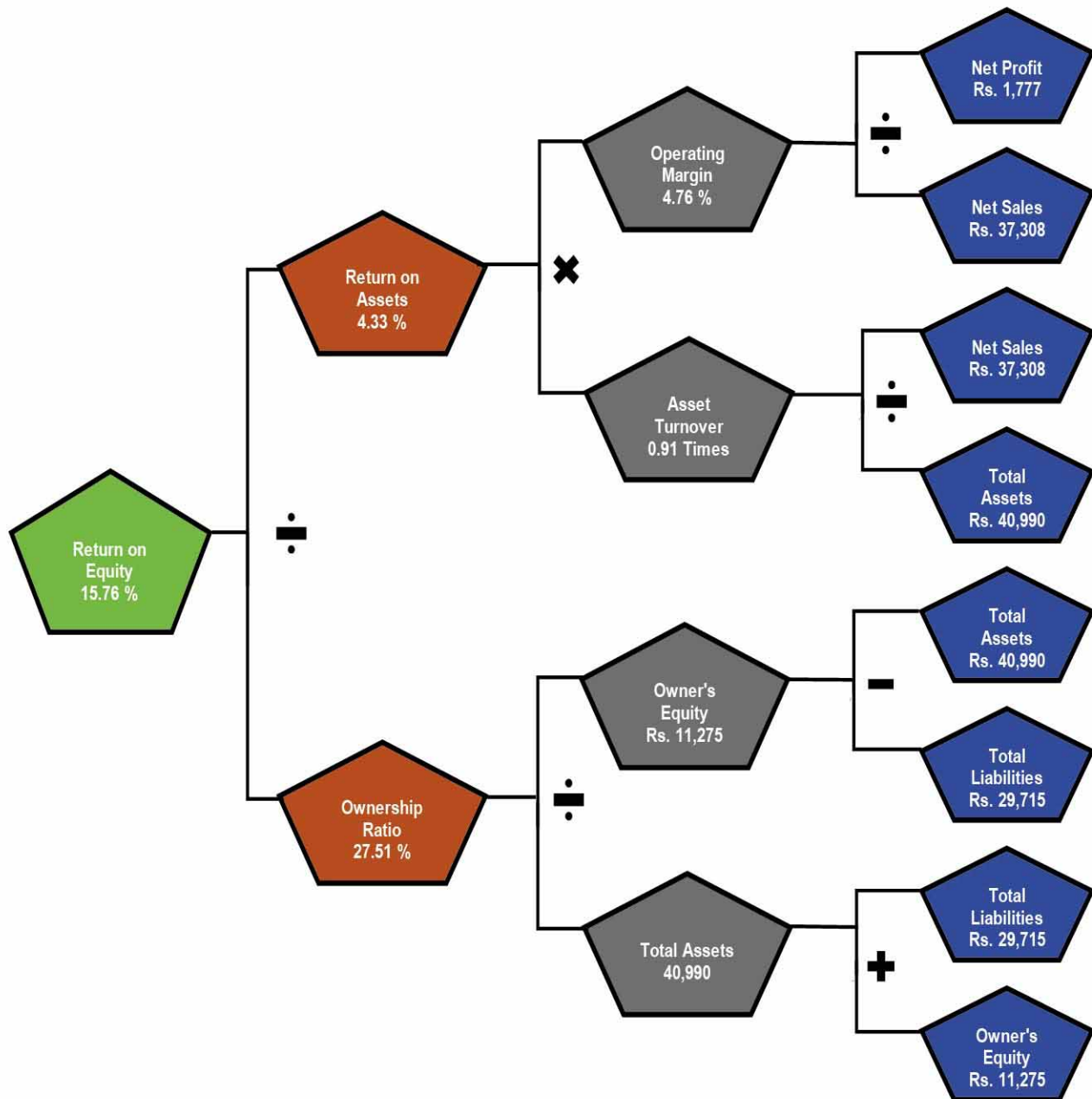


Profit or Loss Account 2020



DUPONT ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

Rs. in million




SWOT Analysis

SWOT analysis is an approach to identify the Strengths, Weaknesses, Opportunities and Threats of the business. IIL ensures that it uses its strengths to capitalize the opportunities available, eliminate the threats and turn its weaknesses into the business's strength.




- Leadership position in Confectionery and Plastic Films industry.
- Largest Biscuit manufacturer in Pakistan.
- Approved supplier of Nutritional products of UNICEF and WFP.
- Large Economies of scale.
- Professional and skilled workforce.
- In-house power generation.
- ISO 2000 & Halal (SANHA) Certified production facilities .



- Mature market with a number of product substitute.
- Labor-intensive operations.
- Dependent on Natural Gas Supply for power generation.
- Volatile Commodity Prices in International Markets.



- Exposure of untapped export market.
- Enhanced production capacity of BOPET Films.
- Availability of PET Resin material at doorstep for BOPET films.
- Technological advancement.
- Increasing market share by entering into new business segments.



- Uncertain market restriction due to COVID-19 situation.
- Continuous pressure on operating cost.
- Poor socio-economical indicators.
- Imposition of uncertain fiscal and monetary policies.
- Severe devaluation of Pak Rupee.



CHAIRMAN'S REVIEW

It gives me pleasure to present review report to the shareholders on the Annual Report of Ismail Industries Limited for the year ended June 30, 2021 and overall performance and effectiveness of the Board of Directors in achieving the objectives of the Company.

BUSINESS OVERVIEW

During the year under review, the Company had to face continued serious challenges of COVID-19, consequential lockdowns and slowdowns of economic activity. I am glad that the Board of Directors and senior management successfully faced these challenges allowing only minimum adverse impact on operations of the Company. Even though the country's economic and business climate was difficult, the Company has delivered consistent healthy results and held its position as market leader in its different business ventures. The Company's net revenue grew by 12% and operating profit by 27%. The focus of the Board of Directors and senior management remains on sound business plans and delivery of quality products for the success of the Company. The Company continuously strives to enhance its production capacities both in food and plastic segments for maximum market penetration and growing demand of its products.

BOARD'S PERFORMANCE

Pursuant to requirements of Listed Companies (Code of Corporate Governance) Regulations 2019, mechanism has been put in place for annual evaluation of the Board of Directors of the Company. The main objective of this exercise is to evaluate the performance of the Board and its committees to facilitate the management and play an effective role for the success of the Company. The above overall assessment is based on an evaluation of integral components including vision, mission, and values engagement in strategic planning, formulation of policies, monitoring organization business activities, monitor financial

resource management, effective physical oversight, equitable treatment of all employees and efficiency in carrying out the Board's responsibility. The Board's overall performance benchmarked and effectiveness criteria set for the financial year 2021, remained satisfactory.

BOARD AND ITS COMMITTEES

The Company's Board having seven Directors including two Independent Directors. These Board members having very vast and rich experience in the fields of business, finance, information technology and regulations. The Board shall continue to play its leading role in setting-up the business course of the Company, promoting its success and performance and guiding the senior management to conduct the operations efficiently and diligently in accordance with the Board's approved strategies while upholding the principles of good corporate governance. The Board has constituted two committees, the Audit Committee and Human Resource & Remuneration Committee, that comprises of suitably qualified persons having relevant experience and competencies. These Committees perform their functions in line with the Terms of Reference assigned to the respective Committee.

ACKNOWLEDGEMENT

Going forward, the Company's focus will be continued on delivering the exceptional results with the endeavor to create long term values for shareholders. I would like to express my appreciation for the contribution of the Board, excellent efforts put in by the senior management and employees as well as support received from the valued customers, suppliers, banks and shareholders.

Muhammad M. Ismail
Chairman

Karachi: September 17, 2021

دی ہیں جو کہ متعلقہ تجربے اور قابلیت کے حامل تعلیم یافتہ افراد پر مشتمل ہیں۔ متعلقہ کمیٹیوں کو سونپے گئے فرائض کے تحت اپنے افعال انجام دیتی ہیں۔

اعتراف

کمپنی میں تسلسل کے ساتھ مستقبل میں اپنے حصص یافتگان کی قدر میں اضافے کے لئے طویل مدتی امتیازی نتائج ترسیل کرنے کے لئے کوشاں ہے۔ بورڈ کی جانب سے میں اعلیٰ انتظامیہ اور ملازمین کی شاندار کوششوں کے ساتھ ساتھ ہمارے قابل قدر گاہکوں، سپلائرز، بینکوں اور حصص یافتگان کے تعاون پر انہیں مخلصانہ ستائش پیش کرتا ہوں۔

محمد ایم اسماعیل

چیئر مین

کراچی، 17 ستمبر 2021

چیرمین کا جائزہ

میں حصص یافتگان کو اسماعیل انڈسٹریز لمیٹڈ کی سالانہ رپورٹ برائے مختتمہ مدت 30 جون 2021 اور کمپنی کے مقاصد کے حصول میں بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور اثری پذیری پیش کرتے اظہار مسرت کرتا ہوں۔

کاروباری جائزہ

سال کے دوران کمپنی کو تسلسل کے ساتھ COVID-19 کے نتیجے میں لاک ڈاؤن اور معاشی سرگرمی میں سست روی کے شدید چیلنجز کا سامنا کرنا پڑا۔ میں یہ بتاتے ہوئے مسرت محسوس کرتا ہوں کہ بورڈ آف ڈائریکٹرز اور اعلیٰ انتظامیہ نے کامیابی کے ساتھ ان چیلنجز کا سامنا کیا جس کے نتیجے میں کمپنی کے کاروبار پر بہت کم ناموافق اثرات مرتب ہوئے۔ اگرچہ ملکی معیشت اور کاروباری فضا بہت دشوار گزار تھی لیکن کمپنی نے مسلسل صحت مند نتائج فراہم کئے اور مختلف کاروباری حلقوں میں مارکیٹ کے قائد کی حیثیت سے اپنی ساکھ کو برقرار رکھا۔ کمپنی کی خالص فروخت میں 12 فیصد اضافہ ہوا اور اعلیٰ انتظامیہ نے کمپنی کی کامیابی کے لئے ٹھوس کاروباری منصوبے بنائے اور معیاری مصنوعات فراہم کیں۔ کمپنی تسلسل کے ساتھ غذا اور پلاسٹک کے شعبے میں تسلسل کے ساتھ اپنی پیداواری صلاحیت بڑھانے کے لئے جدوجہد کر رہی ہے تاکہ مارکیٹ کا زیادہ سے زیادہ حصہ حاصل کیا جاسکے اور ہماری مصنوعات کی طلب میں اضافہ ہو۔

بورڈ کی کارکردگی

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کے تحت کمپنی کے بورڈ آف ڈائریکٹرز کی سالانہ تشخیص کے لئے ایک نظام موجود ہے۔ اس مشق کا بنیادی مقصد انتظامی بورڈ اور اس کی کمیٹیوں کی کارکردگی کی تشخیص کرنا ہے تاکہ انتظامیہ کو سہولت ملے اور کمپنی کی کامیابی میں اپنا موثر کردار انجام دے سکے۔ مجموعی تشخیص میں انفرادی اجزاء جیسے نصب العین، مشن و اقدار، کلیدی منصوبہ بندی، پالیسیوں کی تشکیل، ادارے کی کاروباری سرگرمیوں کی نگرانی، مالیاتی وسائل کے انتظام کی نگرانی، موثر طبعی نگرانی، تمام ملازمین کے ساتھ یکساں سلوک اور بورڈ کی اپنے فرائض کی ادائیگی کی صلاحیت شامل ہے۔ معیار اہلیت کے اصول کے مطابق بورڈ کی مجموعی کارکردگی اور اثر پذیری تسلی بخش پائی گئی۔

بورڈ اور اس کی کمیٹیاں

کمپنی کے بورڈ میں سات ڈائریکٹران ہیں جس میں دو آزاد ڈائریکٹر ہیں۔ بورڈ کے یہ ممبران کاروبار، مالیات، انفارمیشن ٹیکنالوجی اور ضوابط میں بہت وسیع اور گہرے تجربہ کے حامل ہیں۔ بورڈ تسلسل کے ساتھ کمپنی کے کاروباری عمل میں قائدانہ کردار ادا کرتا رہے گا جو کہ اعلیٰ انتظامیہ کو بورڈ کی منظور شدہ حکمت عملیوں کے مطابق اچھے نظم و ضبط کے اصولوں کو برقرار رکھتے ہوئے کاروباری افعال کو مستعدی اور دانشمندی سے بورڈ کی منظور شدہ حکمت عملیوں کے مطابق انجام دینے میں رہنمائی فراہم کرے گا۔ بورڈ نے دو کمیٹیاں آڈٹ کمیٹی اور انسانی وسائل و معاضہ کمیٹی تشکیل

DIRECTOR'S REVIEW REPORT

The Board of Directors takes pleasure in presenting the annual report on performance of the Company together with the audited financial statements (both stand-alone & consolidated) for the year ended June 30, 2021.

ECONOMIC OUTLOOK

The economic activities during the year were adversely impacted by COVID-19 pandemic. Pakistan has shown great resilience and was fortunate enough to successfully elude severe effects of the pandemic as opposed to pressures being felt by the global economy. Primary factors that contributed towards this recovery were an accommodative monetary policy, introduction of refinancing facilities, targeted fiscal support, and other financial initiatives.

Despite the broader macro-economic challenges and higher inflationary environment, the management remains focused on meeting the consumer expectations by offering quality and value-added products and managing cost pressure through value chain optimization initiatives and tighter controls on overhead.

The Board has closely monitored the performance of the business in line with economic challenges with a focus to achieve continuous improvement in productivity and efficiency while optimizing cost and processes to ensure sustained growth of the Company.

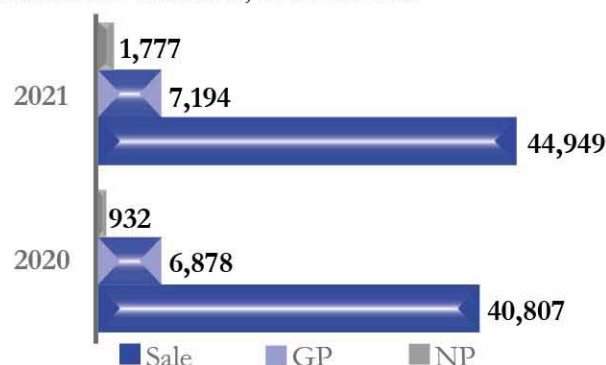
BUSINESS AND FINANCIAL PERFORMANCE

The Company maintained its strong presence in confectionary, biscuits and plastic films industries and registered a topline sales of around Rs. 45 billion. We can sustain our growth momentum and progression in revenue owing to timely capacity enhancements, aggressive marketing campaigns and introduction of new products. The snapshot of what we have accomplished over the last year:

Description	30-Jun-21	30-Jun-20
	PKR in Million	
Gross Sales	44,949	40,807
Net Sales	37,308	33,218
Gross Profit	7,194	6,878
Operating Profit	2,306	1,815
Profit after tax	1,777	932
EPS in Rupees	26.77	14.49

Net revenue of the Company grew by 12% and operating profit by 27% on the back of volume gains, selling price adjustments and product mix changes across all categories. Product margins remained under pressure due to rising raw and packing material and basic utilities prices.

Impressive topline growth, optimization of resources utilization, effective planning of selling and distribution activities, efficient cost



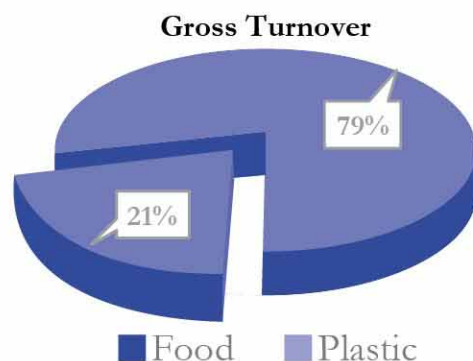
control, reduction in finance cost and amazing share of profit from associates contributed to achieve an astounding growth in bottom line.

The Company maintains a strong financial profile, through efficient working capital management and strengthening innovation / renovation, portfolio management, deriving visibility and availability, working effectively with customers and distributors for adequate coverages.

The Company realizes the importance of investing in advertising and promotion of its key brands and new launches and plans to continue these crucial inputs for strong branding equities and business growth in future.

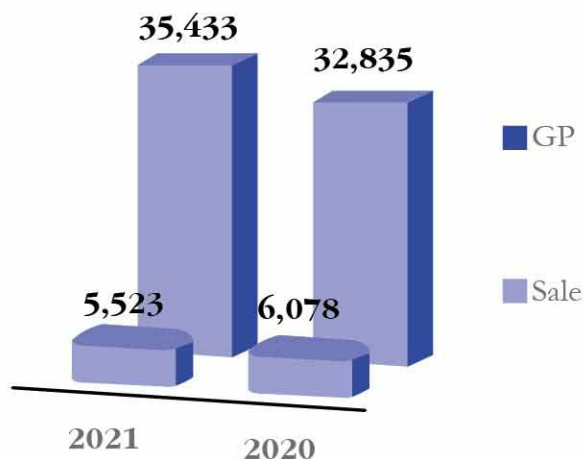


SEGMENT REVIEW



The Company has been successful in reviewing the market changes and consumer demand and deliver their services accordingly. To keep up with this continuous transformation, we have been able to anticipate new trends in the market and invest in such a way that has allowed us to understand which products will succeed and which need further improvements. Segment wise analysis are given below:

FOOD SEGMENT OPERATIONS



Our confectionary, biscuits, snacks and nutrition divisions of the food segment offers wide range of products, which includes jellies, marshmallows, candies, chews, chocolates, cookies, cakes, wafers and nutritional food supplements. The best-selling patents that fall under this segment are Candyland, Bisconni, Snackcity and Ismail Nutrition.

CandyLand

Setting its first foot in 1988, CandyLand is the leading confectionary manufacturing player in Pakistan since last many decades. Not only it is the largest division of the food segment, but it is also continuously innovating, creating and redesigning products according to the needs of its valuable customers.

CandyLand offers rich products under various categories, such as jellies, chocolates, marshmallows, candies, toffees, chews, lollipops, gums, milk chocolates, spreads, brittles, and truffles. While striving to ensure to meet its long-term growth strategy with the help of a highly qualified team, CandyLand has been able to expand its existing market share.

It holds the title of torch bearer of the industry through constantly innovating and launching new products and expanding our state-of-the-art facilities with latest technologies and production methodology. In the year under review, it has focused on strengthening the sales and distribution structure, channel management and ROI based marketing, to further achieve customer satisfaction.

Bisconni

Perfecting the art of baking since past 18 years, Bisconni has always succeeded in providing scrumptious cookies, wafers, and biscuits, despite the competition it faces, which match the taste buds of the consumers. Consumers have not been only loyal to Bisconni, but also love it and have made it a part of their lives.

In December 2020, Bisconni became the first Pakistani company to bring about a musical platform, "Bisconni Music", which comes with the tagline of "The New Wave" and showcases the essence of promoting fresh music and talented artists.



Renowned brands, which includes Cocomo, Chocolatto, Chocolate Chip, Rite, Novita, Chaiwala Biskut, Craving and Flo Cake have a large distribution nationwide. Bisconni continues to create a powerful image by innovating and introducing new value added products, aiming to reach greater heights.

SnackCity

Customer satisfaction has always been a priority, which is why the Company has invested in the world's best machinery, employed the best food technicians and experts, and adopted the best practices to ensure that the consumers taste the goodness of SnackCity products in each bite.

Since its inception, SnackCity's Kurleez has grown to become the market leader in the crinkle chips category. The Company has successfully ventured into other categories as well. Chillz, our brand of potato sticks, has also grown to become the market leader in its category, while Nimko is included in Peanuts category.

Ismail Nutrition

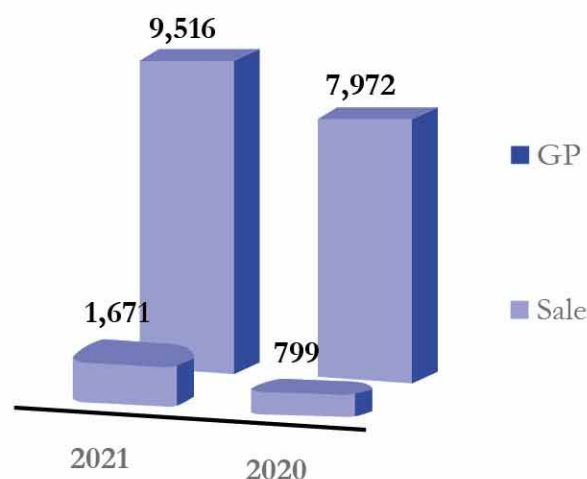
The Nutrition Division of the Company has been approved as the liquid nutritional food supplement supplier for the World Food Program of the United Nations since 2010. The Company continues to produce food that fight malnutrition through the provision of precise nutrition required for the development of child. These food supplements are ready-to-use and are seeing continuous, strong growth both in export and local markets as well. The Nutrition Division of the Company is the only Pakistani Company which is in the approved UNICEF suppliers list.

To meet the needs of these prestigious social agencies, manufacturing facilities of producing food supplements are expanding continuously. The Company shows steady dedication to quality and

efficiency to satisfy the customers' needs. Presently, the Company is extending the Nutrition manufacturing facility for producing new product 'Super Cereal' for these institutions to counter malnutrition in countries where people are suffering from acute malnutrition. Super Cereal is intended for children older than 5 years of age and adults. Most of this product is used in Africa and in some parts of Asia. The annual production capacity of this product would be around 25,000 tons per annum.

PLASTIC SEGMENT OPERATIONS

Company's plastic films segment is the largest manufacturer of BOPET and CPP Packaging Films in Pakistan and an industry leader being the home of complete one window solution for Packaging & Printing Industries.



The Company has made best efforts during the year under review to get back on track, as the pandemic did not allow to achieve the targeted sales revenue on commencement of commercial operations of its new BOPET Film Plant. However, the Company succeeded in posting a revenue growth of 19% with concentrated efforts are being made on R&D and timely decision of the management to expand the local market share and export its products to USA, Europe, Middle East, South East Asia and the African markets.

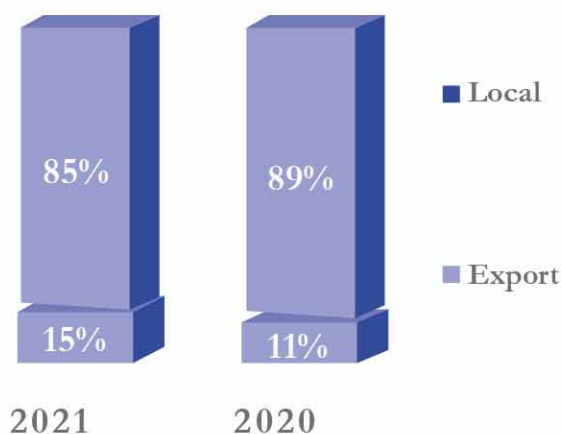


EXPORT MARKET

During the year under review, the Company's overall export business have shown rising trend, which is contributing 15% in gross sales as compared to 11% in corresponding year. With the untiring efforts of management, market segmentation, niche marketing, diversified product portfolio and aim to strengthen and expand the global foothold. This year, export sales have shown a tremendous growth of 48% over the last year amounting to Rs. 6.7 billion mainly owing to substantial contribution of Nutrition Division.

Our most precious asset is the trust of domestic customers on us, and we aim to replicate the same in global market. Our primary source of motivation and most deriving factor is our vision to represent the beloved Pakistan around the globe through our diversified set of products.

GROSS SALE



HUDSON PHARMA (PVT) LTD – SUBSIDIARY

One more successful year for Hudson Pharma of following and living up to its vision to identify safe and efficacious treatments that address patient's unmet needs across the globe. This execution of its goal has translated into the topline growth of 5% year on year and closed the financial year ending June 30, 2021 at net sales Rs. 217 million in value terms. Besides increase in revenue, the Company is

prosperous in lowering its cost of production, selling and distribution through relentless efforts of the management, aggressive penetration, innovation, and diversification in product mix.

Hudson Pharma has started working with the Global Alliance for Improved Nutrition (GAIN) to establish Pakistan's first vitamins & minerals premix facility. Plant and machineries with modern technologies are procured all the way from Europe to meet high-quality standards. This manufacturing plant having annual capacity of producing 2,000 tons. Aiding the distribution that would allow nutritious food producers to purchase and procure vitamin and minerals premix directly from them in the quantities needed. Currently, all premix requirements are imported, and this initiative will result in import substitution providing good savings in terms of the dollar spend. Currently, there is no formal supply chain process or facility for large quantities of premix in Pakistan.

Furthermore, Hudson Pharma has planned to install new manufacturing lines for steroidal inhalation and oral capsules, dermatology, and other healthcare products in the future ahead.

The Board of Director of the Company has approved in its meeting held on September 17, 2021 further equity investment of Rs. 800 million in Hudson Pharma to meet its capital expenditures requirement of expansion planned for setting up of Vitamins & Minerals Premix facility as well as for operational expenses / working capital requirements, subject to the approval of the shareholders in the Annual General Meeting of the Company.

ISMAIL RESIN (PVT) LTD – SUBSIDIARY

Ismail Resin (Private) Limited is a subsidiary company of Ismail Industries Limited. It was incorporated in Karachi, Pakistan on January 13, 2021, with the intention of setting-up a 108,000 tons per annum Polyester Resin (PET Resin) Manufacturing Plant at Port Qasim Authority Karachi, at an estimated cost of Rs. 4.70 billion



in proportion of 75% debt and 25% equity. The project will be commercially operational by September 2022.

Polyethylene terephthalate (PET) is the most common thermoplastic polymer resin of the polyester family. PET Resin is a basic raw material of BOPET Film and presently Ismail Industries is procuring this material for its two manufacturing plants from abroad through imports as well as from local producers, which is 50% of the total installed capacity of Ismail Resin. Now, PET Resin will be available for Ismail Industries at its doorstep.

Ismail Industries having shareholders' approval for equity investment of Rs. 1,500 million which is 75% of Ismail Resin's paid-up capital. Additionally, the Board of Director of the Company has approved in its meeting held on September 17, 2021 further equity investment of Rs. 1,000 million in Ismail Resin to meet the estimated cost over-run arises in which one of the reasons is massive devaluation of PKR, subject to the approval of the shareholders in the Annual General Meeting of the Company.

NOVELTY ENTERPRISES (PVT) LTD - ASSOCIATE

During the year Novelty Enterprises has paid out full dividend and remaining equity is distributed among shareholders with respect to their shareholding. Novelty Enterprises has no intention to continue the business, therefore have filed an application with SECP for winding-up of the Company.

BANK OF KHYBER - ASSOCIATE

The investment in Bank of Khyber proves to be an intelligent decision of diversification since it made. BOK's investment again recorded a healthy return of Rs.380 million in current year and added value to the Company's overall profitability. The Bank of Khyber has declared cash dividend @ 15% and bonus shares

@ 5% for the year ended December 31, 2020.

CORPORATE BRIEFING SESSION

The Company held its annual Corporate Briefing Session (CBS) on November 18, 2020 at Ramada Karachi Creek. Transmuting this interaction into prime opportunity, the Company apprises the existing and potential investors / stakeholders about the business environment and economic indicators of the country, explain its financial performance, competitive environment in which the Company operates, investment decisions, challenges faced as well as business outlook. Participants were informed about the upcoming projects and products of the Company and presented its goal for sustainable operations, future expansions, and diversifications.

CREDIT RATING

The Company has successfully maintained the credit rating 'A' in Long Term and 'A-1' in Short Term, reviewed by the Pakistan Credit Rating Agency during the year under review. Outlook assigned to the rating is "Stable" which implies low credit risk based on the Company's ability to meet its financial commitments in a timely manner.

CORPORATE SOCIAL RESPONSIBILITY

The Company has record of its strong commitment for the improvement of society and the communities in which it operates. The Company significantly increased its contribution as a result of higher profitability. The primary focus of Corporate Social Responsibility (CSR) initiatives of the Company remains in education, women empowerment, sports, health, environment, and community development.

The Company is engaged in various health-oriented activities, including Blood Donation Drive in co-ordination with various hospitals and NGOs. It also held a tree plantation activity in collaboration with various social bodies, Go Green Society as part of its drive to plant trees across Pakistan.



The Company has also taken it upon itself to improve the living conditions of people in underprivileged area and installed Water Filtration Plants and RO (Reverse Osmosis) Plants.

The Company evolve the “Child Education Program” and on continuous basis sponsoring “Ismail Academy (School)” and “Khadija Girls College” in Korangi.

INTERNAL CONTROL FRAME WORK

The Board's primary responsibility is to maintain the sound internal control system and control environment within the Company in order to ensure that the Company's operations are conducted effectively and efficiently, compliance with internal and external rules, laws, and regulations, asset protection, and reliable and transparent financial and management reporting.

As a result, the Company has established a well-organized internal control framework that includes well-defined policies and procedures, transparent structures, authority limits, accountability, and review processes.

Through the Audit Committee, the Board evaluates the effectiveness of internal control. The management, internal audit, and external auditors submit their reports on the system of internal control and risk management arrangements to the Audit Committee, which makes necessary recommendations to the Board regarding further strengthening the framework and assure that well-structured internal control system is in place which guarantees that the Company's financial information, operational efficiency, and effectiveness are reliable, and that regulatory requirements, transparency, and sincerity maintained for all stakeholders.

INTERNAL AUDIT

In accordance with our internal control framework and commitment to the principle of integrity and

transparency, we established an independent Internal Audit function that provides timely reporting to the Audit Committee. Internal Audit conducts its activities throughout the year in accordance with approved audit program and makes recommendations for improving the Company's existing internal controls and operations.

Internal audit identifies areas to improve the control environment within the organization and helps the business to make changes in operations and processes.

Internal audit may cover all areas of organization or specialize, depending on their skill-sets but the basic aim of it is to identify weaknesses within the organization processes and control environment so that these can be addressed as quickly as possible to prevent harm to the organization or its stakeholders. Internal audit plan for an organization should be driven on risk basis or, be designed to examine those areas that having high risk to the Company. The internal audit plan should also include a component of the strategic needs of the organization.

RISK MANAGEMENT

Risk management is important at all levels of the Company from the functional, business, and corporate perspectives, means to provide a three-dimensional view of risk. The Board of Directors, Board Audit Committee and Steering Committee comprising of senior management team are responsible for oversight of Company's operations and to evolve proactive strategies to mitigate any potential adverse impact of major risks and must ensure that internal control procedures are employed to control risks.

Each functional area has its own set of departmental key risks to be identified, assessed, and prioritized. These risks are resolved by means of SOPs upgrades and process restructuring and redesign. The task of risk management is to find and address the full range of risks for a Company, especially those that could lead to failure, while also reducing the uncertainty surrounding its overall business performance.



Enterprise Risk Management Process implementation in the Company has offered a structured, disciplined, and reliable approach that has improved decision making in the entire organization by integrating risk assessment.

CORPORATE GOVERNANCE

Our Company's governance structure defines the culture, behavior and conduct of the organization, which focuses to facilitate effective, entrepreneurial, and prudent management that can deliver the continued success in long-term. Principle of integrity and accountability are core values behind this governance structure that allows the Board to lead the Company in right direction. We ensure that the Company complies with all statutory and regulatory requirements, along with the Code of Conduct and Control Framework.

GENDER DIVERSITY

The Company ensures that gender diversity is present across all functions including the composition of the Board to create a culture that is

not gender biased. Female employees are part of our organization's workforce who have been performing a variety of challenging roles across many function of operations.

As part of our inclusive business agenda, we are also driving recruitment efforts for differently abled individuals in the organization. We continue to provide equal opportunities to all our employees in terms of working conditions, salaries, and benefits (etc.).

OUR PEOPLE ARE OUR ASSETS

Our people are most vital asset of the Company. The vision of human resources has been determined based on the core value defined by the Company's Management. The Company continues its efforts on development of personnel at all levels, proactively building capabilities and retaining talents for business sustainability and continuity.

Company believes that effective utilization of competitive human resources is the most important factor in ever-changing business environment and to achieve sustainable growth. Employee's engagement has been managed with robust policies and procedures. The Company has formulated succession plan, which includes performance evaluation and appropriate training requirements for development of potential future leaders. Considering the same, Company is continuously investing in the grooming of employees by way of various in house / out sourced training sessions.

INFORMATION TECHNOLOGY

Information technology (IT) is integral to every industry, enabling companies to cut costs, increase revenue, and stay competitive in the market. The Company using IT to help for resource optimization, risk management, and benefits realization, and all these are essential aspects of enterprise governance. We have focused on the efficient use of IT for long-term and short-term goals of the Company.



Investing in IT infrastructure and improving it aims to make it easier to deliver value, minimize risk, and save resources, as well as improve information cascading throughout the organization. The Company uses various platforms to streamline process and enhance reporting, including business intelligence tools for dashboards. The benefits of IT framework include: an efficient and effective decision-making process, timely regulatory and legal compliance, solid internal controls, and a strong governance system.

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties during the year were carried out at arm's length and were placed before the Board Audit Committee and the Board, for review and approval. These transactions were made and disclosed in compliance with Code of Corporate Governance.

COMPOSITION OF THE BOARD

The Board of Directors of the Company consists of;

Total Number of Directors	
Male	6
Female	1

Categories	Name
CEO	Mr. Munsarim Saifullah
Executive	Mr. Ahmed Muhammad
Independent	Mr. Muhammad Zubair Motiwala
	Ms. Tasneem Yusuf
Non-Executive	Mr. Muhammad M. Ismail
	Mr. Maqsood Ismail
	Mr. Hamid Maqsood Ismail

MEMBERS OF THE BOARD & ATTENDANCE

During the year, there was no change among the Board Members whose names are given here under along with the number of meetings they have attended;

Name of Directors	Meetings Attended
Mr. Muhammad M. Ismail*	7/8
Mr. Maqsood Ismail Ahmed*	7/8
Mr. Munsarim Saifullah	8/8
Mr. Hamid Maqsood Ismail	8/8
Mr. Ahmed Muhammad	8/8
Mr. Muhammad Zubair Motiwala*	6/8
Ms. Tasneem Yusuf*	6/8

* Leave of absences were granted to those Directors who could not attend some of the Board Meetings.

AUDIT COMMITTEE

Board Audit Committee	
Ms. Tasneem Yusuf	Chairperson
Mr. Muhammad M. Ismail	Member
Mr. Maqsood Ismail	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Board Human Resource and Remuneration Committee	
Mr. Muhammad Zubair Motiwala	Chairman
Mr. Maqsood Ismail	Member
Mr. Hamid Maqsood Ismail	Member

DIRECTORS' REMUNERATION

Detail of remuneration and other benefits are disclosed in the note 36 to the financial statements. These remunerations are duly approved by the Board of Directors. The remuneration of the Directors is based on prevailing industry trend and are in accordance with the Listed Companies (Code of Corporate Governance) Regulation 2019. It is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors are not



paid any remuneration in accordance with the remuneration policy of the Company.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2021, required under Section 227 (2) (f) of the Companies Act, 2017 is annexed to this report.

COMPLIANCE WITH CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Company complies with financial reporting and corporate governance framework under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Companies Act, 2017. It states:

- The financial statements prepared by the management of the Company are presented, according to the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Consistent accounting policies following IFRS are applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- The system of internal control is efficient and has been effectively implemented and monitored;
- There are no doubts with Company continuing on the principle of going concern;
- There has been no material departure from the best practices of corporate governance.

EARNINGS PER SHARE

The Earnings Per Share (EPS) for the year ended June 30, 2021 is Rs. 26.77 compared to corresponding year of Rs. 14.49. The growth in EPS demonstrates our ability to maximize the value for our shareholders.

DIVIDEND

The Company remains committed to increasing its shareholders wealth and keeping in view of the

results, the Board of Directors are pleased to propose a cash dividend @ 150% (Rs. 15/- per share) for the year ended June 30, 2021 which will be paid to the shareholders whose names appear on the shareholders register at the start of "Closed Period" for the Annual General Meeting.

STATUTORY AUDITORS

Company's present auditor's M/s. Grant Thornton Anjum Rahman, Chartered Accountants retired and being eligible, have offered themselves for reappointment. The audit Committee of the Company has suggested, and the Board has approved and recommended their reappointment to the shareholders as auditors of the Company for the year ending on June 30, 2022.

FUTURE OUTLOOK

Uncertainty around the COVID-19 situation continues as Pakistan is now experiencing its fourth wave. Economies around the world are buffeted by economic headwinds from multiple quarters, pressure on weak health systems, loss of trade and tourism, dwindling remittances, subdued capital flows, supply demand disruption, and tight financial conditions amid mounting debt. Recovery has started as businesses and communities have adapted the new ways of living and conducting business, but the challenges are far from over.

The Company has optimistic and aggressive view on its growth prospects. We are committed to create value through investments, innovations, and operation efficiency enrichment. We will continue to follow a focused approach to aggressively grow the business by driving volumes and reaping the benefits of economies of scale. The management is hopeful to counter the economic and competitive challenges and continue the success line with all the new zeal and ever-growing motivation in the years ahead.

ACKNOWLEDGEMENT

The Board expresses its gratitude to management, staff and workers of the Company for their untiring



efforts in achieving the Company's objectives. The results of the Company reflect the unrelenting commitment and contribution of its people, and the trust placed on the Company by its customers, suppliers, service providers and shareholders.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Karachi: September 17, 2021

آئینی آڈیٹرز

موجودہ آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمان چارٹرڈ اکاؤنٹنٹس سبکدوش ہو چکے ہیں اور اہلیت کے باعث انہوں نے نئے مالیاتی سال کے لئے اپنی دوبارہ تقرری کی پیشکش کی ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ نے میسرز گرانٹ تھورنٹن انجم رحمان چارٹرڈ اکاؤنٹنٹس کی سال 30 جون 2022 کے لئے کمپنی کے آئینی آڈیٹرز کی حیثیت سے تقرری کی تجویز کو منظور کر لیا ہے۔

مستقبل کی پیش بینی

COVID-19 کی صورتحال سے متعلق غیر یقینی کیفیت پاکستان میں جاری ہے کیونکہ اب چوتھی لہر آنے والی ہے۔ دنیا بھر کی معیشتیں کو کئی لحاظ سے معاشی جھٹکوں، کمزور صحت کے نظام پر دباؤ، تجارت و سیاحت کا خسارہ، ڈولتے ہوئی ترسیلات، سرمائے کے زیریں بہاؤ، طلب رسد میں رکاوٹ اور سخت مالیاتی حالت اور بڑھتے ہوئے قرضہ کا سامنا ہے۔ بحالی کا آغاز ہو گیا ہے اور معاشرہ نئے طرز زندگی کا عادی ہو چکا ہے اور کاروبار کر رہا ہے، لیکن چیلنجز ان سے کہیں اوپر ہیں۔

نمو کے امکانات پر کمپنی کا پر جوش اور متحرک نہ جائزہ ہے۔ ہم سرمایہ کاریوں، تخلیق اور کاروباری استعداد کی عرق ریزی کے ذریعے قدر فراہم کرنے کے لئے کوشاں ہیں۔ ہم تسلسل کے ساتھ متحرک نہ طور پر کاروباری نمو پر مرکوز رسائی سے حجم کو بڑھانے کے لئے کوشاں ہیں اور وسیع پیداواری فوائد سے استفادہ کر رہے ہیں۔ انتظامیہ معاشی اور مسابقتی چیلنجز کا مقابلہ کرنے کے لئے پرامید ہے اور آنے والے سالوں میں کامیابی کی لکیر کو نئے جوش اور ہمیشہ بڑھتی ہوئی ترغیب کے ساتھ جاری رکھے گی۔

اعتراف

بورڈ کمپنی کی انتظامیہ، عملے اور مزدوروں کی کمپنی کے مقاصد کے حصول میں ان کی انتھک محنت پر ان کی مشکور ہے۔ کمپنی کے نتائج میں ہمارے لوگوں کے غیر متزلزل عزم اور معاونت اور کمپنی کے گاہکوں، سپلائرز، خدمات فراہم کنندگان اور حصص یافتگان کے ہم پراعتماد کی عکاسی ہوتی ہے۔

مقصود اسماعیل

ڈائریکٹر

منصرم سیف اللہ

چیف ایگزیکٹو آفیسر

کراچی: 17 ستمبر 2021

ادارتی نظم وضبط کے ضابطہ کی پاسداری

لسٹر کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنیز ایکٹ 2017 کے تحت کمپنی ادارتی نظم وضبط اور مالیاتی رپورٹنگ کی پاسداری کرتی ہے۔ یہ بیان کیا جاتا ہے کہ:

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کارباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- کمپنی میں حسابات کی کتابیں مناسب انداز میں تیار کی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری کے دوران IFRS کو ملحوظ خاطر رکھتے ہوئے یکساں حسابات پالیساں لاگو کی گئی ہیں اور تخمینوں کی بنیاد معقول اور محتاط فیصلوں پر ہے۔
- اندرونی گرفت کے نظام کی شکل مضبوط ہے اور موثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔
- کمپنی کے چلتے ہوئے ادارے کی صلاحیت میں کوئی قابل ذکر شک وشبہ نہیں ہے۔
- ادارتی نظم وضبط کے بہترین طور طریقوں سے کوئی بھی قابل ذکر انحراف نہیں کیا گیا ہے۔

فی حصص آمدن

سال مختتمہ 30 جون 2021 کو اسماعیل انڈسٹریز لمیٹڈ کی فی حصص آمدن 26.77 روپے رہی جو کہ گزشتہ سال 14.49 روپے تھی۔ EPS میں نمو سے ہماری حصص یافتگان کے قدر میں اضافہ کی صلاحیت کی عکاسی ہوتی ہے۔

منافع منقسمہ

کمپنی اپنے حصص یافتگان کی آمدنی میں اضافہ کے لئے کوشاں ہے اور نتائج کو مد نظر رکھتے ہوئے بورڈ آف ڈائریکٹرز مسرت کے ساتھ منافع منقسمہ بحساب 150 فیصد (-/15 روپے فی حصص) برائے سال 30 جون 2021 کے حساب کی تجویز دی ہے جسے ان حصص یافتگان کو ادا کیا جائے گا جن کے نام سالانہ اجلاس عام کے لئے ”بندش کی مدت“ کے آغاز میں رجسٹر میں موجود ہوں گے۔

* جوڈائریکٹر ان حاضر نہ ہو سکے ان کی رخصت منظور کر لی گئی۔

آڈٹ کمیٹی

ممبران حیثیت

مس تسنیم یوسف چیئر پرسن

جناب محمد ایم اسماعیل ممبر

جناب مقصود اسماعیل ممبر

انسانی وسائل و معاوضہ کمیٹی

ممبران حیثیت

جناب ایم زبیر موتی والا چیئر مین

جناب مقصود اسماعیل ممبر

جناب حامد مقصود اسماعیل ممبر

ڈائریکٹر ان کا معاوضہ

ڈائریکٹر ان اور چیف ایگزیکٹو کو ادا شدہ معاوضہ اور دیگر مراعات سے متعلق مناسب منکشفات مالیاتی گوشواروں کے نوٹ 36 میں فراہم کئے گئے ہیں۔ ان معاوضوں کو بورڈ آف ڈائریکٹرز نے باضابطہ منظور کیا۔ معاوضہ کا تعین جاری صنعتی رجحان اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق کیا گیا۔ اس بات کو یقینی بنایا گیا کہ کوئی بھی ڈائریکٹر اپنے معاوضہ کے فیصلے میں شریک نہ ہو۔ نان ایگزیکٹو ڈائریکٹر ان کو کمپنی کے معاوضہ کی پالیسی کے تحت کوئی معاوضہ ادا نہیں کیا جاتا۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی دفعہ (f)(2) 227 کے تحت 30 جون 2021 کو حصص داری کی ساخت پر مشتمل گوشوارہ اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔



اقسام	نام
CEO	جناب منصریم سیف اللہ
ایگزیکٹو	جناب احمد محمد
آزاد	جناب محمد زبیر موتی والا
	مس تسنیم یوسف
نان ایگزیکٹو	جناب محمد ایم اسماعیل
	جناب مقصود اسماعیل
	جناب حامد مقصود اسماعیل

بورڈ کے ممبران اور ان کی حاضری

سال کے دوران بورڈ کے ممبران میں کوئی تبدیلی نہیں ہوئی جن کے نام اجلاسوں کی تعداد کے ساتھ دیئے گئے ہیں سوائے ان کے جو بورڈ کے اجلاس 25 اکتوبر 2019 کو سبکدوش ہو گئے تھے:

ڈائریکٹران کے نام	حاضر اجلاس
جناب محمد ایم اسماعیل *	7/8
جناب مقصود اسماعیل احمد *	7/8
جناب منصریم سیف اللہ *	8/8
جناب حامد مقصود اسماعیل	8/8
جناب احمد محمد	8/8
جناب محمد زبیر موتی والا *	6/8
مس تسنیم یوسف *	6/8

نشتوں کے ذریعے اپنے ملازمین کی صلاحیتوں میں اضافہ کے لئے سرمایہ کاری کر رہی ہے۔

انفارمیشن ٹیکنالوجی

انفارمیشن ٹیکنالوجی ہر صنعت کا امتیازی حصہ ہے جس سے کمپنیوں کو لاگتوں میں کٹوتی، فروخت میں اضافہ اور مارکیٹ میں مسابقت پذیر رہنے کے قابل بناتی ہے۔ آئی ٹی سے وسائل سے بہتر استفادہ، خطرات کے انتظام اور مراعاتی حصول پذیری میں مدد ملتی ہے اور یہ تمام ادارتی نظم و ضبط کے بنیادی پہلو ہیں۔ ہم نے کمپنی کے طویل مدتی اور قلیل مدتی آئی ٹی اہداف کے مستعد استعمال پر توجہ مرکوز کی ہے۔

IT ڈھانچہ اور اس کی بہتری میں سرمایہ کاری کا مقصد قدر کی ترسیل میں بہتری، خطرات میں کمی، وسائل کی بچت کے ساتھ ساتھ ادارے بھر میں معلومات کی فراہمی کو بہتر بنانا ہے۔ کمپنی مختلف پلیٹ فارمز استعمال کرتے ہوئے طریق عمل کی سمت بندی اور رپورٹنگ بشمول کاروباری دانشمندی کے اوزار برائے ڈیش بورڈ میں بہتری لاتی ہے۔ آئی ٹی فریم ورک کے فوائد میں ایک مستعد اور موثر فیصلہ سازی عمل، بروقت انضباطی اور قانونی پاسداری، ٹھوس اندرونی گرفت اور مستحکم نظم و ضبط کا نظام شامل ہیں۔

ملحقہ پارٹیوں کے ساتھ سودے

سال کے دوران ملحقہ پارٹیوں کے ساتھ سودے عمومی طریقہ کار کے مطابق انجام پائے اور بورڈ کی آڈٹ کمیٹی کے روبرو اور بورڈ کے جائزے اور منظوری کیلئے پیش کئے گئے۔ یہ سودے ادارتی نظم و ضبط کے ضابطے کے تحت انجام پائے اور انہیں منکشف کیا گیا ہے۔

بورڈ کی تشکیل بندی:

بورڈ آف ڈائریکٹرز مندرجہ ذیل پر مشتمل ہے:

ڈائریکٹران کی کل تعداد:

6	مرد
1	خاتون

کی ازسرنو ساخت بندی اور ازسرنو تشکیل سے حل کیا جاتا ہے۔ خطرات کے انتظام کا مقصد کمپنی کو لاحق مکمل خطرات کی تلاش اور ازالہ ہے، خاص طور پر جو کہ وہ خطرات جو کہ ناکامی کا سبب بن سکتے ہوں، اس کے ساتھ ساتھ مجموعی کاروباری کارکردگی کے گرد غیر یقینی صورتحال کو کم کرنا ہے۔

انٹرپرائز رسک مینجمنٹ پروسیس کے نفاذ نے کمپنی کو ایک ساخت شدہ، منضبط اور قابل اعتماد رسائی فراہم کرتا ہے جو خطرات کی تشخیص کو شامل کر کے ادارے بھر میں فیصلہ سازی میں بہتری لایا ہے۔

ادارتی نظم و ضبط

ہمارے نظم و ضبط کی ساخت میں ادارے کی ثقافت، رویہ اور طرز عمل کی وضاحت کی جاتی ہے جس سے موثر، کاروباری اور محتاط انتظام میں سہولت ہونے سے کمپنی کو طویل مدتی کامیابی ملتی ہے۔ دیانت داری اور محاسبہ کے اصول ہمارے نظم و ضبط کی ساخت کی بنیادی اقدار ہیں جن سے بورڈ کمپنی کی درست سمت میں رہنمائی کرتا ہے۔ ہم یقینی بناتے ہیں کہ کمپنی تمام آئینی اور ضابطہ کی ضروریات بشمول ضابطہ اخلاق اور گرفتہ نظام کی پاسداری کرے۔

جنسی تنوع

کمپنی جنسی تنوع کو یقینی بناتی ہے جو کہ تمام شعبوں بشمول بورڈ آف ڈائریکٹرز کی تشکیل میں موجود ہے جس سے جنسی مساوات کی ثقافت پیدا ہو۔ خاتون ملازمین ہمارے ادارے کی افرادی قوت کا حصہ ہیں جو کہ کئی کاروباری شعبہ جات میں کئی قسم کے دشوار گزار فرائض انجام دے رہی ہیں۔ ہمارے شمولیتی کاروباری ایجنڈے کے تحت ہماری بھرتی کی کوششوں سے ادارے میں مختلف النوع صلاحیت کے حامل افراد موجود ہیں۔ ہم تسلسل کے ساتھ اپنے تمام ملازمین کو یکساں مواقع بلحاظ کام کی صورتحال، تنخواہیں اور مراعات (وغیرہ) فراہم کرتے ہیں۔

ہمارے لوگ ہمارا اثاثہ ہیں

ہمارے لوگ ہماری کمپنی کا بنیادی اثاثہ ہیں۔ ہیومن ریسورسز کا نصب العین کمپنی کی انتظامیہ کی تشریح کردہ بنیادی اقدار پر مشتمل ہے۔ کمپنی تسلسل کے ساتھ ہر سطح پر اپنے ملازمین کی ترقی، متحرک نہ صلاحیتوں کی تعمیر اور باصلاحیت افراد کو روکنے کے لئے کوشاں ہیں تاکہ کاروباری پائیداری اور تسلسل برقرار رہے۔

کمپنی اس بات پر یقین رکھتی ہے کہ مسابقتی ہیومن ریسورسز ہمیشہ بدلتے ہوئے کاروباری ماحول اور پائیدار نمو کے حصول کے لئے انتہائی اہم عنصر ہے۔ ملازمین کی خدمات بہترین پالیسیوں اور طریقہ کار کے ذریعے حاصل کی گئی ہیں۔ کمپنی نے ایک جانشینی منصوبہ تشکیل دیا ہے جس میں کارکردگی کی تشخیص اور مناسب تربیتی ضروریات برائے امکانی قائدین فراہم کی جاتی ہے۔ کمپنی تسلسل کے ساتھ اندرون خانہ/کمپنی سے باہر



خطرات سے نمٹنے کے اہتمامات پر رپورٹیں آڈٹ کمیٹی کو پیش کرتے ہیں جو کہ نظام کو مزید مضبوط کرنے کے لئے اپنی ضروری سفارشات بورڈ کو پیش کرتی ہے۔

ہمیں یقین ہے کہ اندرونی گرفت کا مضبوط نظام موجود ہے جو مالیاتی معلومات کے معتبر ہونے، کاروباری افعال کی اثر پذیری اور استعداد، ضابطہ کی ضروریات کی پاسداری، شفافیت اور تمام مستفیدان کو درست معلومات کی تقسیم کی موزوں یقین دہانی کراتا ہے۔

اندرونی جانچ پڑتال

ہمارے اندرونی گرفت کے نظام اور دیانت داری کے اصول کی مطابق ہم نے ایک اندرونی جانچ پڑتال کا ایک آزاد شعبہ قائم کیا جو کہ بروقت آڈٹ کمیٹی کو رپورٹیں پیش کرتا ہے۔ سال کے دوران اندرونی جانچ پڑتال کے شعبے نے اپنی سرگرمیاں منظور شدہ جانچ پڑتال پروگرام کے مطابق انجام دیں اور موجودہ اندرونی گرفتوں اور کمپنی کے آپریشنز میں بہتری کے لئے سفارشات پیش کیں۔

اندرونی آڈٹ ادارے کے اندر مجموعی انضباطی ماحول کو بہتر بنانے کے لئے شعبوں کی نشاندہی کرتا ہے اور کاروباری افعال اور طریق عمل میں تبدیلیاں لانے میں مدد کرتا ہے۔

اندرونی آڈٹ ادارے کے تمام شعبوں کا احاطہ کرتا ہے یا خصوصی مہارت جس کا انحصار تمام مہارتوں پر ہوتا ہے لیکن اس کا بنیادی مقصد ادارے کے اندر طریق عمل اور انضباطی ماحول میں کمزوریوں کی نشاندہی کرنا ہے تاکہ جتنا جلد ممکن ہو ان کا ازالہ کرتے ہوئے ادارے یا اس کے متعلقین کو نقصان سے بچایا جاسکے۔ ادارے کے اندرونی آڈٹ منصوبے کی بنیاد خطرات پر مرکوز ہونی چاہئے یا اس کی شکل ایسی ہو کہ ان شعبوں کی جانچ پڑتال کی جاسکے جو کہ کمپنی کے لئے بلند خطرے کے حامل ہوں۔ اندرونی جانچ پڑتال منصوبے میں ادارے کی کلیدی ضروریات کے اجزاء بھی شامل ہونے چاہئیں۔

خطرات کا انتظام

خطرات کا انتظام افعالی، کاروباری اور ادارتی تناظر میں کمپنی میں ہر سطح پر اہمیت کا حامل ہے جو کہ خطرے کا سہ پہلو جائزہ پیش کرتا ہے۔ بورڈ آف ڈائریکٹرز، بوڈی آڈٹ کمیٹی اور اسٹیرنگ کمیٹی اعلیٰ انتظامی ٹیم پر مشتمل ہے جو کہ کمپنی کے افعال کی نگرانی اور متحرکانہ حکمت عملیوں کو تشکیل دینے کی ذمہ دار ہے تاکہ بڑے خطرات کے امکانی ناموافق اثرات کو کم کیا جاسکے اور اس بات کو یقینی بنائے کہ اندرونی گرفت کے طریقہ کار خطرات کو قابو کرنے کے لئے اختیار کئے گئے ہیں۔

ہر فعال شعبہ کے ذمہ اپنے شعبہ جاتی اہم خطرات کی نشاندہی، تشخیص اور ترجیحی ترتیب بندی ہے۔ ان خطرات کو SOPs میں بہتری اور طریق عمل

کریڈٹ ریٹنگ

کمپنی نے کامیابی سے طویل مدتی کریڈٹ ریٹنگ A اور قلیل مدتی A-1 برقرار رکھی ہے جس کا جائزہ پاکستان کریڈٹ ریٹنگ ایجنسی نے جائزہ سال کے دوران لیا۔ اس سے کمپنی کی کم قرضہ جاتی خطرہ کے ساتھ مالیاتی واجبات کو بروقت ادا کرنے کی صلاحیت کی نشاندہی ہوتی ہے۔

ادارتی سماجی ذمہ داری

آپ کی کمپنی جن معاشروں اور برادریوں کے درمیان کاروبار کرتی ہے، ان کے لئے ایک مضبوط عزم کی تاریخ رکھتی ہے۔ کمپنی نے اپنے بلند منافع کو مد نظر رکھتے ہوئے اس معاونت میں قابل ذکر اضافہ کیا ہے۔ کمپنی کے CSR اقدامات کا بنیادی مرکز شعبہ تعلیم، خواتین کے اختیارات، کھیل، صحت، ماحولیات اور معاشرتی ترقی ہے۔

کمپنی صحت سے ملحقہ مختلف سرگرمیوں بشمول مختلف ہسپتالوں اور NGOs کے تعاون سے خون عطیہ کرنے کی مہم میں مصروف عمل ہے۔ پاکستان بھر میں شجرکاری مہم ”سرسبز معاشرہ“ کے حصہ کے طور پر اس نے مختلف سماجی اداروں کے تعاون سے شجرکاری سرگرمی کا ہتمام کیا۔

کمپنی نے پسماندہ علاقوں کے لوگوں کے معیار زندگی میں بہتری کے بذات خود اقدامات کئے ہیں اور واٹر او سمسوز پلانٹس اور RO (ریورس او سمسوز) پلانٹس نصب کئے ہیں۔

کمپنی نے ”چائلڈ ایجوکیشن پروگرام“ کا ارتقاء کیا ہے اور تسلسل کے ساتھ کورنگی میں ”اسماعیل اکیڈمی (اسکول)“ اور ”خدیجہ گلز کالج“ کی سرپرستی کر رہی ہے۔

اندرونی گرفت کا نظام

بورڈ کی بنیادی ذمہ داری ہے کہ وہ اندرونی گرفت اور انضباطی ماحول کے لئے ایک مضبوط نظام برقرار رکھے تاکہ افعال کی مستعد اور موثر انجام دہی، اندرونی و بیرونی قواعد، قوانین و ضوابط کی پاسداری، کمپنی کے اثاثوں کا تحفظ، قابل اعتماد اور شفاف مالیاتی اور مینجمنٹ رپورٹنگ کو یقینی بنایا جاسکے۔

لہذا کمپنی نے ایک بہترین ترتیب شدہ اندرونی گرفت کا نظام قائم کیا ہے جو کہ بہترین مسلمہ پالیسیوں اور طریقہ کار، واضح ساخت، اختیارات کی حدود، محاسبہ اور جائزہ کے طریق عمل پر مشتمل ہے۔

بورڈ اندرونی گرفت کی اثر پذیری کا جائزہ آڈٹ کمیٹی کے ذریعے کرتا ہے۔ انتظامیہ، اندرونی اور بیرونی آڈیٹر اندرونی گرفت کے نظام اور

اسماعیل ریزن (پرائیویٹ) لمیٹڈ - ذیلی کمپنی

اسماعیل ریزن (پرائیویٹ) لمیٹڈ اسماعیل انڈسٹریز لمیٹڈ کی ایک ذیلی کمپنی ہے۔ اس کی تشکیل کراچی پاکستان میں 13 جنوری 2021 کو ہوئی جس کے تحت 108,000 ٹن سالانہ پالیسٹر ریزن (PET ریزن) کی تیاری کا پلانٹ پورٹ قاسم اتھارٹی پر 4.70 بلین روپے کی تخمیناً لاگت سے قائم کیا جائے گا جو کہ 75 فیصد قرضے اور 25 فیصد حصصی سرمائے پر مشتمل ہوگا۔ پروجیکٹ ستمبر 2022 تک تجارتی طور پر فعال ہو جائے گا۔

پولی اسٹھنکلین ٹیریفٹھالیٹ (PET) پولیمر فیملی کا ایک انتہائی عام تھرموپلاسٹک پولیمر ریزن ہے۔ PET ریزن BOPET کا بنیادی خام مال ہے اور اس وقت اسماعیل انڈسٹریز اپنے دو پیدواری پلانٹ کے لئے اس مادے کو درآمد کے ساتھ مقامی تیار کنندگان سے خرید رہا ہے جو کہ اسماعیل ریزن کا کی تنصیب شدہ گنجائش کا 50 فیصد ہے۔ اب PET ریزن اسماعیل انڈسٹریز کی دہلیز پر دستیاب ہوگا۔

نولوٹی انٹرپرائزز (پرائیویٹ) لمیٹڈ - ملحقہ کمپنی

سال کے دوران نولوٹی انٹرپرائزز نے مکمل منافع منقسمہ تقسیم کیا اور بقایا حصصی اکیوٹی کو حصص داروں کے مابین حصص داری کے تناسب سے تقسیم کر دیا گیا۔ نولوٹی انٹرپرائزز کا کاروبار جاری رکھنے کا کوئی ارادہ نہیں ہے، لہذا کمپنی نے ایک درخواست SECP میں کمپنی کی تحلیل کے لئے دائر کردی ہے۔

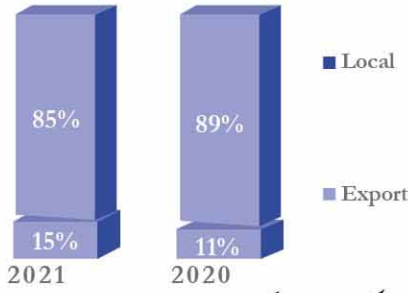
بینک آف خیبر

بینک آف خیبر میں جب سے سرمایہ کاری کی گئی ہے یہ فیصلہ ایک دانشمندانہ تنوع کو ثابت کرتا ہے۔ BOK میں سرمایہ کاری سے موجودہ سال دوبارہ 380 ملین روپے کی بہترین منفعت حاصل ہوئی اور کمپنی کے مجموعی منافع کی قدر میں اضافہ ہوا۔ سال ختم 31 دسمبر 2020 کے لئے بینک آف خیبر نے منافع منقسمہ بحساب 15 فیصد اور بونس حصص بحساب 5 فیصد کا اعلان کیا ہے۔

ادارتی اختصاری نشست

کمپنی نے 18 نومبر 2020 کو راجا کراچی کریک میں ایک سالانہ ادارتی اختصاری نشست (CBS) کا انعقاد کیا۔ ہم CBS کو مستفیدان اور متوقع سرمایہ کاروں کے درمیان باہمی ربط کا ذریعہ سمجھتے ہیں جس میں کمپنی اس موقع پر مقامی اور غیر ملکی سرمایہ کاروں کو کاروباری ماحول اور ملک کے معاشی اشاریوں سے آگاہ کرتی ہے اور اس کی مالیاتی کارکردگی، مسابقتی ماحول جس میں کمپنی کام کر رہی ہے، سرمایہ کاری فیصلوں، درپیش چیلنجز کے ساتھ کاروباری منظر نامہ کی وضاحت کرتی ہے۔ شرکاء کو کمپنی کے آنے والے پروجیکٹس اور مصنوعات سے آگاہ کیا جاتا ہے اور انہیں پائیدار افعال، مستقبل میں توسیع اور تنوع کے ہدف بتائے جاتے ہیں۔

GROSS SALE



ذریعہ اور انتہائی ارتقائی عنصر متنوع مصنوعات کے مرکب کے ذریعے اپنے نصب العین یعنی دنیا بھر میں اپنے پیارے پاکستان کی نمائندگی کرنا ہے۔

ہڈسن فارما (پرائیویٹ) لمیٹڈ - ذیلی کمپنی

یہ ہڈسن فارما کا ایک اور کامیاب سال تھا اور اپنے نصب العین کے تحت محفوظ اور موثر علاج کی نشاندہی کرنا ہے تاکہ دنیا بھر میں مریضوں کی نہ ختم ہونے والی ضروریات کا ازالہ کیا جاسکے۔ اس مقصد کی تکمیل کی عکاسی گزشتہ سال کی نسبت 5 فیصد فروخت میں اضافے سے ہوتی ہے اور مالیاتی سال مختتمہ 30 جون 2021 کے اختتام پر مالیت کے لحاظ سے خالص فروخت 217 ملین روپے رہی۔ فروخت میں اضافہ کے علاوہ انتظامیہ کی متحرک تہذیب تخلیق اور مصنوعات کے مرکب میں تنوع کی انتھک کوششوں کے ذریعے کمپنی اپنی پیداواری لاگت، فروخت اور تقسیمی اخراجات میں کمی کر رہی ہے۔

ہڈسن فارما نے گلوبل الائنس فارما پرووڈ نیوٹریشن (GAIN) کے ساتھ کام شروع کر دیا ہے تاکہ پاکستان کی پہلی نامیات اور معدنیات پیدا کرنے کی سہولت قائم کی جاسکے۔ اعلیٰ کوالٹی کے معیار کو پورا کرنے کے لئے یورپ سے جدید پلانٹ اور مشینری خریدی جا رہی ہے۔ اس پیداواری پلانٹ کی سالانہ گنجائش 2,000 ٹن ہے۔ ہمارے تقسیمی انتظام سے غذائی نیوٹریشن پیدا کرنے والوں کو نامیات اور معدنیات کے تیار شدہ مرکب کو اپنی ضرورت کے مطابق مقدار میں خریدنے میں مدد ملے گی۔ اس وقت تیار شدہ اشیاء کی ضروریات درآمدات سے پوری کی جاتی ہیں اور اس اقدام سے درآمدی متبادل حاصل ہوگا جس سے ڈالر میں کثیر زر مبادلہ کی بچت ہوگی۔ اس وقت پاکستان میں تیار شدہ اشیاء کی بڑی مقدار میں باضابطہ فراہمی کا اہتمام موجود نہیں ہے۔

مزید برآں، ہڈسن فارما نے مستقبل میں اسٹیرائڈل انہیملیشن اور منہ سے نگلنے والے کپسول، جلدی اور دیگر طبی نگہداشت کی مصنوعات کی تیاری کے لئے نئی پیداواری سہولیات کی تنصیب کی منصوبہ بندی کی ہے۔

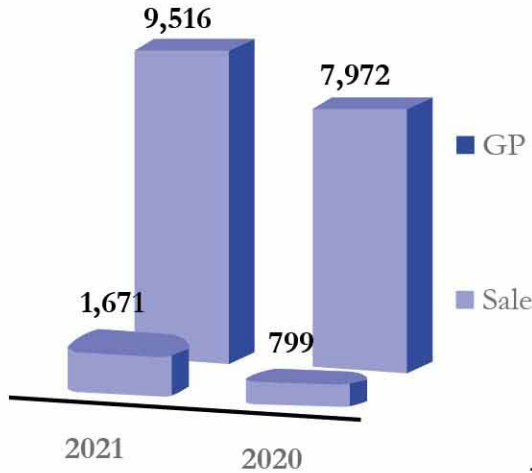
کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس مورخہ 17 ستمبر 2021 میں ہڈسن فارما کو مزید 800 ملین روپے کی حصصی سرمایہ کاری فراہم کرنے کی منظوری دی ہے تاکہ وٹامن اور معدنیات کی تیار شدہ اشیاء پیداوار کے لئے توسیعی منصوبہ کے قیام کے ساتھ کاروباری اخراجات/رواں کھاتے کے سرمائے کی ضروریات پوری کی جاسکیں، جس کی منظوری کمپنی کے سالانہ اجلاس عام میں حصص یافتگان سے لی جائے گی۔

ساتھ ناقص معیار خوراک کے خاتمہ کے لئے درست نیوٹریشن کی حامل غذائیں پیدا کر رہی ہے جو کہ بچوں کی بہتر نشوونما کے لئے ضروری ہیں۔ یہ فوڈ سپلیمینٹس استعمال کے لئے تیار حالت میں دستیاب ہیں اور تسلسل کے ساتھ برآمدی اور مقامی مارکیٹ دونوں میں مستحکم نمو حاصل کر رہے ہیں۔ کمپنی کا نیوٹریشن ڈویژن واحد پاکستانی کمپنی ہے جو UNICEF کی منظور شدہ سپلائرز کی فہرست میں شامل ہے۔

ان قابل قدر سماجی اداروں کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لئے فوڈ سپلیمینٹس کی پیداواری سہولت میں مسلسل توسیع کی جا رہی ہے۔ کمپنی نے صارفین کی طمانیتی ضروریات کو پورا کرنے کے لئے معیار اور کارکردگی کا مظاہرہ کیا ہے۔ اس وقت کمپنی نئی مصنوعات ”سپرسیرل“ کی پیداوار کے لئے اپنی نیوٹریشن کی موجودہ پیداواری سہولت میں توسیع کر رہی ہے، یہ مصنوعات ان اداروں کے لئے ہے جو ملک میں ناقص خوراک کا مقابلہ کر رہے ہیں جہاں پر لوگ شدید ناقص خوراک سے متاثر ہیں۔ اس مصنوعات کا زیادہ تر استعمال افریقہ اور ایشیا کے چند ممالک میں ہوتا ہے۔ اس مصنوعات کی سالانہ پیداوار 25,000 ٹن ہوگی۔

پلاسٹک کے شعبے کے افعال

کمپنی کی پلاسٹک فلموں کا شعبہ پاکستان میں BOPET اور CPP پیکیجنگ فلموں کا سب سے بڑا تیار کنندہ اور ایک چھت کے نیچے پیکیجنگ اور پرنٹنگ صنعت کے تمام حل پیش کرنے میں صنعتی قائد کی حیثیت رکھتا ہے۔



کمپنی نے زیر جائزہ سال کے دوران ترقی کے راستے پر گامزن ہونے کے لئے بہترین کوششیں کی ہیں کیونکہ وہ بے نئے BOPET فلم پلانٹ کے تجارتی پیداوار کے نتیجے میں ہدف شدہ فروخت کی آمدن حاصل کرنے میں رکاوٹ بنی ہوئی تھی۔ تاہم کمپنی اپنی R&D پر مرکوز کوششوں اور مقامی اور عالمی مارکیٹ جیسے یو ایس اے، یورپ، مڈل ایسٹ جنوب مشرقی ایشیا اور افریقی مارکیٹوں میں اپنا حصہ بڑھانے کے بروقت فیصلوں کے ذریعے اپنی فروخت میں 19 فیصد نمو حاصل کرنے میں کامیاب رہی۔

عالمی مارکیٹ

رواں مالی سال کے دوران کمپنی کے مجموعی برآمدی کاروبار میں اضافہ کارہجان رہا جس نے خام فروخت میں 15 فیصد معاونت کی جبکہ گزشتہ سال 11 فیصد معاونت کی تھی۔ انتظامیہ کی انتھک کوششوں، مارکیٹ کے مطابق شعبہ جات کی دائرہ بندی، بہترین مارکیٹنگ، مصنوعات کے متنوع پورٹ فولیو اور عالمی مارکیٹ میں اپنے حصے میں اضافہ اور استحکام کے عزم کے نتیجے میں اس سال برآمدی فروخت میں 48 فیصد کی شاندار نمو ہوئی جو کہ 6.7 بلین روپے رہی جس میں نیوٹریشن ڈویژن کی معاونت قابل ذکر ہے۔

ہمارا سب سے قیمتی اثاثہ ہم پر مقامی صارفین کا اعتماد ہے اور ہمارا عزم ہے کہ یہی اعتماد عالمی مارکیٹ میں بھی بڑھے۔ ہماری ترغیب کا بنیادی



مسلسل تخلیق اور نئی مصنوعات کے متعارف کروانے اور اپنی جدید ترین سہولیات کو جدید ٹیکنالوجی اور پیداواری طریقہ سے ہم آہنگ کرنے کی وجہ سے یہ صنعت کے لئے روشن مینارہ بن گئی ہے۔ زیر جائزہ سال کے دوران اس نے فروخت اور تقسیمی ساخت کے استحکام، فروخت کی اشتہاری سرگرمیوں اور ROI کی بنیاد پر مارکیٹنگ پر توجہ مرکوز کی جس سے ہمارے صارفین کو مزید طمانیت حاصل ہوئی۔

بسکونی

گزشتہ 18 سال سے بیکنگ کے فن میں مکمل مہارت حاصل کرتے ہوئے مسابقت کے باوجود بسکونی نے ذائقہ دار کوکیز، ویفرز اور بسکٹ متعارف کروائے ہیں جو کہ صارفین کے معیار ذائقہ سے مطابقت رکھتے ہیں۔ صارفین نہ صرف بسکونی کے دلدادہ ہیں بلکہ اس کے شائقین بھی ہیں اور اسے انہوں نے اسے اپنی زندگی کا حصہ بنا لیا ہے۔

دسمبر 2020 میں بسکونی پاکستان کی پہلی کمپنی بن گئی جس نے میوزیکل پلیٹ فارم بنام ”بسکونی میوزک“ قائم کیا جو کہ ”دی نیو یو“ کے نام سے موسوم ہے اور یہ نئے اور باصلاحیت فنکاروں کی اساس کو ترقی دے رہی ہے۔

مشہور زمانہ برانڈز جن میں Chai Wala Biscuit، Novita، Rite، Chocolate Chip، Chocolatto، Cocomo، Flu Cake اور Craving کی ملک بھر میں وسیع مانگ ہے۔ بسکونی تسلسل کے ساتھ انتہائی طاقتور تخلیقی ساکھ بنا رہی ہے اور قابل قدر اشیاء متعارف کروا رہی ہے جس کا مقصد عظیم بلندیوں تک پہنچنا ہے۔

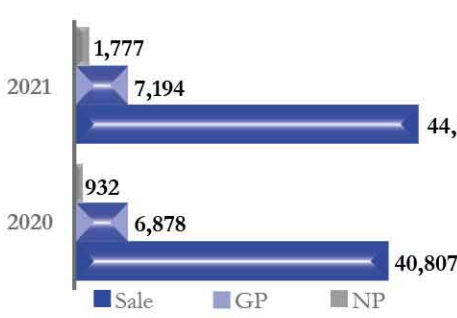
اسنیک سٹی

صارفین کی طمانیت ہمیشہ ہماری ترجیح رہی ہے جس کے لئے کمپنی نے دنیا کی بہترین مشینری میں سرمایہ کاری کی ہے، غذا کے بہترین اہل فن اور ماہرین کو بھرتی کیا ہے اور بہترین طور طریقوں کو اختیار کیا ہے جس سے صارفین اسنیک سٹی کی مصنوعات کے ہر لقمہ سے ذائقہ کی لذت کو محسوس کرتے ہیں۔

اسنیک سٹی کا کرلیز کر نکل اپنے آغاز ہی سے چپس کی اقسام کی میں مارکیٹ میں سرفہرست بن گیا ہے۔ کمپنی نے کامیابی کے ساتھ دیگر اقسام میں بھی قدم جمائے ہیں۔ چلڑ ہمارے پوٹیٹو اسٹکس کا برانڈ ہے جو کہ اپنی قسم میں ترقی پا کر مارکیٹ کا قائد بن گیا ہے جبکہ نمکوپھلی کی کی قسم میں شامل ہے۔

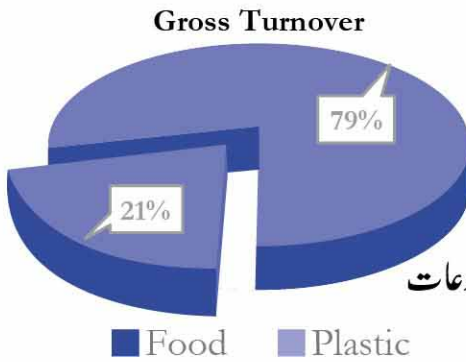
اسماعیل نیوٹریشن

نیوٹریشن ڈویژن کو سن 2010 سے اقوام متحدہ کے ورلڈ فوڈ پروگرام میں مائع غذائی سپلیمنٹس کے سپلائر کے طور پر منظور کیا گیا ہے۔ کمپنی تسلسل کے



اور ملحقہ کمپنیوں کے منافع میں سے ملنے والے حیران کن حصے نے خالص منافع میں اضافہ کیا۔
رواں سرمائے کے مستعد انتظام اور مستحکم تخلیق/جدت کی سرگرمیوں، پورٹ فولیو کے انتظام،
دوراندیشی اور دستیابی، مناسب احاطہ کار کے لئے صارفین اور ڈسٹری بیوٹرز کے ساتھ موثر
رابطہ کے ذریعے کمپنی ایک مستحکم مالیاتی پروفائل برقرار رکھتی ہے۔

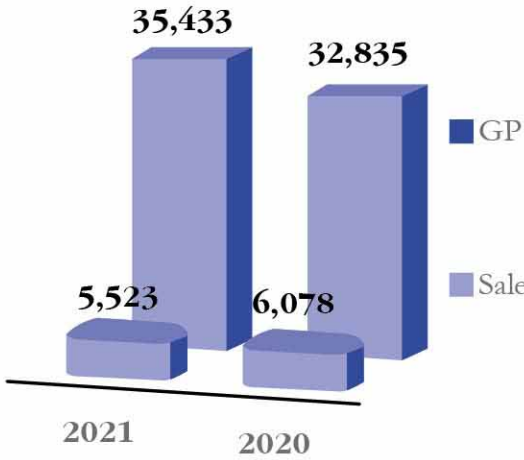
کمپنی اپنے اہم برانڈز کی تشہیر اور اشتہاری سرگرمیوں میں سرمایہ کاری اور نئی مصنوعات کے تعارف اور منصوبوں کی اہمیت کو تسلیم کرتی ہے تاکہ
مستقبل میں برانڈ کو مستحکم بنانے اور کاروباری نمو کے لئے بنیادی ستونوں کو استعمال کیا جاسکے۔



شعبہ جاتی جائزہ

کمپنی مارکیٹ میں تبدیلیوں اور صارفین کی طلب کا جائزہ لینے اور اس کے مطابق اپنی خدمات
فراہم کرنے میں کامیاب رہی۔ اپنی مسلسل جدت کے لئے ہم مارکیٹ میں نئے رجحانات
لانے میں کامیاب رہے اور اس طرح سرمایہ کاری کی جس سے ہمیں معلوم ہو سکے کہ کونسی مصنوعات
کامیاب ہوں گی اور کن میں بہتری کی ضرورت ہے۔ شعبہ وار تجزیہ درج ذیل ہے:

غذائی شعبے کے افعال



غذائی شعبے میں ہماری ٹافیوں، بسکٹوں، اسنیکس اور نیوٹریشن کے ذیلی شعبے وسیع
مصنوعات پیش کرتے ہیں جن میں جیلیاں، مارش میلووز، کینڈیز، چیونگ گم، کوکیز،
کیک، ویفرز اور نیوٹریشنل فوڈ سپلیمنٹس شامل ہیں۔ اس شعبے میں بہترین فروخت
ہونے والے برانڈ کینڈی لینڈ، بسکونی، اسنیک سٹی اور اسماعیل نیوٹریشن ہیں۔

کینڈی لینڈ

1988 سے یہ برانڈ پاکستان میں کئی عشروں سے کنفیکشنری تیار کرنے والی صنعت میں قائدانہ حیثیت کا حامل ہے۔ یہ نہ صرف غذائی شعبے کا سب
سے بڑا ویشن ہے بلکہ یہ ہمارے قابل قدر صارفین کی ضروریات کے مطابق مسلسل جدتی، تخلیقی اور نئی ڈیزائن شدہ مصنوعات متعارف کروا رہا ہے۔
کینڈی لینڈ میں ذائقہ سے بھرپور مصنوعات میں مختلف اقسام کی جیلیاں، چاکلیٹیں، مارش میلووز، کینڈیاں، ٹافیاں، چیونگم، لالی پاپ، گم، ددوہ کی
چاکلیٹیں، برٹلز اور ٹرٹلز شامل ہیں۔ اعلیٰ تعلیم یافتہ ٹیم کی مدد سے اپنی طویل مدتی حکمت عملی کو عملی جامہ پہناتے ہوئے کینڈی لینڈ مارکیٹ میں اپنے
موجودہ حصے میں توسیع میں کامیاب رہی ہے۔

ڈائریکٹران کی جائزہ رپورٹ

ڈائریکٹران کمپنی کے آڈٹ شدہ مالیاتی نتائج (انفرادی اور مجموعی) مالیاتی گوشوارے برائے ختمہ مدت 30 جون 2021 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

معاشی منظر نامہ

سال کے دوران معاشی سرگرمیوں پر COVID-19 کی وجہ سے ناموافق اثرات مرتب ہوئے۔ پاکستان نے انتہائی دانشمندی کا مظاہرہ کیا اور عالمی معیشت پر محسوس کئے جانے والے دباؤ کے برخلاف خوش قسمتی کے ساتھ وباء کے شدید اثرات سے نکلنے میں کامیاب ہو گیا۔ بنیادی عوامل جنہوں نے بحالی میں معاونت کی ان میں معاون مالیاتی پالیسی، قرضہ جاتی سہولیات کا تعارف، ہدفی مالیاتی مدد اور دیگر مالیاتی اقدامات شامل ہیں۔

بڑے معاشی چیلنجز اور بلند افراط زر کے ماحول کے باوجود انتظامیہ معیاری اور قیمتی اشیاء کی پیشکش کر کے صارفین کی توقع پر پوری اتری اور طلب و رسد میں بہتری کے اقدامات اور بالائی لاگتوں پر سخت کنٹرول کے ذریعے لاگتوں پر دباؤ کو کم کرنے میں کامیاب رہی۔

بورڈ نے باریک بینی سے معاشی چیلنجز کو مد نظر رکھتے ہوئے پیداواریت میں مسلسل بہتری اور استعداد سے کاروباری کارکردگی کی نگرانی کی جبکہ لاگتوں میں کٹوتی اور طریق عمل میں بہتری سے کمپنی کی پائیدار نمو کو یقینی بنایا۔

کاروباری اور مالیاتی جائزہ

ٹائیپوں، بسکٹوں اور پلاسٹک فلم کی صنعتوں میں کمپنی مستحکم انداز میں موجود ہے اور جس کے نتیجے میں اس کی فروخت 45 بلین روپے رہی۔ ہم اپنی نمو کے معیار حرکت اور کارکردگی کو پیداواری گنجائش میں بروقت بہتری، متحرک نہ اشتہاری مہم اور نئی مصنوعات کے تعارف کے ذریعے برقرار رکھ سکتے ہیں۔ گزشتہ سال ہم کیا کچھ حاصل کرنے میں کامیاب رہے اس کا سرسری جائزہ درج ذیل ہے:

Description	30-Jun-21	30-Jun-20
	PKR in Million	
Gross Sales	44,949	40,807
Net Sales	37,308	33,218
Gross Profit	7,194	6,878
Operating Profit	2,306	1,815
Profit after tax	1,777	932
EPS in Rupees	26.77	14.49

کمپنی کے خالص فروخت میں 12 فیصد اضافہ ہوا اور کاروباری منافع میں 27 فیصد اضافہ ہوا جس کی بنیادی وجہ حجم فروخت میں اضافہ، قیمت فروخت میں مطابقت اور تمام اقسام کی مصنوعات کے مرکب میں تبدیلی تھی۔ مصنوعات کا منافع دباؤ میں رہا جس کی وجہ خام مال اور پیکنگ کے سامان اور بنیادی سہولیات کی بڑھتی ہوئی قیمتیں تھیں۔

فروخت کی متاثر کن نمو، وسائل کے بہتر استعمال، فروخت اور تقسیمی سرگرمیوں کی موثر منصوبہ بندی، لاگت پر موثر کنٹرول، مالیاتی لاگت میں کمی



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Ismail Industries Limited (the “Company”)
Year ended: June 30, 2021

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

1. The total number of directors are 7 as per the following:
 - a. Male: 6
 - b. Female: 1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Zubair Motiwala Ms. Tasneem Yusuf
Non-Executive Directors	Mr. Muhammad M. Ismail Mr. Maqsood Ismail Ahmed Mr. Hamid Maqsood Ismail
Executive Directors	Mr. Munsarim Saifullah Mr. Ahmed Muhammad
Female Director	Ms. Tasneem Yusuf

Fraction (0.33) related to the requirement for number of independent Director is less than 0.5 and therefore, has not been rounded up as one, because the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.



5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of Seven (7) directors, three directors meet the exemption requirement of the Directors' training program and four directors have obtained the Directors' training program certificate in prior years.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
 - a) Audit Committee
 - Ms. Tasneem Yusuf - Chairperson
 - Mr. Muhammad M. Ismail - Member
 - Mr. Maqsood Ismail Ahmed - Member
 - b) Human Resource and Remuneration Committee
 - Mr. Muhammad Zubair Motiwala - Chairman
 - Mr. Maqsood Ismail Ahmed - Member
 - Mr. Hamid Maqsood Ismail - Member



13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
 - a) Audit Committee quarterly
 - b) HR and Remuneration Committee on required basis
15. The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firms involved in the audit are not a close relative (spouse, parent, dependent, and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary, or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.

MUHAMMAD M. ISMAIL
Chairman

MUNSARIM SAIFULLAH
Chief Executive Officer

Karachi: September 17, 2021



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ismail Industries Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Grant Thornton Anjum Rahman

Chartered Accountants

Dated: September 17, 2021

Karachi

**UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**



INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Ismail Industries Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2021, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following is the key audit matter:

S.No. Key Audit Matter

How the matter was addressed in our audit

1. Valuation of Stock-in-trade

As at June 30, 2021 the Company's total stock-in-trade balance amounting to Rs. 7.57 billion as disclosed in note 11 represents 51.25% of the total current assets of the Company. The value of stock-in-trade is based on the weighted average cost method for raw materials, packing materials and work in process and lower of weighted average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit.

The Company is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.

This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.

In response to this matter, our audit procedures included the following:

- Reviewed the management procedures for valuation of stock-in-trade and evaluating the NRV of stock-in-trade.
- Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade.
- Tested the valuation method used by the management in valuation of stock in trade.
- Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade, tested the accuracy of the aging analysis of stock-in-trade on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the board and management level to identify any indicators of obsolescence.
- Tested the NRV of the stock-in-trade held by performing a review of sales close to and subsequent to the year-end and compared with the cost for a sample of products.
- Assessed the adequacy of the disclosures on stock-in-trade in these unconsolidated financial statements.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Dated: September 17, 2021



UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
ASSETS			
Non-current assets			
Property, plant and equipment	6	20,797,301,134	19,266,848,674
Right-of-use assets	6.1	82,762,838	306,955,475
Intangible assets	7	33,730,783	55,293,210
Long term investments	8	5,277,725,078	5,276,303,873
Long term deposits	9	26,838,890	37,005,581
Total non-current assets		26,218,358,723	24,942,406,813
Current assets			
Stores and spares	10	459,511,285	351,847,225
Stock-in-trade	11	7,570,435,262	6,251,658,329
Trade debts	12	3,345,669,807	3,344,985,089
Loans and advances	13	1,529,096,136	936,777,070
Trade deposits and short term prepayments	14	30,581,266	36,060,055
Short term investments	15	318,381,590	200,000,000
Other receivables	16	117,644,543	119,919,336
Taxation-net	17	1,256,736,585	1,273,085,745
Cash and bank balances	18	143,565,665	51,195,200
Total current assets		14,771,622,139	12,565,528,049
Total assets		40,989,980,862	37,507,934,862

The annexed selected notes from 1 to 48 form an integral part of these unconsolidated financial statements.



UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

		2021	2020
	Note	----- Rupees -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (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	19	663,569,400	663,569,400
Reserves	20	10,611,167,244	9,236,215,197
Total shareholders' equity		11,274,736,644	9,899,784,597
Non-current liabilities			
Long term finances - secured	21	12,890,753,566	13,513,452,828
Lease liabilities	22	19,401,180	91,245,081
Deferred liabilities	23	2,291,284,075	2,069,506,039
Total non-current liabilities		15,201,438,821	15,674,203,948
Current liabilities			
Trade and other payables	24	3,993,579,951	3,436,484,784
Accrued mark-up	25	162,665,518	195,966,471
Short term finances - secured	26	6,063,068,547	6,789,925,030
Current portion of:			
- long term finances - secured	21	3,672,098,318	985,228,903
- Lease liabilities	22	42,765,702	77,281,836
Unclaimed dividend		2,902,597	2,644,785
Advances from customers - unsecured		576,724,764	446,414,508
Total current liabilities		14,513,805,397	11,933,946,317
Total liabilities		29,715,244,218	27,608,150,265
Total equity and liabilities		40,989,980,862	37,507,934,862

Contingencies and commitments

27

The annexed selected notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
Sales	28	44,948,732,102	40,806,855,687
Sales returns, discounts and direct expenses		(1,959,203,601)	(1,989,079,667)
Export rebate		55,790,351	10,589,965
		(1,903,413,250)	(1,978,489,702)
		43,045,318,852	38,828,365,985
Sales tax		(5,737,558,980)	(5,610,093,075)
Sales - net		37,307,759,872	33,218,272,910
Cost of sales	30	(30,113,980,222)	(26,340,648,564)
Gross profit		7,193,779,650	6,877,624,346
Selling and distribution expenses	31	(4,235,501,771)	(4,469,256,842)
Administrative expenses	32	(651,886,237)	(593,693,129)
Operating profit		2,306,391,642	1,814,674,375
Other operating expenses	33	(393,717,058)	(181,562,202)
Other income	34	392,804,811	353,404,382
		2,305,479,395	1,986,516,555
Finance cost	35	(693,703,984)	(1,155,785,614)
		1,611,775,411	830,730,941
Share of profit from associated companies - net	8.2.3	601,470,332	491,972,141
Profit before taxation		2,213,245,743	1,322,703,082
Taxation	38	(436,580,434)	(390,737,914)
Profit for the year		1,776,665,309	931,965,168
Earnings per share - basic and diluted	39	26.77	14.49

The annexed selected notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020 -----
Profit for the year		1,776,665,309	931,965,168
Other comprehensive (loss) / income:			
<i>Items that may be reclassified to unconsolidated statement of profit or loss in subsequent periods</i>		-	-
<i>Items that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods:</i>			
Income on remeasurements of post employment benefit obligation - net of tax	23.3.7	34,674,791	1,960,588
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(3,857,616)	-
Share of other comprehensive (loss) / income from associate - net of tax	8.2.3	(233,459,617)	896,140,406
Other comprehensive (loss) / income - net of tax		(202,642,442)	898,100,994
Total comprehensive income for the year		1,574,022,867	1,830,066,162

The annexed selected notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up share capital	Total Reserves					Total reserves	Total shareholders' equity
		Capital reserve		Revenue reserve				
		Share premium	Amalgamation reserves	Remeasurement of investment in associate	Remeasurement of investments at fair value through OCI	Unappropriated profit		
----- Rupees -----								
Balance as at July 01, 2019	638,047,500	579,265,000	916,862,067	(854,605,234)	-	6,094,677,327	6,736,199,160	7,374,246,660
Profit for the year	-	-	-	-	-	931,965,168	931,965,168	931,965,168
Other comprehensive income - net of tax	-	-	-	896,140,406	-	1,960,588	898,100,994	898,100,994
Total comprehensive income	-	-	-	896,140,406	-	933,925,756	1,830,066,162	1,830,066,162
Right shares issue	25,521,900	893,266,500	-	-	-	-	893,266,500	918,788,400
Final dividend for the year ended June 30, 2019 @ Rs. 3 per share	-	-	-	-	-	(191,414,250)	(191,414,250)	(191,414,250)
Interim cash dividend for the period ended December 31, 2019 @ Rs. 0.50 per share	-	-	-	-	-	(31,902,375)	(31,902,375)	(31,902,375)
Balance as at June 30, 2020	663,569,400	1,472,531,500	916,862,067	41,535,172	-	6,805,286,458	9,236,215,197	9,899,784,597
Profit for the year	-	-	-	-	-	1,776,665,309	1,776,665,309	1,776,665,309
Other comprehensive loss - net of tax	-	-	-	(233,459,617)	(3,857,616)	34,674,791	(202,642,442)	(202,642,442)
Total comprehensive income	-	-	-	(233,459,617)	(3,857,616)	1,811,340,100	1,574,022,867	1,574,022,867
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 June 30, 2021	663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	8,417,555,738	10,611,167,244	11,274,736,644

The annexed selected notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	2,432,145,733	5,957,155,845
Gratuity paid	23.3.3 & 24.2	(69,755,521)	(32,269,070)
Income tax paid - net		(178,055,152)	(534,802,892)
Long term deposits - net		10,166,691	7,297,910
Net cash generated from operating activities		2,194,501,751	5,397,381,793
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(3,355,480,700)	(8,126,868,258)
Intangible assets		(10,306,201)	-
Investment in subsidiary	8.1	-	(623,885,000)
Investment in associated company	8.3	(491,737,500)	(16,284,035)
Proceed from dissolution of associated company		188,107,892	-
Dividend received	8.2.3	629,020,362	122,169,516
Short-term investments	15	(123,541,590)	(200,000,000)
Proceeds from disposal of property, plant and equipment	6.6	585,328,439	58,234,562
Net cash used in investing activities		(2,578,609,298)	(8,786,633,215)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from long term financing - net		2,014,170,153	6,432,839,338
Receipts from right share issue - net off Sponsor's loan - subordinated		-	16,636,630
Lease repayments		(106,360,035)	(67,717,486)
Interest / mark-up paid		(727,004,937)	(1,165,512,071)
Dividend paid		(198,813,008)	(223,010,340)
Net cash generated from financing activities		981,992,173	4,993,236,071
Net increase in cash and cash equivalents		597,884,626	1,603,984,649
Cash and cash equivalents at the beginning of the year		(1,663,611,508)	(3,267,596,157)
Cash and cash equivalents at the end of the year		(1,065,726,882)	(1,663,611,508)
Cash and cash equivalents at the end of the year comprise of:			
Cash and bank balances	18	143,565,665	51,195,200
Running finance utilized under mark-up arrangements	26	(1,209,292,547)	(1,714,806,708)
		(1,065,726,882)	(1,663,611,508)

The annexed selected notes from 1 to 48 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

1.1 Ismail Industries Limited (the Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office / head office of the Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Previously the shares of the Company were listed on the Karachi and Lahore Stock Exchanges. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange Limited effective from January 11, 2016 the shares of the Company are now quoted on Pakistan Stock Exchange Limited. 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' and 'Astro films' respectively.

These are the separate unconsolidated financial statements of the Company in which investment in subsidiaries are stated at cost less any impairment costs, if any and investment in associates are carried under equity method of accounting.

Geographical location and addresses of business units including manufacturing units of the Company are as under:

Factories:	
Unit-1	Unit-6
C-230, Hub H.I.T.E., Balochistan.	D-91, D-92 & D-94 North Western Zone, Port Qasim.
Unit-2	Unit-7
B-140, Hub H.I.T.E., Balochistan.	E164-168, North Western Zone, Port Qasim.
Unit-3	Unit-8
G-1, Hub H.I.T.E., Balochistan.	E154-157, North Western Zone, Port Qasim.
Unit-4	Unit-9
G-22, Hub H.I.T.E., Balochistan.	G-1A, Hub H.I.T.E., Balochistan.
Unit-5	

38-C, Sundar Industrial Estate, Raiwind Road, Lahore.

In addition to above it is impracticable to disclose other administrative offices and warehouses as required under paragraph VI (1)(i) of part I of the fourth schedule to the Companies Act, 2017.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

2.1 The Company in its Extra Ordinary General Meeting held on April 12, 2021 has approved an equity investment up to Rs. 1.50 billion to be made in its associated company M/s. Ismail Resin (Private) Limited (IRL) incorporated on January 13, 2021 with the intention of setting-up a Polyester Resin (PET Resin) manufacturing plant.

2.2 During the financial year 2021, the erection and installation phase of BOPET project has been completed and it has started commercial production in somewhere between fourth quarter of this financial year. The relevant trial production cost has been capitalised as mentioned in note 6.7.2 of these unconsolidated financial statements.



3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies' and the unconsolidated statement of cash flows.

3.3 Functional and presentation currency

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

3.4 Standard, Amendments and Interpretations to Approved Accounting Standards

3.4.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020
IFRS 9 and IAS 39 - Interest Rate Benchmark Reform - Phase I	January 1, 2020
Adoption of the above standards have no significant effect on the amounts for the year ended June 30, 2021.	



3.4.2 Standards, amendments and interpretations to the published standards that may be 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)
IBOR Reform and its Effects on Financial Reporting - Phase 2	January 1, 2021
Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
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
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 these unconsolidated 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
Amendments to IFRS 17 Insurance Contracts	January 1, 2023



4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to the unconsolidated financial statements:

	Note
a) Property, plant and equipment	4.1
b) Stock-in-trade, stores and spares	4.2
c) Trade debts and other receivables	4.3
d) Taxation	4.4
e) Staff retirement benefits	4.5
f) Impairment of non-financial assets	5.3
g) Leases liabilities	5.15
h) Provisions	5.17
i) Contingent liabilities	5.25
j) Impairment of financial assets	5.27.5

4.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

4.2 Stock-in-trade, stores and spares

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

4.3 Trade debts and other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.27.5 of these unconsolidated financial statements.

4.4 Taxation

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



4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 23.1 to these unconsolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect the amounts recognized in those years.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

5.1.1 Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the unconsolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note no. 6 to the unconsolidated financial statements. Depreciation on leasehold land is charged to the statement of profit and loss, applying the straight-line method at rates given in note no. 6 to these unconsolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal.

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

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

5.1.2 Right-of-use assets

The right-of-use assets is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance method as given in note no. 6.1 of these unconsolidated financial statements of June 30, 2021. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

5.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses if any are recorded on the basis as defined in note 5.3.

5.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying straight line method and impairment losses if any are recorded on the basis as defined in note 5.3.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

5.3 Impairment of non-financial assets

Assets that are subject to depreciation / amortisation including capital work-in-progress are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable (cash-generating units).

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

5.4 Investments in subsidiaries

Investment in subsidiaries are recognized and carried at cost in these unconsolidated financial statements. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in the unconsolidated statement of profit or loss. An impairment loss is reversed if



there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss in the period in which they are occurred.

5.5 Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulations prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income / loss of the associate after the date of acquisition.

5.6 Long term deposits

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

5.7 Stores and spares

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

5.8 Stock-in-trade

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

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

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

5.9 Judgement and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

5.10 Trade debts and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.



5.11 Cash and cash equivalents

For the purposes of the unconsolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

5.12 Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the unconsolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

5.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the unconsolidated statement of profit or loss in the period in which they are incurred.

5.14 Staff retirement benefits - gratuity

The Company operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the Company. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note no. 23.1 using the projected unit credit method.

5.15 Lease liabilities

From 1 July 2019, leases are recognized as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.



5.16 Taxation

5.16.1 Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the Ordinance, whichever is higher.

5.16.2 Deferred

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.17 Provisions

Provisions are recognized in these unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.18 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.19 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Pakistani Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the unconsolidated statement of profit or loss.



5.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food and plastic division.

5.21 Dividend distribution

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

5.22 Related parties transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

5.23 Share Capital

Ordinarily shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.24 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

5.25 Contingent liabilities

Contingent liability is disclosed when:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or
- b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.26 Operating, administrative and selling expenses

These expenses are recognized in the unconsolidated statement of profit or loss upon utilization of the services or as incurred except as specifically stated in these unconsolidated financial statements.

5.27 Financial Instruments - Initial Recognition and subsequent measurement

5.27.1 Initial recognition

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



5.27.2 Classification of financial assets

The Company classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortised cost.

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

5.27.3 Classification of financial liabilities

The Company classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost

Financial liabilities are measured at amortized cost using effective yield method, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Company has opted to measure them at FVTPL.

5.27.4 Subsequent measurement

i) Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income / (loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognised in other comprehensive income /(loss). Currently, there are no financial liabilities designated at FVTPL.

5.27.5 Impairment of financial assets

The Company recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances;

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

5.27.6 Derecognition**i) Financial assets**

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognised in the unconsolidated statement of profit or loss. In addition, on derecognition of



an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the unconsolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the unconsolidated statement of profit or loss, but is transferred to retain earnings.

ii) Financial liabilities

The Company derecognises its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the unconsolidated statement of profit or loss.

5.27.7 Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these unconsolidated statement of financial position if the Company has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.28 Revenue from Contracts with Customers

The Company is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods net of discount and sales related indirect taxes. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The following are the specific recognition criteria that must be met before revenue is recognized:

- a) Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.

Other income

- b) Processing income is recognized when services are rendered.
- c) Gain and loss on sale of investments is taken to income in the period in which it arises.
- d) Interest income is recognized on an accrual basis using the effective interest method.
- e) Dividend income, other than those from investments in associates, are recognized at the time the right to receive payment is established.

5.29 Contract Assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

5.30 Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.



6 PROPERTY, PLANT AND EQUIPMENT

Operating assets

Capital work in progress - at cost

2021
----- Rupees -----
2020

Note

19,820,929,398	13,423,796,292
976,371,736	5,843,052,382
20,797,301,134	19,266,848,674
82,762,838	306,955,475

6.7

6.1 Right-of-use assets

6.2 Detailed movement of operating assets and right-of-use assets are as follows;

Year ended June 30, 2021	Operating assets								Grand total	Right-of-use assets		Grand total
	Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles		Plant and machinery	Vehicles	
Rupees												
As at June 30, 2020												
Cost	945,110,009	88,688,580	3,612,488,846	15,592,720,517	91,000,668	303,056,120	55,408,578	269,870,643	20,958,343,961	165,527,276	324,580,872	490,108,148
Accumulated depreciation	(53,996,325)	-	(1,348,164,531)	(5,835,334,691)	(41,005,320)	(100,134,480)	(26,246,795)	(129,665,527)	(7,534,547,669)	(73,104,510)	(110,048,163)	(183,152,673)
Net book value	891,113,684	88,688,580	2,264,324,315	9,757,385,826	49,995,348	202,921,640	29,161,783	140,205,116	13,423,796,292	92,422,766	214,532,709	306,955,475
July 01, 2020												
Opening net book value	891,113,684	88,688,580	2,264,324,315	9,757,385,826	49,995,348	202,921,640	29,161,783	140,205,116	13,423,796,292	92,422,766	214,532,709	306,955,475
Additions / Transfers from CWIP	-	-	1,673,065,698	6,203,462,532	20,608,333	46,942,608	24,016,441	253,247,744	8,221,343,356	-	817,992	817,992
Transfer from right-of-use assets to owned assets												
Cost	-	-	-	165,527,276	-	-	-	193,358,492	358,885,768	(165,527,276)	(193,358,492)	(358,885,768)
Accumulated depreciation	-	-	-	(80,218,792)	-	-	-	(94,407,808)	(174,626,600)	80,218,792	94,407,808	174,626,600
Disposal	-	-	-	85,308,484	-	-	-	98,950,684	184,259,168	(85,308,484)	(98,950,684)	(184,259,168)
Cost	(298,146,954)	-	-	(203,213)	-	(520,000)	(1,107,290)	(125,648,897)	(425,626,354)	-	-	-
Accumulated depreciation	4,768,339	-	-	157,129	-	94,900	549,310	62,796,705	68,366,383	-	-	-
Depreciation charge for the year	(293,378,615)	-	-	(46,084)	-	(425,100)	(557,980)	(62,852,192)	(357,259,971)	-	-	-
Closing net book value	(8,040,765)	-	(305,432,197)	(1,244,742,584)	(5,855,367)	(23,497,239)	(8,095,143)	(55,546,152)	(1,651,209,447)	(7,114,281)	(33,637,180)	(40,751,461)
As at June 30, 2021	589,694,304	88,688,580	3,631,957,816	14,801,368,174	64,748,314	225,941,909	44,525,101	374,005,200	19,820,929,398	1	82,762,837	82,762,838
Cost	646,963,055	88,688,580	5,285,554,544	21,961,507,112	111,609,001	349,478,728	78,317,729	590,827,982	29,112,946,731	-	132,040,372	132,040,372
Accumulated depreciation	(57,268,751)	-	(1,653,596,728)	(7,160,138,938)	(46,860,687)	(123,536,819)	(33,792,628)	(216,822,782)	(9,292,017,333)	1	(49,277,535)	(49,277,534)
Net book value	589,694,304	88,688,580	3,631,957,816	14,801,368,174	64,748,314	225,941,909	44,525,101	374,005,200	19,820,929,398	1	82,762,837	82,762,838
Depreciation rate (%)	1	10	10 to 15	10	10	10	20	20		10	20	

Year ended June 30, 2020	Operating assets										Right-of-use assets		Grand total
	Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipment	Computers	Vehicles	Grand total	Plant and machinery	Vehicles		
Rupees													
As at June 30, 2019													
Cost	945,110,009	88,688,580	3,408,044,170	13,075,482,471	73,989,458	279,363,850	50,643,728	206,695,913	18,128,018,179	165,527,276	316,717,942	482,245,218	
Accumulated depreciation	(44,449,769)	-	(1,106,316,812)	(4,951,609,612)	(56,340,697)	(78,873,116)	(19,436,338)	(102,043,047)	(6,339,069,392)	(62,835,314)	(87,490,425)	(150,325,739)	
Net book value	900,660,240	88,688,580	2,301,727,358	8,123,872,859	37,648,761	200,490,734	31,207,390	104,652,866	11,788,948,787	102,691,962	229,227,517	331,919,479	
July 01, 2019													
Opening net book value	900,660,240	88,688,580	2,301,727,358	8,123,872,859	37,648,761	200,490,734	31,207,390	104,652,866	11,788,948,787	102,691,962	229,227,517	331,919,479	
Additions / Transfers from CWIP	-	-	204,444,676	2,541,682,617	17,040,210	23,692,270	4,807,850	53,957,620	2,845,625,243	-	76,024,480	76,024,480	
Transfer From / To leased assets to owned assets	-	-	-	-	-	-	-	-	-	-	-	-	
Cost	-	-	-	-	-	-	-	19,341,765	19,341,765	-	(19,341,765)	(19,341,765)	
Accumulated depreciation	-	-	-	-	-	-	-	(8,046,933)	(8,046,933)	-	8,046,933	8,046,933	
Disposal	-	-	-	-	-	-	-	11,294,832	11,294,832	-	(11,294,832)	(11,294,832)	
Cost	-	-	-	(24,444,571)	(29,000)	-	(43,000)	(10,124,655)	(34,641,226)	-	(48,819,785)	(48,819,785)	
Accumulated depreciation	-	-	-	19,263,685	20,037	-	34,984	6,460,160	25,778,867	-	19,963,044	19,963,044	
Depreciation charge for the year	(9,546,556)	-	(241,847,719)	(902,988,764)	(4,684,660)	(21,261,364)	(6,845,441)	(26,035,707)	(1,213,210,211)	(10,269,196)	(50,567,715)	(60,836,911)	
Closing net book value	891,113,684	88,688,580	2,264,324,315	9,757,385,826	49,995,348	202,921,640	29,161,783	140,205,116	13,423,796,292	92,422,766	214,532,709	306,955,475	
As at June 30, 2020													
Cost	945,110,009	88,688,580	3,612,488,846	15,592,720,517	91,000,668	303,056,120	55,408,578	269,870,643	20,958,343,961	165,527,276	324,580,872	490,108,148	
Accumulated depreciation	(53,996,325)	-	(1,348,164,531)	(5,835,334,691)	(41,005,320)	(100,134,480)	(26,246,795)	(129,665,527)	(7,534,547,669)	(73,104,510)	(110,048,163)	(183,152,673)	
Net book value	891,113,684	88,688,580	2,264,324,315	9,757,385,826	49,995,348	202,921,640	29,161,783	140,205,116	13,423,796,292	92,422,766	214,532,709	306,955,475	
Depreciation rate (%)	1	1	10	10 to 15	10	10	20	20	10	10	20	20	

6.3 Property plant and equipment of the Company is under charge against long term finances as mentioned in note no. 21.

6.4 The expenses has been allocated to the unconsolidated statement of profit or loss as follows:

6.4.1 Depreciation charge of operating assets

Cost of sales	1,576,523,631	1,161,671,533
Selling and distribution expenses	26,789,834	14,127,350
Administrative expenses	47,895,982	37,411,328
	1,651,209,447	1,213,210,211

6.4.2 Depreciation charge of right-of-use-assets

Cost of sales	15,918,472	23,207,514
Selling and distribution expenses	15,558,748	24,581,646
Administrative expenses	9,274,241	13,047,751
	40,751,461	60,836,911

2021
----- Rupees -----
2020

6.5 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Locations	Usage of immovable property	Total area
17 - Bangalore Town, Shahrah-e-Faisal, Karachi.	Registered office / Head office	1000 sq. Yd
C-230, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 1	7.54 acres
B-140, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 2	4.59 acres
G-1, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 3	3.486 acres
G-22, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 4	9.00 acres
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	Manufacturing facility - Unit 5	4.02 acres
D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi	Manufacturing facility - Unit 6	7.50 acres
E164-168, North Western Zone, Port Qasim, Karachi	Manufacturing facility - Unit 7	6.24 acres
E154-157, North Western Zone, Port Qasim, Karachi	Manufacturing facility - Unit 8	5.04 acres
G-1A, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 9	3.185 acres
D-101/M, D-101/N, S.I.T.E area, Nooriabad, District Jamshoro, Sindh	For future expansion	20.50 acres
PT2-24-2402, Pearl Tower, Plot # 7 (R9) Crescent Bay, Karachi.	Administrative purpose	2,209.57 sq. Ft
A-39 North Western Zone, Port Qasim, Karachi	For future expansion	4.7 acres
Sabzi mandi road, Chak no. 241 Dist. Faisalabad	For future expansion	0.88 acres
39-B, Sundar Industrial Estate, Raiwind Road, Lahore.	For future expansion	1.138 acres

6.6 Following are the particulars of the disposed assets having a book value of rupees five hundred thousand or more.

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees							
Leasehold Land							
298,146,954	4,768,339	293,378,615	500,000,000	206,621,385	Soorty Enterprises (Private) Limited.	Independent party	Negotiation
298,146,954	4,768,339	293,378,615	500,000,000	206,621,385			
Vehicles							
Suzuki Cultus							
1,765,250	229,483	1,535,767	1,760,000	224,233	Jubilee General Takaful	Insurance Claim	Insurance Policy
1,765,250	388,355	1,376,895	1,012,336	(364,559)	Tariq Aziz	Employee	Company Policy
1,765,250	388,355	1,376,895	1,553,420	176,525	Junaid Ahmed	Employee	Company Policy
1,771,550	494,900	1,276,650	949,594	(327,056)	Qaiser Shahzad	Employee	Company Policy
1,428,750	469,112	959,638	1,183,705	224,067	Haider Nawab Akhter	Employee	Company Policy
1,398,200	522,884	875,316	1,248,954	373,638	Yousuf Peerwani	Employee	Company Policy
1,398,450	555,416	843,034	665,375	(177,659)	Salman Rafiq	Employee	Company Policy
1,398,450	588,476	809,974	558,340	(251,634)	Nazim Naseem	Employee	Company Policy
1,398,450	588,476	809,974	558,340	(251,634)	Ihsan Ahmed	Employee	Company Policy
1,265,000	605,238	659,762	847,316	187,554	Naveed Tariq	Employee	Company Policy
1,265,000	642,852	622,148	822,023	199,875	Ms.Mahira Zaidi	Employee	Company Policy
1,269,050	647,318	621,732	696,338	74,606	Muhammad Kashif	Employee	Company Policy
1,272,950	671,763	601,187	809,888	208,701	Zahid Qayum	Employee	Company Policy
1,272,950	683,104	589,846	809,888	220,042	Shehzad Hussain Sheikh	Employee	Company Policy
1,250,000	651,612	598,388	593,873	(4,515)	Taimoor Iqbal	Employee	Company Policy
21,684,550	8,127,344	13,557,206	14,069,390	512,184			
Suzuki Mehran							
857,980	273,028	584,952	780,000	195,048	Waqar Hussain	Independent party	Negotiation
857,980	273,028	584,952	780,000	195,048	Waqar Hussain	Independent party	Negotiation
837,825	254,346	583,479	890,000	306,521	Waqar Hussain	Employee	Company Policy
873,175	295,483	577,692	860,000	282,308	Jubilee General Takaful	Insurance Claim	Insurance Policy
838,575	277,036	561,539	840,000	278,461	Muhammad Ashraf	Employee	Company Policy
852,975	318,313	534,662	780,000	245,338	Ismail Iqbal Security	Independent party	Negotiation
852,975	348,577	504,398	790,000	285,602	Naveed Ahmed	Employee	Company Policy
5,971,485	2,039,811	3,931,674	5,720,000	1,788,326			



Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
Rupees							
Suzuki Alto							
1,217,727	253,492	964,235	1,207,727	243,492	Murtaza mehdi	Employee	Company Policy
1,325,905	386,963	938,942	1,118,691	179,749	Ali Adnan	Employee	Company Policy
2,543,632	640,455	1,903,177	2,326,418	423,241			
Suzuki Bolan							
939,317	61,838	877,479	1,045,000	167,521	Murtaza mehdi	Independent	Negotiation
939,317	61,838	877,479	1,045,000	167,521			
Toyota Corolla							
2,792,813	740,095	2,052,718	1,480,029	(572,689)	Ahmed Iqbal	Employee	Company Policy
2,331,290	703,964	1,627,326	2,304,000	676,674	Jubilee General Takaful	Insurance Claim	Insurance Policy
2,331,290	956,480	1,374,810	1,970,990	596,180	Maryam Saleem	Employee	Company Policy
2,079,000	783,090	1,295,910	1,521,736	225,826	Khuaja Ziauddin	Employee	Company Policy
1,935,100	975,672	959,428	1,284,524	325,096	Rana Iftikhar Ahmed	Employee	Company Policy
1,867,000	1,125,602	741,398	961,546	220,148	Muhammad Zia Ul Hasan Abidi	Employee	Company Policy
1,819,385	1,118,498	700,887	1,140,543	439,656	Rahim Hussain Bhalwani	Employee	Company Policy
1,771,500	1,182,004	589,496	715,774	126,278	Salman Sayani	Employee	Company Policy
2,411,915	941,349	1,470,566	1,804,061	333,495	Ahmed Raza	Employee	Company Policy
2,331,290	984,537	1,346,753	931,866	(414,887)	Junaaid Bawany	Employee	Company Policy
21,670,583	9,511,291	12,159,292	14,115,069	1,955,777			
Toyota Yaris							
2,404,707	280,549	2,124,158	2,725,000	600,842	M.Azam Iqbal	Customer	Negotiation
2,404,707	280,549	2,124,158	2,725,000	600,842			
Land Cruiser							
11,882,000	9,154,962	2,727,038	10,000,000	7,272,962	New Gagais Automobile	Independent	Negotiation
11,882,000	9,154,962	2,727,038	10,000,000	7,272,962			
Honda Civic							
2,984,958	1,506,981	1,477,977	1,819,527	341,550	Sajjad Ahmed	Employee	Company Policy
2,808,390	1,461,730	1,346,660	1,719,717	373,057	Yasir Mehmood	Employee	Company Policy
2,430,750	1,202,122	1,228,628	1,527,120	298,492	Aqeel Abbas	Employee	Company Policy
2,633,200	1,429,400	1,203,800	1,503,503	299,703	Jawwad Ali Tipu	Employee	Company Policy
2,517,500	1,363,957	1,153,543	1,675,038	521,495	Mr Asif	Employee	Company Policy
2,517,500	1,364,212	1,153,288	1,555,402	402,114	Faisal Aheed	Employee	Company Policy
2,534,977	1,880,836	654,141	1,031,268	377,127	Ghulam Farooq Sb	Employee	Company Policy
2,810,500	1,653,953	1,156,547	1,539,698	383,151	Ehtisham Khan	Employee	Company Policy
21,237,775	11,863,191	9,374,584	12,371,273	2,996,689			
88,334,049	41,679,441	46,654,608	62,372,150	15,717,542			
386,481,003	46,447,780	340,033,223	562,372,150	222,338,927			

Aggregate of assets disposed off having net book value below Rs. 500,000 each

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)
Plant and Machinery	203,213	157,129	46,084	90,000	43,916
Equipments	520,000	94,900	425,100	520,000	94,900
Computers	1,107,290	549,311	557,979	340,000	(217,979)
Vehicles	37,314,848	21,117,264	16,197,584	22,006,289	5,808,705
Sub-total	39,145,351	21,918,604	17,226,747	22,956,289	5,729,542
2021 - total	425,626,354	68,366,384	357,259,970	585,328,439	228,068,469
2020 - total	83,461,011	45,741,910	37,719,101	58,234,562	20,515,461

6.6.1 All disposals are made through negotiation or otherwise specified in 6.6 of these unconsolidated financial statements.



	Note	2021 -----Rupees-----	2020
6.7 Capital work-in-progress			
Civil works		177,900,924	669,748,425
Plant and machinery		798,470,812	5,173,303,957
	6.7.1	976,371,736	5,843,052,382

6.7.1 Movement of capital work in progress:

	Note	Civil works	Plant and machinery	Equipment and fittings	Total
		-----Rupees-----			
Balance as at July 1, 2019		96,390,116	541,443,730	-	637,833,846
Capital expenditure incurred during the year		777,802,985	6,941,725,541	-	7,719,528,526
Trial production cost incurred - net	6.7.2	-	231,817,303	-	231,817,303
Transferred to operating fixed assets		(204,444,676)	(2,541,682,617)	-	(2,746,127,293)
Balance as at June 30, 2020		669,748,425	5,173,303,957	-	5,843,052,382
Capital expenditure incurred during the year		1,181,218,197	1,669,285,906	8,817,804	2,859,321,907
Trial production cost incurred - net	6.7.2	-	159,343,481	-	159,343,481
Transferred to operating fixed assets		(1,673,065,698)	(6,203,462,532)	(8,817,804)	(7,885,346,034)
Balance as at June 30, 2021		177,900,924	798,470,812	-	976,371,736

6.7.2 The Company has completed its trial production phase of BOPET line II in this financial year. Therefore, the related sales and expenses have been transferred to CWIP as trial production cost.

	Note	2021 -----Rupees-----	2020
7 INTANGIBLE ASSETS			
Software	7.1	55,293,210	85,453,143
Add: Addition for the year		10,306,201	-
Less: Amortisation charge for the year		(31,868,628)	(30,159,933)
Closing net book value		33,730,783	55,293,210
As at June 30			
Cost		88,667,156	88,667,156
Add: Addition for the year		10,306,201	-
Accumulated amortisation		(65,242,574)	(33,373,946)
Net book value		33,730,783	55,293,210
Amortisation rate (%)		33.33%	33.33%

7.1 Software includes licenses which are amortized on straight line basis over a period of 36 months.

	Note	2021 -----Rupees-----	2020
7.2 The amortization charge has been allocated as follows:			
Cost of sales	30	15,157,980	15,157,980
Selling and distribution expenses	31	8,369,175	8,369,175
Administrative expenses	32	8,341,473	6,632,778
		31,868,628	30,159,933

8 LONG TERM INVESTMENTS

Investment in subsidiary company - unquoted shares	8.1	1,605,984,000	1,605,984,000
Investment in associated companies	8.2	3,180,003,578	3,670,319,873
Share deposit money	8.3	491,737,500	-
		5,277,725,078	5,276,303,873

	Note	2021 -----Rupees-----	2020
8.1 Investment in subsidiary company - unquoted shares			
Hudson Pharma (Private) Limited	8.1.1	1,605,984,000	605,984,000
Add: Advance against shares			
- opening balance		-	376,115,000
- increase during the year		-	623,885,000
Converted in to ordinary shares / advance		-	1,000,000,000
		1,605,984,000	1,605,984,000



8.1.1 Hudson Pharma (Private) Limited

The company has acquired 160,598,400 (2020: 160,598,400) shares of Hudson Pharma (Private) Limited (HPL), which is equivalent to 77.71% of total paid up capital (2020: 77.71%). The HPL 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 HPL 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 (2020: 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.

	Note	2021 -----Rupees-----	2020
8.2 Investment in associated companies			
Novelty Enterprises (Private) Limited	8.2.1	-	228,703,777
The Bank of Khyber	8.2.2	3,180,003,578	3,441,616,096
		3,180,003,578	3,670,319,873

8.2.1 Novelty Enterprises (Private) Limited

Novelty Enterprises (Private) Limited (NEL) has filed an application with SECP for winding-up. NEL has paid out full dividend and remaining equity is distributed among shareholders with respect to their shareholding. The Company held Nil (2020: 33%) voting and equity interest in Novelty Enterprises (Private) Limited (NEL). The shares of NEL were not publicly listed on a stock exchange and hence published price quotes were not available. The financial reporting date of NEL was June 30.

8.2.2 The Bank of Khyber

The total shareholding of the Company including the recent bonus entitlement of 5% announce by the Bank of Khyber (the Bank) is 256,555,982 shares (2020: 244,339,031 shares) which represents 24.43% of paid-up capital of the Bank (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 financial statements have been taken from annual audited financial results for the year ended December 31, 2019 and December 31, 2020 and from reviewed condensed interim financial information of the Bank for the six-months periods ended June 30, 2020 and June 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 June 30, 2021 was Rs. 4,156.206 million (June 30, 2020: Rs. 3,467.171 million)

8.2.3	Note	The Bank of Khyber		Novelty Enterprises (Private) Limited		Total	
		2021	2020	2021	2020	2021	2020
		-----Rupees-----					
Balance as at July 1		3,441,616,096	2,001,232,631	228,703,777	228,717,751	3,670,319,873	2,229,950,382
Investment made during the year	8.2.2	-	16,284,035	-	-	-	16,284,035
Share of profit / (loss)		379,554,402	491,986,115	221,915,930	(13,974)	601,470,332	491,972,141
Proceed from dissolution		-	-	(188,107,892)	-	(188,107,892)	-
Dividend received		(366,508,547)	(122,169,516)	(262,511,815)	-	(629,020,362)	(122,169,516)
Share of other comprehensive income / (loss)		(274,658,373)	1,054,282,831	-	-	(274,658,373)	1,054,282,831
Balance as at June 30		3,180,003,578	3,441,616,096	-	228,703,777	3,180,003,578	3,670,319,873

8.3 Ismail Resin (Private) Limited

As mentioned in note 2.1 of these unconsolidated financial statements, the Company has made an investment in its newly incorporated associated company Ms Ismail Resin (Private) Limited amounting to Rs. 491.74 million. This amount is classified as share deposit money and the allotment against this investment has been made subsequent to the year end, as mention in note 47.1.



8.3.1

	Note	Ismail Resin (Private) Limited	
		2021	2020
Balance as at July 1		-	-
Share deposit money paid during the year	8.3	491,737,500	-
Balance as at June 30		491,737,500	-

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

	The Bank of Khyber		Ismail Resin (Private) Limited		Novelty Enterprises (Private) Limited	
	2021 Unaudited	2020	2021 Audited	2020	2021 Audited	2020
	-----Rupees-----					
Non-current assets	328,776,835,000	318,194,917,000	615,581,090	-	-	560,351,964
Current assets			209,032,721	-	-	1,068,166
Total assets	328,776,835,000	318,194,917,000	824,613,811	-	-	561,420,130
Non-current liabilities	312,089,306,000	300,436,247,000	168,697,000	-	-	-
Current liabilities			426,159	-	-	33,060
Total liabilities	312,089,306,000	300,436,247,000	169,123,159	-	-	33,060
Revenue	6,774,926,000	5,673,133,000	-	-	-	-
Profit / (loss) for the year	1,553,788,000	2,014,047,000	(159,348)	-	790,627,192	(35,750)
Other comprehensive income for the year	(1,124,372,000)	4,315,925,000	-	-	-	-
Total comprehensive income / (loss) for the year	429,416,000	6,329,972,000	(159,348)	-	790,627,192	(35,750)

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associates. During the year, Rs. 1.50 per share cash dividend have been received from the Bank of Khyber (2020: Rs. 0.50 per share) and 5% bonus shares (2020: nil). Further the details of NEL is disclosed in note 8.2.3 of these unconsolidated financial statements.

9 LONG TERM DEPOSITS

	Note	2021 -----Rupees-----	2020
Lease - Conventional		3,482,300	13,702,400
Lease - Islamic		9,287,190	12,282,390
Less: Current maturity - Conventional	14	(1,580,900)	(8,686,100)
Less: Current maturity - Islamic	14	(3,901,690)	-
		7,286,900	17,298,690
Utilities		12,074,393	12,029,293
Others		7,477,597	7,677,598
		26,838,890	37,005,581

10 STORES AND SPARES

Stores	10.1	120,539,268	89,546,100
Spare parts	10.1	321,347,478	232,077,384
Others	10.1	17,624,539	30,223,741
		459,511,285	351,847,225

10.1 Reconciliation of provision for slow moving spare parts

	2021			
	Stores	Spare parts	Others	Total
	----- Rupees -----			
Stores and spares	129,130,688	321,347,478	17,624,539	468,102,705
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	120,539,268	321,347,478	17,624,539	459,511,285



	2020			
	Stores	Spare parts	Others	Total
	-----Rupees-----			
Stores and spares	98,137,520	232,077,384	30,223,741	360,438,645
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	89,546,100	232,077,384	30,223,741	351,847,225

11 STOCK-IN-TRADE

	Note	2021	2020
		-----Rupees-----	
Raw materials	11.2 & 11.3	3,869,985,980	2,752,429,006
Packing materials	11.2	827,608,134	661,948,508
Work-in-process	30	232,913,398	175,501,874
Finished goods	11.2	2,639,927,750	2,661,778,941
		7,570,435,262	6,251,658,329

11.1 Stock-in-trade of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.

11.2 Reconciliation of provision for stock-in-trade

	Note	2021		
		Raw materials	Packing materials	Finished goods
		-----Rupees-----		
Stock-in-trade		3,883,562,836	980,456,683	2,639,927,750
Provision for slow moving				
- opening		(12,959,090)	(109,848,549)	-
- charge for the year	30.1 & 30.2	(617,766)	(43,000,000)	-
- reversal		-	-	-
- closing		(13,576,856)	(152,848,549)	-
Stock-in-trade - net		3,869,985,980	827,608,134	2,639,927,750
		-----Rupees-----		
Stock-in-trade		2,765,388,096	771,797,057	2,661,778,941
Provision for slow moving				
- opening		(13,384,583)	(109,848,549)	-
- charge for the year		-	-	-
- reversal	30.1	425,493	-	-
- closing		(12,959,090)	(109,848,549)	-
Stock-in-trade - net		2,752,429,006	661,948,508	2,661,778,941

11.3 This includes raw materials in transit amounting to Rs. 1,130,732,151 (June 30, 2020: Rs. 275,163,978).

12 TRADE DEBTS

	Note	2021	2020
		-----Rupees-----	
Considered good			
- export - secured	12.2	542,466,672	1,056,320,953
- local - unsecured	12.2	2,904,173,775	2,384,634,776
Trade debts		3,446,640,447	3,440,955,729
Allowance for expected credit loss	12.3	(100,970,640)	(95,970,640)
Trade debts - net		3,345,669,807	3,344,985,089

12.1 Trade debts of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.

12.2 There is no receivables from related party at reporting date (2020: Rs. Nil). Further it does not include defaulter parties in export customers.



		2021	2020
		-----Rupees-----	
12.3 Allowance for expected credit loss	Note		
Balance at the beginning of the year		(95,970,640)	(76,343,145)
Charge during the year - net	31	(5,000,000)	(19,627,495)
Balance at the end of the year		(100,970,640)	(95,970,640)
12.4 Age analysis trade debts			
Not Due		2,066,509,262	2,544,350,781
More than 45 days but not more than 3 months		481,295,742	356,189,161
More than 3 months but not more than 6 months		509,262,009	298,242,708
More than 6 months but not more than 1 year		324,727,891	176,559,683
More than 1 year		64,845,543	65,613,396
		3,446,640,447	3,440,955,729
13 LOANS AND ADVANCES			
Loans - secured - employees	13.1	42,502,645	49,935,105
Advances - unsecured			
- suppliers		1,349,066,861	825,763,077
- LC margins	13.2	137,526,630	61,078,888
		1,529,096,136	936,777,070
13.1	These represent interest free loans that are to be repaid within a period of one year in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the company is adjustable against the final settlement of staff.		
		2021	2020
	Note	-----Rupees-----	
13.2			
Allied Bank Ltd.		75,112,954	29,604,128
Bank Alfalah Ltd		31,315,236	-
Meezan Bank Ltd		31,098,440	-
Bank Al Habib Limited		-	24,447,200
Standard Chartered Bank		-	7,027,560
		137,526,630	61,078,888
14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits - unsecured		17,958,740	17,017,157
Short term prepayments		7,139,936	10,356,798
Current maturity of lease deposits- Conventional	9	1,580,900	8,686,100
Current maturity of lease deposits- Islamic	9	3,901,690	-
		30,581,266	36,060,055
15 SHORT TERM INVESTMENTS			
Term Finance Certificates	15.1	194,840,000	200,000,000
Pakistan Investment Bonds	15.2	123,541,590	-
		318,381,590	200,000,000
15.1	The Company has made an investment of Rs. 200 millions (2020: 200 million) 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 (2020: KIBOR + 160). The market price of each certificate as at June 30, 2021 is Rs. 97,420 (2020: 100,000).		
15.2	During the year, the company has made investment in Pakistan Investment Bonds having face value of Rs. 120 millions. This carries markup of 9% (2020: nil) per annum and will mature in 2022. This investment is classified at fair value through other comprehensive income and unrealized loss or gain is recognized in other comprehensive income.		
		2021	2020
	Note	-----Rupees-----	
16 OTHER RECEIVABLES			
Export rebate		17,242,514	19,588,761
Other receivables	16.1	100,402,029	100,330,575
		117,644,543	119,919,336



16.1 This amount includes Rs. 100.217 million (June 30 2020 Rs. 100.217 million) due from Nazir of the Sindh High Court as refer in note 27.1.2.

		2021	2020	
17	TAXATION - net	Note	-----Rupees-----	
	Advance income tax		1,435,051,450	1,554,860,275
	Provision for taxation	38	(178,314,865)	(281,774,530)
			1,256,736,585	1,273,085,745
18	CASH AND BANK BALANCES			
	Cash in hand		4,830,605	17,840,930
	Cash at banks:			
	- current accounts - conventional		71,083,473	12,680,687
	- current accounts - Islamic		67,651,587	20,673,583
			143,565,665	51,195,200

19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Number of Shares				
2021	2020			
50,520,750	50,520,750	Ordinary shares of Rs. 10 each fully paid in cash	505,207,500	505,207,500
13,284,000	13,284,000	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation	132,840,000	132,840,000
2,552,190	2,552,190	Ordinary shares of Rs. 10 each issued as fully paid against cash consideration through right issue	25,521,900	25,521,900
<u>66,356,940</u>	<u>66,356,940</u>		<u>663,569,400</u>	<u>663,569,400</u>

20 RESERVES

Capital reserve				
- Share premium	20.1	1,472,531,500	1,472,531,500	
- Reserve arising due to amalgamation	20.2	916,862,067	916,862,067	
Revenue Reserve				
- Remeasurement of investment in associate		(191,924,445)	41,535,172	
- Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(3,857,616)	-	
- Unappropriated profit		8,417,555,738	6,805,286,458	
Total reserves		<u>10,611,167,244</u>	<u>9,236,215,197</u>	

20.1 This represents share premium amount pertains to issue of shares at premium. This reserve can be utilized by the Company for the purpose specified in section 81(2) of the Companies Act, 2017.

20.2 This represents reserve created under scheme of arrangement for amalgamation of an Astro Plastics (Private) Limited with the Company.

20.3 Movement of the total reserves have been reflected in the unconsolidated statement of changes in equity.



21	LONG TERM FINANCES - secured	Note	2021		2020		
			----- Rupees -----				
	Long term finances - secured - conventional	21.1	10,622,303,391		10,741,575,438		
	Long term finances - secured - islamic	21.2	2,268,450,175		2,771,877,390		
			12,890,753,566		13,513,452,828		
21.1	CONVENTIONAL						
	Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021	2020
							----- Rupees -----
	Habib Bank Limited						
	- Term Finance - FCY	Monthly	2021-2024	1 month EURIBOR + 1.75%	36	562,972,212	738,680,000
	- SBP-LTFF	Quarterly	2018-2030	SBP + 0.25%	36	369,167,351	382,696,040
	- Term finance	Monthly	2017-2023	1 month KIBOR + 0.25%	60	183,333,346	208,333,341
	- SBP-LTFF	Quarterly	2021-2030	SBP + 0.25%	34	1,483,128,671	1,341,810,108
	- SBP-TERF	Quarterly	2022-2031	SBP + 1.25%	36	242,349,300	-
	Bank Al-Habib Limited						
	- Term finance	Monthly	2018-2022	3 months KIBOR + 0.25%	42	32,142,843	42,857,136
	- SBP-LTFF	Quarterly	2019-2029	SBP + 0.75%	32	339,118,000	346,543,000
	- SBP-LTFF	Quarterly	2020-2029	SBP + 0.50%	32	51,591,000	53,363,000
	MCB Bank Limited						
	- SBP-LTFF	Quarterly	2018-2028	SBP + 0.75%	36	241,454,570	247,046,948
	- SBP-LTFF	Quarterly	2020-2030	SBP + 0.25%	36	460,789,006	474,275,169
	- SBP-TERF	Quarterly	2024-2031	SBP + 1%	32	21,200,000	-
	Allied Bank Limited						
	- SBP-LTFF	Semi-annual	2022-2031	SBP +0.25%/0.75 %	18	1,749,413,000	1,749,413,000
	- Term finance	Monthly	2021-2024	3 months KIBOR + 0.25%	48	300,000,004	400,000,000
	Balance carried forward						
						6,036,659,303	5,985,017,742



Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020 -----
Balance brought forward					6,036,659,303	5,985,017,742
- Term finance	Monthly	2015-2021	3 months 3 months KIBOR + 0.25% 0.25%		-	7,920,911
- Term finance	Monthly	2018-2022	3 months 3 months KIBOR + 0.25% 0.25%		75,000,009	100,000,008
- Term finance	Monthly	2016-2022	3 months 3 months KIBOR + 0.25% 0.25%		63,960,000	74,620,000
Pak Brunei Investment Company Limited						
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.5%	32	490,445,000	496,424,000
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.5%	32	193,574,000	193,574,000
Pak Oman Investment Company Limited						
- Term finance	Monthly	2016-2022	1 month KIBOR + 0.5%	60	35,000,000	50,000,000
- SBP-LTFF	Quarterly	2022-2030	SBP + 1.5%	32	474,566,000	474,566,000
Bank Al falah Limited						
- Term finance	Quarterly	2022-2025	6 month KIBOR + 0.75%	16	500,000,000	500,000,000
- Term finance	Quarterly	2023-2026	3 month KIBOR + 0.75%	16	600,000,000	-
- SBP-LTFF	Quarterly	2017-2029	SBP+0.5%	40/36	345,355,085	357,994,963
JS Bank Limited						
-SBP Payroll finance	Quarterly	2021-2023	SBP+3%	8	485,899,719	647,866,294
- SBP-LTFF	Quarterly	2022-2030	SBP+0.30%	32	129,759,000	129,759,000
Habib Metropolitan Bank Ltd						
- SBP-TERF	Semi Annual	2024-2031	SBP+1.50%	16	198,931,000	-
The Bank of Punjab						
- SBP-TERF	Quarterly	2023-2031	SBP + 1.25%	32	130,681,254	-
Faysal Bank Limited						
- Term finance	Monthly	2017-2022	3 months KIBOR + 0.25%	48	62,500,000	93,750,000
Balance carried forward					9,822,330,370	9,111,492,918



Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020 ----- Rupees -----
Balance brought forward					9,822,330,370	9,111,492,918
National Bank of Pakistan						
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.25%	48	200,000,008	225,000,007
- SBP-LTFF	Quarterly	2021-2030	SBP+0.65%	36	967,132,500	938,168,080
- SBP-TERF	Quarterly	2022-2031	SBP+1%	36	442,074,000	-
Askari Bank Limited						
- SBP-LTFF	Quarterly	2021-2031	SBP+0.50%	40	213,070,975	230,347,000
- Term finance	Monthly	2019-2024	1 month KIBOR + 0.50%	48	291,666,671	316,666,670
-SBP Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	567,000,168	-
Soneri Bank Limited						
- Term finance	Monthly	2019-2025	1 month KIBOR + 0.75%	60	391,666,671	416,666,670
PAIR Investment Company Limited						
- Term finance	Quarterly	2021-2025	3 month KIBOR + 0.75%	16	281,250,000	300,000,000
- SBP-REFF	Quarterly	2023-2033	SBP+0.50%	40	21,694,074	-
Total long term loan - secured					13,197,885,437	11,538,341,345
Less: Current portion of long term finances shown under current liabilities					(2,575,582,046)	(796,765,907)
					10,622,303,391	10,741,575,438

21.2 ISLAMIC

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020 ----- Rupees -----
Habib Bank Limited						
- Islamic financing	Monthly	2016-2022	1 month KIBOR + 0.25%	60	100,000,016	125,000,015
MCB Islamic Bank Limited						
- Islamic financing	Quarterly	2018-2023	3 months KIBOR + 0.25%	20	140,000,000	157,500,000
- SBP ITERF	Quarterly	2023-2030	SBP+0.75%	32	42,859,000	-
Balance carried forward					282,859,016	282,500,015

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020 -----
Balance brought forward					282,859,016	282,500,015
Dubai Islamic Bank Pakistan Limited						
- SBP ILTFF	Quarterly	2022-2027	SBP+1%	20	294,831,035	292,653,700
- Islamic financing	Quarterly	2017-2022	3 months KIBOR + 0.25%	16	37,500,000	50,000,000
Meezan Bank Limited						
- Islamic financing	Monthly	2023-2029	1 months KIBOR + 0.75%	78	600,000,000	-
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	937,500,001	1,000,000,000
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	400,000,000	400,000,000
- Islamic financing	Monthly	2019-2022	3 month KIBOR + 0.25%	36	133,333,336	166,666,669
- Islamic financing	Monthly	2020-2023	3 month KIBOR + 0.25%	24	312,500,003	375,000,002
Faysal Bank Limited						
- Islamic financing	Quarterly	2018-2022	3 months KIBOR + 0.25%	16	75,000,000	93,750,000
- SBP-ILTFF	Quarterly	2021-2030	SBP+1%	36	291,443,056	299,770,000
Total long term loan - secured					3,364,966,447	2,960,340,386
Less: Current portion of long term finances shown under current liabilities					(1,096,516,272)	(188,462,996)
					2,268,450,175	2,771,877,390

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

21.4 The Company's total limit for long term loan amounting to Rs. 24,835 million. (June 2020: Rs. 19,207 million)

21.5 Last year, 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 the extension period of this deferment expired on March 31, 2021 .

21.6 The Company entered into a long-term loan agreement with JS Bank Limited and Askari Bank Limited-conventional amounting to Rs. 648 million from each Bank under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, starting from January 2021 and April 2021 respectively. This long term financing facility is secured by way of equitable mortgage and first pari-passu over present and future fixed assets of the Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate at zero percent plus bank's spread of 3% (2020: 3%) and 1.50% (2020: nil) per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

21.7 The long-term financing has been obtained for plant and equipment under temporary economic refinance facility scheme of State Bank of Pakistan for a term of 10 years with grace period of 12 months from disbursement and carry markup at the rate ranging from 1.75% to 2.50% per annum payable quarterly in arrears. The principal repayment will take place in 36 quarterly installments which shall commence from December 2021.

21.8 The markup rate of facilities has not changed significantly from the last year.

22 LEASE LIABILITIES

Under the agreements, lease rentals are payable in 36 equal monthly, 16 equal quarterly & 6 equal biannually installments. Taxes, repairs, replacement and insurance costs, if any, are borne by the Company. The financings from conventional banks carry mark-up at rates ranging from 7.76% to 7.96% (2020: 8.78% to 14.73%) per annum and financing from Islamic banks carry mark-up at rates ranging from 7.28% to 8.48% (2020: 8.39% to 14.68%) approximately which have been used as a discounting factor. The Company has the option to purchase the asset upon completion of the lease period.

The net carrying amount of right-of-use assets held under lease arrangement is Rs. 82.76 million (2020: Rs. 306.96 million) (refer note 6.1).

These are secured against deposits of Rs. 10.41 million (2020: Rs 23.64 million), title of ownership of right-of-use assets and personal guarantees of the directors of the Company.

Maturity analysis of lease repayments for which the Company has committed to pay in future under the lease agreements are as follows:

	2021	2020
	----- Rupees -----	
Lease liability	62,166,882	168,526,917
Less: Current portion	(42,765,702)	(77,281,836)
	19,401,180	91,245,081
As at July 1, 2020	168,526,916	236,244,403
Additions	817,992	76,024,480
Transfer to own	-	(11,294,832)
Interest expense relating to lease liabilities	12,581,444	24,759,032
Payments (Lease & interest)	(119,759,470)	(92,476,518)
Disposals	-	(64,729,649)
As on June 30, 2021.	62,166,882	168,526,917

	2021			2020		
	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments
----- (Rupees) -----						
Conventional						
Up to one year	5,651,908	562,545	5,089,363	20,316,233	1,661,354	18,654,879
Later than one year but not later than five years	4,503,624	90,583	4,413,041	19,003,092	656,870	18,346,222
	10,155,532	653,128	9,502,404	39,319,325	2,318,224	37,001,101
Islamic						
Up to one year	41,088,675	3,412,336	37,676,339	69,871,417	11,244,460	58,626,957
Later than one year but not later than five years	15,490,989	502,850	14,988,139	79,015,326	6,116,467	72,898,859
	56,579,664	3,915,186	52,664,478	148,886,743	17,360,927	131,525,816
	66,735,196	4,568,314	62,166,882	188,206,068	19,679,151	168,526,917

The Company has lease contract for plant and machinery and vehicles, which generally have lease term in between 3 to 5 years. The Company's obligation under its leases are secured by the lessor's title to the lease assets. There are several lease contracts that include extension and termination options.



		2021	2020
	Note	----- Rupees -----	
23 DEFERRED LIABILITIES			
Provision for staff gratuity scheme - unfunded	23.1	447,306,385	436,910,015
Deferred tax liability	23.4	1,843,977,690	1,632,596,024
		2,291,284,075	2,069,506,039
23.1 Provision for staff gratuity scheme - unfunded			
In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2021, using the "Projected Unit Credit Method". Provision has been made in these unconsolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as follows:			
23.2 Risk on account of staff gratuity scheme - unfunded			
The Company faces the following risk on account of staff gratuity scheme.			
23.2.1 Final Salary Risk (linked to inflation risk)			
The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.			
23.2.2 Mortality Risk			
The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.			
23.2.3 Withdrawal Risk			
The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.			
23.3 Significant actuarial assumptions		2021	2020
<i>Financial assumptions</i>			
Discount rate (per annum)		10.00%	9.25%
Expected rate of increase in salaries (per annum)		10.00%	9.25%
<i>Demographic assumptions</i>			
Mortality rates (for death in service)		Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Retirement assumption		60 years	60 years
		2021	2020
23.3.1 Statement of financial position reconciliation	Note	----- Rupees -----	
Present value of defined benefit obligation	23.3.3	447,306,385	436,910,015
Fair value of plan assets		-	-
Net liability in statement of financial position	23.3.4	447,306,385	436,910,015
23.3.2 Maturity Profile			
1-5 Years		279,426,874	191,597,014
6-10 Years		391,972,739	320,611,914
10 Years onwards		4,641,086,841	7,010,376,327
Weighted average duration		8 Years	11 Years



	Note	2021 ----- Rupees -----	2020
23.3.3 Movement in the defined benefit obligation			
Present value of defined benefit obligation as at July 1		436,910,015	358,574,405
Current service cost		78,818,098	74,375,324
Past service cost		4,631,686	3,927,345
Interest cost		37,448,601	48,667,485
Re-measurement on obligation	23.3.7	(46,381,475)	(2,761,392)
Payments during the year		(56,151,439)	(32,269,070)
Benefits payable transferred to short term liability		(7,969,101)	(13,604,082)
Present value of defined benefit obligation as at June 30		<u>447,306,385</u>	<u>436,910,015</u>
23.3.4 Movement in the net liability at reporting date is as follows:			
Opening balance of net liability		436,910,015	358,574,405
Charge for the year	23.3.5	120,898,385	126,970,154
Re-measurements recognized in 'OCI'	23.3.7	(46,381,475)	(2,761,392)
Payments during the year		(56,151,439)	(32,269,070)
Benefits payable transferred to short term liability		(7,969,101)	(13,604,082)
Closing balance of net liability		<u>447,306,385</u>	<u>436,910,015</u>
23.3.5 The amounts recognized in the unconsolidated statement of profit or loss account against defined benefit scheme are as follows:			
Current service cost		78,818,098	74,375,324
Past service cost		4,631,686	3,927,345
Interest cost		37,448,601	48,667,485
Charge for the year		<u>120,898,385</u>	<u>126,970,154</u>
23.3.6	For the year ended June 30, 2022, expected provisions to the staff retirement benefit scheme is Rs. 123.484 million.		

	2021 ----- Rupees -----	2020
23.3.7 Re-measurement recognised in 'other comprehensive income'		
Experience (gains) / losses	(46,381,475)	(2,761,392)
Re-measurement of the fair value of the plan assets	-	-
	<u>(46,381,475)</u>	<u>(2,761,392)</u>
Related deferred tax	11,706,684	800,804
	<u>(34,674,791)</u>	<u>(1,960,588)</u>

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

Comparison for five years	2021	2020	2019	2018	2017
	-----Rupees-----				
Present value of the defined benefit obligation	<u>447,306,385</u>	<u>436,910,015</u>	<u>358,574,405</u>	<u>231,080,176</u>	<u>175,913,366</u>



23.3.9 The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
		-----Rupees-----	
Discount rate	1%	412,536,758	(487,528,607)
Salary growth rate	1%	488,183,275	(411,287,605)

23.3.10 The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognized within the unconsolidated statement of financial position.

	2021	2020
	----- Rupees -----	

23.4 Deferred taxation

The details of deferred tax on temporary differences are as follows:

- accelerated tax depreciation allowances	1,891,286,053	1,649,441,874
- provision for gratuity	(112,900,132)	(126,703,904)
- allowance for expected credit loss	(25,484,990)	(27,831,486)
- investment in associates at fair value through OCI	136,553,389	175,795,267
- STI - Term finance certificates	(1,302,384)	-
- provision for stores and spares	(2,168,474)	(2,491,512)
- provision for stock in trade	(42,005,772)	(35,614,215)
Deferred tax liability	1,843,977,690	1,632,596,024

23.4.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2019	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2020	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2021
	-----Rupees-----						
Provision for gratuity	(103,986,578)	(23,518,130)	800,804	(126,703,904)	2,097,088	11,706,684	(112,900,132)
Allowance for expected credit loss	(22,139,512)	(5,691,974)	-	(27,831,486)	2,346,496	-	(25,484,990)
Investment in associates at fair value through OCI	(37,818,069)	55,470,910	158,142,425	175,795,267	1,956,878	(41,198,756)	136,553,389
Other investment at fair value through OCI	-	-	-	-	-	-	-
Provision for stores & spares	(2,491,512)	-	-	(2,491,512)	323,038	-	(2,168,474)
Provision for stock in trade	(35,737,608)	123,393	-	(35,614,215)	(6,391,558)	-	(42,005,772)
Accelerated tax depreciation allowances	1,476,261,432	173,180,442	-	1,649,441,874	241,844,179	-	1,891,286,053
Term Finance Certificates-Habib Bank Limited	-	-	-	-	-	(1,302,384)	(1,302,384)
	1,274,088,153	199,564,642	158,943,229	1,632,596,024	242,176,121	(30,794,456)	1,843,977,690



		2021	2020
	Note	----- Rupees -----	
24	TRADE AND OTHER PAYABLES		
Trade creditors	24.1	1,869,718,370	2,225,495,468
Accrued liabilities		1,753,635,793	801,929,421
Gratuity payable	24.2	7,969,101	13,604,082
Workers' profit participation fund	24.3	106,257,803	54,621,136
Workers' welfare fund		45,446,869	26,993,940
Sales tax payable		184,747,427	299,733,305
Other liabilities		25,804,588	14,107,432
		3,993,579,951	3,436,484,784
24.1	This includes payable to related party amounting to Rs. 1.96 million (2020: Rs. 30.75 million)		
24.2	This represents benefits payable transferred to short term liability (note 23.3.3).		
	Note	2021	2020
		----- Rupees -----	
24.3	Workers' profit participation fund		
Balance at the beginning of the year		54,621,136	54,718,374
Contribution for the year	33	118,683,864	71,036,685
Interest on funds utilized in the Company's business	35	1,911,739	1,697,092
		175,216,739	127,452,151
Less: Payments made during the year		(68,958,936)	(72,831,015)
Balance at the end of the year		106,257,803	54,621,136
25	ACCRUED MARK-UP		
Accrued mark-up on:			
Conventional			
- long term finances - secured		70,415,581	66,467,839
- short term finances - secured		68,711,539	96,951,846
Islamic			
- long term finances - secured		22,409,710	19,591,809
- short term finances - secured		1,128,688	12,954,977
		162,665,518	195,966,471
26	SHORT TERM FINANCES - secured		
From banking companies			
Term finances - conventional	26.1	-	855,000,000
Term finances - islamic	26.2	-	971,931,342
Export refinances	26.3	4,853,776,000	3,248,186,980
Running finance utilized under mark-up arrangements	26.4	1,209,292,547	1,714,806,708
		6,063,068,547	6,789,925,030
26.1	These represent facilities for term finances arranged from various banks aggregating to Rs. 1,005 million (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 (2020: 8.43% to 14.29% per annum). As at the reporting date the amount of facility is nil.		



- 26.2** These represent facilities for term finances arranged from various banks aggregating to Rs. 300 million (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 (2020: 8.09% to 14.38% per annum). As at the reporting date the amount of facility is nil.
- 26.3** These represent facilities for export refinance arranged from various banks aggregating to Rs. 4,950.70 million (2020: Rs. 3,650.70 million). These were secured against pari-passu / ranking hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (2020: 0.25% to 1% above SBP rate per annum).
- 26.4** These represent facilities for running finances available from various banks aggregated to Rs. 3,829.30 million (2020: Rs. 4,039.30 million). These are secured against pari-passu / ranking hypothecation of stocks, book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.35% to 8.28% per annum (2020: 8.43% to 14.86 % per annum).

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

- 27.1.1** As the Ministry of Industries has declared that BOPET film manufacturing project of the Company as Pioneer Industry, after which imports of capital goods shall be duty free. The Company approached the Board of Investment (BOI) for the permission of imports who entertained the request and was in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Company imported some capital goods and as per section 81 of the Customs Act, 1969, issued postdated cheques in favor of Collector of Custom amounting to Rs. 557.403 million (2019: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The Company had filed the subject Constitutional Petition in the High Court of Sindh vide D-2666 on May 13, 2015 to refrain FBR and Pakistan Customs to encase the securities submitted against the provisional release of the plant and machineries, and also to issue formal notification to endorse the earlier decision of the Ministry of Industries dated August 15, 2012. The High Court has passed interim order dated: May 13, 2015, in favor of the company which is still operative and last hearing was held on Dec 07, 2020. The management of the Company, based on legal counsel's opinion, is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospective.
- 27.1.2** The Company has filed Constitutional Petition 620-K of 2015 on November 27, 2015 against Federation of Pakistan, Federal Board of Revenue and Collectorate of Custom in the High Court of Sindh against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% duty on import of Poly Ethylene Terephthalate (PET Resin). In this connection the High Court vide order dated March 12, 2013 directed those custom duties at the rate of 3% to be paid by the Company and so far as differential amount is concerned 2.5% shall be deposited in cash and 2.5% shall be paid through postdated cheques to the Nazir of the High Court. In this connection the Company has deposited pay orders amounting to Rs. 100.217 million (2020: Rs. 100.217 million) and issued postdated cheques amounting to Rs. 100.217 million (2020: Rs. 100.217 million) in favor of Nazir of the High Court as directed. Further, the Company has filed petition in the High Court of Sindh for rationalisation of duty structure on PET Resin. The main grievance of the Company was for classifying the Pet Resin (Film Grade) and Pet Resin (Yarn Grade) under the same PCT heading has already been redresses in Fiscal Budget (2015-16) and from 01st July 2015, the raw material for BOPET film manufacturing i.e., PET Resin – Film Grade is being imported on the same rate as applicable to PET Resin – Yarn Grade. However, the retrospective relief on the previous consignments has been regretted by the High Court which has been challenged in the Honorable Supreme Court of Pakistan and last hearing was held on Feb 06, 2020. As per legal Counsel, there is no



immediate financial liability against the Company in the above-mentioned matter and has a good prima facie case.

- 27.1.3** The company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and the company is not going to pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to the company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards, the High Court has allowed the Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above Suits/Petitions is Rs. 606.4 million. These Suits/Petitions are still pending in the High Court and the last hearing was held on May 03, 2021. The company legal counsel is of the opinion that company has a good prima facie case.
- 27.1.4** During the fiscal year 2017, Federal Board of Revenue has issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that the Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million in their sales tax returns. In response of that SCN, the company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it was categorically mentioned that the High Court of Sindh, at Karachi, has sanctioned the petition no. J.Misc. 13 /2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and the Company has claimed the input sales tax on that basis. However, the Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was ultimately withdrawn by the Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee.
- 27.1.5** The Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by the Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order / Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was ultimately withdrawn by the Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee.
- 27.1.6** The Company has filed the Constitutional Petition 2752/2011 on August 09, 2011 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. The total quantum of bank guarantees involved in above Petitions is Rs. 290 million which is equivalent to 50 % of amount of cess. During the year, the case has been disposed off by the High Court of Sindh in favor of Excise and Taxation Department. However, the Company along with the industry has challenged the applicability of said order in Honorable Supreme Court of Pakistan and the Court has granted the stay order on Sep 01, 2021 and restrained the authorities to take any coercive action against the plaintiff.

- 27.1.7** 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 that GIDC Act 2015 and filed a writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC Act, 2015. On October 2015, SHC decided this suit in favor of Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where the Company was not party to such litigation. The Honorable Supreme Court of Pakistan 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 consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, the Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on August 16, 2021. The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 746 millions (inclusive of Sales Tax) The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.
- 27.1.8** Through Finance Act, 2019, the Government has reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Company has challenged the provision of Finance Act, 2019 before the High Court of Sindh on 19 December, 2019 against the Federation of Pakistan and obtained the interim relief of claiming 10% tax credit on all investments already planned including its ancillary cost of last and current fiscal year. The last hearing was held on April 26, 2021 and the management is confident that the case will be decided in favor of the Company based on the opinion of legal counsel.
- 27.1.9** The Company has filed two petition S-1803 & 1905 of 2020 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2020 dated October 23, 2020 for increase in the price of national gas and different prices for industrial and captive connection where the same is used for internal consumption by industrial undertaking. The Court vide its order dated November 11, 2020 & December 03, 2020 passed an interim stay order in favor of the Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed the company to pay the balance amount by way of bank guarantee or cheque in favor of the Nazir of Court. The cumulative differential amount accounted for approximately Rs 31.10 million (inclusive of sales tax). The management is confident that the case will be decided in favor of the Company based on the opinion of legal counsel.
- 27.1.10** In note 20.3 of interim financial statement of The Bank of Khyber (the bank) an associated company for the period ended June 30, 2021 the bank has disclosed contingent liability for disallowing of markup and others expense by the Assistant Commissioner Inland Revenue. The said matter standing in adjudication with commissioner Inland Revenue (Appeal) and the Honorable Peshawar High Court. The bank's managements is confidence about the positive outcome of the matter.



	2021	2020
	----- Rupees -----	
27.2 Commitments		
27.2.1 Outstanding letters of guarantee	2,112,978,557	2,136,440,528
27.2.2 Cross Corporate guarantees issued by the Company on behalf of subsidiary / associates company	4,078,811,644	-
27.2.3 Outstanding letters of credit for:		
- capital expenditure	2,600,935,956	592,832,875
- raw materials	1,018,228,669	945,731,340
27.2.4 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.		
27.2.5 The Company's share of commitments of associated companies.		
- Guarantees	4,874,734	3,985,251
- Commitments	158,324,352	10,847,832

		-----Rupees-----					
28	OPERATING RESULTS	Note					
	Disaggregation of revenue						
	Local sales		29,892,074,849	29,224,017,087	8,463,896,546	7,135,458,356	38,355,971,395
	Export sales		5,540,716,573	3,662,310,269	1,117,602,259	836,559,991	6,658,318,832
	Trial production sales		-	(51,490,016)	(65,558,125)	-	(51,490,016)
	transferred to CWIP	6.7.2	35,432,791,422	32,834,837,340	9,515,940,680	7,972,018,347	44,948,732,102
	Sales returns, discounts and direct expenses		(1,947,181,829)	(1,955,936,820)	(12,021,772)	(33,142,847)	(1,989,079,667)
	Add: Export rebate		33,485,609,593	30,878,900,520	9,503,918,908	7,938,875,500	42,989,528,501
			55,014,144	10,589,965	776,207	-	55,790,351
			33,540,623,737	30,889,490,485	9,504,695,115	7,938,875,500	43,045,318,852
	Sales tax		(4,461,769,475)	(4,537,730,880)	(1,275,789,505)	(1,072,362,195)	(5,737,558,980)
			29,078,854,262	26,351,759,605	8,228,905,610	6,866,513,305	37,307,759,872
	Cost of sales	30	(23,559,227,461)	(20,273,466,254)	(6,554,752,761)	(6,067,182,310)	(30,113,980,222)
	Gross profit		5,519,626,801	6,078,293,351	1,674,152,849	799,330,995	7,193,779,650
	Selling and distribution expenses	31	(3,905,792,638)	(4,209,866,561)	(329,709,133)	(259,390,281)	(4,235,501,771)
	Administrative expenses	32	(543,313,919)	(545,026,795)	(108,572,318)	(48,666,334)	(651,886,237)
			(4,449,106,557)	(4,754,893,356)	(438,281,451)	(308,056,615)	(4,887,388,008)
	Operating profit		1,070,520,244	1,323,399,995	1,235,871,398	491,274,380	2,306,391,642
	Other operating expenses	33					(393,717,058)
	Other income	34					392,804,811
	Finance cost	35					(693,703,984)
	Share of profit from associated companies - net	8.2.3					601,470,332
	Profit before taxation						2,213,245,743
	Taxation	38					(436,580,434)
	Profit for the year						1,776,665,309
							931,965,168

	Food segment		Plastic segment		Total	
	2021	2020	2021	2020	2021	2020
	-----Rupees-----					
28.1 Segment assets	21,499,513,848	20,272,965,197	13,469,484,469	11,024,025,316	34,968,998,317	31,296,990,513
28.2 Unallocated assets	-	-	-	-	6,020,982,545	6,210,944,349
	21,499,513,848	20,272,965,197	13,469,484,469	11,024,025,316	40,989,980,862	37,507,934,862
28.3 Segment liabilities	4,053,474,176	2,529,351,720	7,192,773,585	8,778,993,873	11,246,247,761	11,308,345,593
28.4 Unallocated liabilities	-	-	-	-	18,468,996,456	16,299,804,671
	4,053,474,176	2,529,351,720	7,192,773,585	8,778,993,873	29,715,244,218	27,608,150,265
28.5 Major Non-cash items						
-depreciation and amortisation	1,304,000,345	989,328,728	419,829,191	314,878,325	1,723,829,536	1,304,207,053
-gratuity	93,391,463	119,298,267	26,877,734	7,671,887	120,269,197	126,970,154
	1,397,391,808	1,108,626,995	446,706,925	322,550,212	1,844,098,733	1,431,177,207
28.6 Capital expenditure	1,932,409,628	3,799,926,395	1,433,377,273	4,326,941,863	3,365,786,901	8,126,868,258
28.7 The Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia.						
28.8 There were no major customers of the Company which constituted 10 percent or more of the Company's revenue.						
29 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES				Note	2021	2020
29.1 Assets					----- Rupees -----	
Total assets for reportable segments				28.1	34,968,998,317	31,296,990,513
Administrative capital assets					743,257,467	934,640,475
Long-term investments				8	5,277,725,078	5,276,303,874
Total assets					40,989,980,862	37,507,934,862
29.2 Liabilities						
Total liabilities for reportable segments				28.3	11,246,247,761	11,308,345,593
Deferred liabilities				23	1,843,977,690	1,632,596,024
Long term finances - secured				21	16,562,851,884	14,498,681,731
Lease liabilities				22	62,166,882	168,526,917
Total liabilities					29,715,244,218	27,608,150,265
29.3 There were no inter-segment sales of the Company during the year (2020: Rs. Nil)						

30 COST OF SALES

Note

30.1	Raw materials consumed	13,191,614,022	11,531,962,822	5,282,192,874	4,750,588,686	18,473,806,897	16,282,551,508
30.2	Packing materials consumed	5,210,598,251	5,224,460,702	233,600,340	176,971,878	5,444,198,591	5,401,432,580
30.3	Stores and spares consumed	373,192,627	350,544,939	152,796,935	118,817,505	525,989,562	469,362,444
30.4	Salaries, wages and other benefits	2,398,608,833	2,393,481,455	340,272,928	368,993,136	2,738,881,762	2,762,474,591
	Electricity, gas, fuel and lubricants	761,755,855	824,479,567	405,888,539	334,727,593	1,167,644,394	1,159,207,160
	Repairs and maintenance	157,759,658	168,848,488	22,692,852	23,904,085	180,452,509	192,752,573
	Cold storage - rent & maintenance	1,680,400	644,587	-	-	1,680,400	644,587
	Printing and stationery	8,349,703	7,950,045	1,383,307	1,284,707	9,733,010	9,234,752
	Insurance	28,492,959	18,904,055	12,317,030	9,871,327	40,809,989	28,775,382
	Rent, rates and taxes	3,233,643	2,660,095	3,075,869	2,624,581	6,309,512	5,284,676
	Water charges	36,792,800	31,942,512	10,224,149	9,289,346	47,016,949	41,231,858
	Postage and telephone	4,833,089	5,976,559	1,871,649	3,323,953	6,704,738	9,300,512
	Travelling and conveyance	7,909,034	8,930,453	144,218	231,130	8,053,252	9,161,583
	Vehicle running and maintenance	14,011,879	15,680,356	7,982,316	8,033,776	21,994,195	23,714,132
6.4	Depreciation	1,200,343,600	883,154,036	392,098,503	301,725,011	1,592,442,103	1,184,879,047
7.2	Amortisation charge	11,572,432	11,572,432	3,585,548	3,585,548	15,157,980	15,157,980
	Laboratory expenses	16,270,745	8,292,223	44,379	-	16,315,124	8,292,223
	Fees and subscription	2,490,617	2,002,750	1,840,732	245,760	4,331,349	2,248,510
	Cartage inward	12,962,808	15,980,326	556,681	3,445,025	13,519,489	19,425,351
	Procurement expenses	-	-	-	-	-	-
	Other manufacturing expenses	7,281,669	1,711,880	4,496,121	5,050,011	11,777,790	6,761,892
		23,449,754,624	21,509,180,282	6,877,064,970	6,122,713,059	30,326,819,595	27,631,893,341
	Work-in-process at the beginning of the year						
	Work-in-process at the end of the year	74,101,924 (82,019,341) (7,917,417)	29,295,206 (74,101,924) (44,806,718)	101,399,950 (150,894,057) (49,494,107)	52,887,950 (101,399,950) (48,512,000)	175,501,874 (232,913,398) (57,411,524)	82,183,156 (175,501,874) (93,318,718)
	Trial production cost						
	transferred to CWIP	-	(209,133,763)	(224,901,606)	-	(224,901,606)	(209,133,763)
6.7.2	Cost of goods manufactured	23,441,837,207	21,255,239,801	6,602,669,257	6,074,201,059	30,044,506,465	27,329,440,860

Note	Food segment			Plastic segment		Total	
	2021	2020		2021	2020	2021	2020
-----Rupees-----							
Stock of finished goods at the beginning of the year	2,584,245,910	1,554,400,402		77,533,031	71,928,039	2,661,778,941	1,626,328,441
Purchase of finished goods	54,436,419	48,413,693		-	-	54,436,419	48,413,693
Insurance claim	(6,424,812)	(341,733)		(389,040)	(1,413,755)	(6,813,852)	(1,755,488)
Stock of finished goods at the end of the year	(2,514,867,263)	(2,584,245,910)		(125,060,487)	(77,533,031)	(2,639,927,750)	(2,661,778,941)
	117,390,254	(981,773,548)		(47,916,496)	(7,018,747)	69,473,758	(988,792,295)
	23,559,227,461	20,273,466,254		6,554,752,761	6,067,182,311	30,113,980,222	26,340,648,564
30.1 Raw materials consumed							
Stock of raw materials at the beginning of the year	1,666,112,177	1,486,482,782		1,099,275,919	1,478,890,776	2,765,388,096	2,965,373,558
Purchases	13,357,354,483	11,710,873,540		6,224,897,774	4,370,973,829	19,582,252,257	16,081,847,369
Cartage inward	9,111,613	1,144,170		-	-	9,111,613	1,144,170
	15,032,578,273	13,198,500,492		7,324,173,693	5,849,864,605	22,356,751,966	19,048,365,097
Provision / (reversal) for the year	617,766	(425,493)		-	-	617,766	(425,493)
Stock of raw materials at the end of the year	(1,841,582,017)	(1,666,112,177)		(2,041,980,819)	(1,099,275,919)	(3,883,562,836)	(2,765,388,096)
	13,191,614,022	11,531,962,822		5,282,192,874	4,750,588,686	18,473,806,896	16,282,551,508
30.2 Packing materials consumed							
Stock of packing materials at the beginning of the year	752,041,262	548,452,482		19,755,795	12,511,623	771,797,057	560,964,105
Purchases	5,373,863,437	5,428,049,482		235,994,780	184,216,050	5,609,858,217	5,612,265,532
	6,125,904,699	5,976,501,964		255,750,575	196,727,673	6,381,655,274	6,173,229,637
Provision for the year	43,000,000	-		-	-	43,000,000	-
Stock of packing materials at the end of the year	(958,306,449)	(752,041,262)		(22,150,235)	(19,755,795)	(980,456,683)	(771,797,057)
	5,210,598,251	5,224,460,702		233,600,340	176,971,878	5,444,198,591	5,401,432,580

Food segment Plastic segment Total

2021 2020 2021 2020 2021 2020

Note -----Rupees-----

30.3 Stores and spares consumed

10	Stock of stores and spares at the beginning of the year	258,748,824	210,286,568	101,689,821	77,280,746	360,438,645	287,567,314
	Purchases	391,346,151	397,304,342	241,213,189	143,185,998	632,559,340	540,490,340
	Cartage inward	1,069,994	1,702,853	24,287	40,582	1,094,281	1,743,435
		651,164,969	609,293,763	342,927,297	220,507,326	994,092,266	829,801,089
10	Stock of stores and spares at the end of the year	(277,972,342)	(258,748,824)	(190,130,362)	(101,689,821)	(468,102,704)	(360,438,645)
		373,192,627	350,544,939	152,796,935	118,817,505	525,989,562	469,362,444

30.4 This includes expense recognised in respect of staff gratuity fund amounting to Rs. 51.05 million (2020:Rs. 48.46 million)

31 SELLING AND DISTRIBUTION EXPENSES

31.1	Salaries and other benefits	1,049,853,798	1,161,373,464	43,896,348	38,751,177	1,093,750,146	1,200,124,641
	Cartage outward	1,035,138,538	1,099,884,129	142,169,297	99,161,730	1,177,307,835	1,199,045,859
	Export expenses	243,164,349	170,355,677	119,624,695	81,172,716	362,789,044	251,528,393
	Advertisements	1,152,154,646	1,348,724,164	610,488	-	1,152,765,134	1,348,724,164
	Entertainment	5,357,001	9,479,202	201,329	661,471	5,558,330	10,140,673
	Vehicle running and maintenance	191,199,819	219,580,370	1,343,826	1,456,210	192,543,645	221,036,580
	Printing and stationery	2,610,284	1,935,669	792,468	455,958	3,402,752	2,391,627
	Postage and telephone	33,429,620	19,925,228	1,069,590	854,814	34,499,210	20,780,042
	Conveyance and travelling	42,624,118	38,662,652	831,100	4,631,336	43,455,218	43,293,988
	Utilities	2,773,174	2,869,619	1,314,724	1,276,959	4,087,898	4,146,578
	Repairs and maintenance	620,699	1,612,525	289,013	724,484	909,712	2,337,009
	Rent, rates and taxes	88,286,784	91,869,166	4,466,754	3,884,208	92,753,538	95,753,374
6.4	Depreciation	36,494,823	36,716,194	5,853,759	1,992,802	42,348,582	38,708,996
7.2	Amortisation charge	5,870,933	5,870,933	2,498,242	2,498,242	8,369,175	8,369,175
	Fee and subscription	61,503	1,233,800	1,492,543	1,312,597	1,554,046	2,546,397
	Insurance	10,822,918	8,894,723	2,200,004	751,906	13,022,922	9,646,629
12.3	Allowance for expected credit loss	4,033,407	-	966,593	19,627,495	5,000,000	19,627,495
	Miscellaneous	1,296,224	6,380,027	88,360	176,176	1,384,584	6,556,203
6.7.2	Trial production cost transferred to CWIP	-	(15,500,980)	-	-	-	(15,500,980)
		3,905,792,638	4,209,866,562	329,709,133	259,390,281	4,235,501,771	4,469,256,842

31.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 51.68 million (2020: Rs 56.79 million)

32 ADMINISTRATIVE EXPENSES Note

Salaries and other benefits including

	Food segment		Plastic segment		Total
	2021	2020	2021	2020	
32.1					
director's remuneration	361,478,294	363,426,738	60,191,994	32,621,774	421,670,288
Conveyance and travelling	11,242,753	20,902,852	1,941,076	1,646,593	13,183,829
Postage and telephone	10,826,552	9,164,892	3,272,710	1,368,440	14,099,262
Printing and stationery	16,011,750	20,715,115	4,942,272	817,856	20,954,022
Repairs and maintenance	13,170,516	10,114,642	3,313,734	1,438,642	16,484,250
Electricity and utilities	8,018,579	10,639,282	2,413,853	556,506	10,432,432
Insurance	7,213,791	6,883,135	2,402,413	657,713	9,616,204
Advertisement	106,396	120,725	25,604	-	132,000
Entertainment	8,685,316	8,958,145	2,157,801	609,962	10,843,117
Vehicle running and maintenance	25,628,825	13,725,291	6,719,415	1,286,212	32,348,241
Rent, rates and taxes	4,417,095	2,397,600	686,523	642,320	5,103,618
Fee and subscription	9,221,468	8,031,096	2,394,703	744,382	11,616,171
Legal and professional charges	15,445,663	17,914,408	1,343,637	731,007	16,789,300
Depreciation	43,592,891	47,017,383	13,577,333	3,441,695	57,170,223
Amortisation charge	6,125,666	4,997,751	2,215,807	1,635,027	8,341,473
Miscellaneous	2,128,364	801,521	973,443	468,203	3,101,806
Trial production cost	-	-	-	-	-
transferred to CWIP	543,313,919	(783,780)	108,572,318	48,666,333	651,886,237
6.7.2					(783,780)
					593,693,129

32.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 19.02 million (2020: Rs 21.72 million)



33	OTHER OPERATING EXPENSES	Note	2021	2020
			----- Rupees -----	----- Rupees -----
	Contribution to:			
	- workers' profits participation fund		118,683,864	71,036,685
	- workers' welfare fund		45,099,868	26,993,940
	Auditors' remuneration	33.1	4,548,872	4,248,872
	Exchange loss		169,069,616	6,188,796
	Donations	33.2	56,091,438	78,370,118
	Other		223,400	912,587
	Trial production cost transferred to CWIP	6.7.2	-	(6,188,796)
			<u>393,717,058</u>	<u>181,562,202</u>
33.1	Auditor's remuneration			
	Audit fee - unconsolidated		2,600,000	2,400,000
	Audit fee - consolidated		800,000	700,000
	Fee for statutory certification		200,000	200,000
	Fee for half yearly review		500,000	500,000
	Out-of-pocket expense		448,872	448,872
			<u>4,548,872</u>	<u>4,248,872</u>
			2021	2020
33.2	Donation to the following organizations exceed 10% of total donation		----- Rupees -----	----- Rupees -----
	- Khadija Girls College		5,708,141	22,678,528
	- Indus Hospital		-	18,084,960
	- Al Mustufa Welfare Trust		19,719,431	15,204,615
			<u>25,427,572</u>	<u>55,968,103</u>
33.2.1	None of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.			
34	OTHER INCOME	Note	2021	2020
	Income from financial assets		----- Rupees -----	----- Rupees -----
	Exchange gain		-	87,662,874
	Income from non financial assets			
	Recovery from the sale of production scrap		95,589,381	198,251,009
	Gain on disposal of property, plant and equipment - net		228,068,469	20,515,462
	Processing income		27,145,208	23,338,275
	Income from Term Finance Certificates		18,243,890	22,000,000
	Trading income		2,006,008	-
	Gain on Forward Contract		13,840,518	-
	Others		7,911,337	1,636,762
			<u>392,804,811</u>	<u>353,404,382</u>



35 FINANCE COST

Mark up on:

- long term finances - conventional
- long term finances - islamic
- short term finances - conventional
- short term finances - islamic

Interest on workers' profits participation fund

Finance charge on lease liabilities

Bank charges

Trial production cost transferred to CWIP

Note	2021	2020
	----- Rupees -----	
	123,207,729	561,582,211
	211,807,044	259,663,232
	216,712,303	90,662,982
	42,259,105	214,158,809
	1,911,739	1,697,092
	12,581,444	24,759,032
	85,224,620	54,962,256
6.7.2	-	(51,700,000)
	<u>693,703,984</u>	<u>1,155,785,614</u>

36 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2021			2020		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	----- Rupees -----					
Managerial remuneration	12,800,000	10,800,000	479,113,759	11,800,000	9,703,900	447,415,528
Gratuity	-	-	24,546,002	-	-	23,448,302
Bonus	-	-	24,546,002	-	-	23,448,302
Leave encashment	-	-	19,513,073	-	-	18,639,859
Reimbursement of expenses						
Utilities	1,166,668	916,664	-	1,000,000	750,000	-
	<u>13,966,668</u>	<u>11,716,664</u>	<u>547,718,836</u>	<u>12,800,000</u>	<u>10,453,900</u>	<u>512,951,991</u>
Number of persons	1	1	107	1	1	105

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

36.1 The remuneration has been allocated as follows:

	2021			2020		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	----- Rupees -----					
Cost of goods sold	-	-	228,581,818	-	-	208,997,668
Selling and distribution expenses	-	-	164,786,716	-	-	166,443,208
Administrative expenses	13,966,668	11,716,664	154,350,302	12,800,000	10,453,900	137,511,115
	<u>13,966,668</u>	<u>11,716,664</u>	<u>547,718,836</u>	<u>12,800,000</u>	<u>10,453,900</u>	<u>512,951,991</u>
Number of persons	1	1	107	1	1	105

36.2 Bonus is given to employees as per the Company's policy.



37 CLASSIFICATION OF EXPENSES

		2021			
		Local	Export	Common expenses	Total
		-----Rupees-----			
Note					
Selling and distribution expenses	31	3,673,099,906	562,401,865	-	4,235,501,771
Administrative expenses	32	532,004,358	119,881,879	-	651,886,237
Finance cost	35	566,131,821	127,572,163	-	693,703,984
		2020			
		Local	Export	Common expenses	Total
		-----Rupees-----			
Selling and distribution expenses	31	4,217,728,450	251,528,393	-	4,469,256,843
Administrative expenses	32	-	-	593,693,129	593,693,129
Finance cost	35	1,062,756,219	93,029,395	-	1,155,785,614

38 TAXATION

		Note	2021 ----- Rupees -----	2020
Current			178,314,865	281,774,530
Prior year			16,089,447	(90,601,258)
Deferred		23.4.1	242,176,122	199,564,642
			<u>436,580,434</u>	<u>390,737,914</u>

38.1 The relationship between accounting profit and tax expense

The relationship between tax expense and accounting profit has not been presented in these unconsolidated financial statements as the current year's income of the Company attracts minimum tax under section 113 of Income Tax Ordinance, 2001.

39 EARNING PER SHARES - basic and diluted

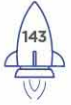
		Note	2021 ----- Rupees -----	2020
Basic earnings per share				
Profit for the year			<u>1,776,665,309</u>	<u>931,965,168</u>
Number of shares				
Opening Number of shares at July 01, 2020			<u>66,356,940</u>	<u>63,804,750</u>
Weighted average number of ordinary shares issued during the year			-	531,415
Closing weighted number of shares			<u>66,356,940</u>	<u>64,336,165</u>
Weighted average number of shares outstanding as at year end			<u>66,356,940</u>	<u>64,336,165</u>
Basic and diluted earnings per share			<u>26.77</u>	<u>14.49</u>

Diluted earnings per share

There is no dilutive potential ordinary shares outstanding as at June 30, 2021 & June 30, 2020.

40 NUMBER OF EMPLOYEES

		2021 -----Numbers-----	2020
Number of employees as at the year end		<u>2,324</u>	<u>2,316</u>
Average number of employees during the year		<u>2,198</u>	<u>2,258</u>



41 CASH GENERATED FROM OPERATIONS	Note	2021	2020
		----- Rupees -----	
Profit before taxation		2,213,245,743	1,322,703,082
Adjustments for non-cash and other items:			
Depreciation	6.4	1,691,960,908	1,274,047,121
Amortisation charge	7.2	31,868,628	30,159,933
Gain on disposal of property, plant and equipment - net	34	(228,068,469)	(20,515,462)
Provision for staff gratuity scheme - unfunded	23.3.5	120,898,385	126,970,154
Finance cost	35	693,703,984	1,155,785,614
Share of profit from associated companies - net	8.2.3	(601,470,332)	(491,972,141)
Provision for slow moving - stock in trade		43,617,766	-
Allowance for expected credit loss		5,000,000	19,627,495
Unrealized exchange gain		-	(46,658,848)
Unrealized exchange loss on borrowings		50,000,000	-
Unrealized exchange loss		61,642,086	9,191,212
		4,082,398,699	3,379,338,160
Working capital changes			
(Increase) / Decrease in current assets			
Stores and spares		(107,664,060)	(72,871,331)
Stock-in-trade		(1,362,394,699)	(1,140,042,201)
Trade debts		(5,684,718)	(571,621,768)
Loans and advances		(592,319,066)	663,063,457
Trade deposits and short term prepayments		5,478,789	(2,650,359)
Other receivables		2,274,793	12,043,467
		(2,060,308,961)	(1,112,078,735)
(Decrease) / Increase in current liabilities			
Trade and other payables		501,088,062	1,362,471,554
Short term finances - secured		(221,342,322)	2,075,204,930
Advances from customers - unsecured		130,310,256	252,219,936
		410,055,996	3,689,896,420
Net (decrease) / increase in working capital		(1,650,252,965)	2,577,817,685
Cash generated from operations		2,432,145,733	5,957,155,845



42 Reconciliation of movement of liabilities and equity to cash flow arising from financing activities.

	Liabilities			Equity		
	Long term finances-secured	Lease Liabilities	Accrued mark-up	Issued and paid up share capital	Reserve	Total
	Rupees					
Balance as at July 01, 2020	14,498,681,731	168,526,917	195,966,471	663,569,400	9,236,215,197	24,762,959,716
Proceeds from long term finance	3,157,681,714	-	-	-	-	3,157,681,714
Payment of long term finance	(1,143,511,561)	-	-	-	-	(1,143,511,561)
Payment of liabilities subject to finance lease	-	(106,360,035)	-	-	-	(106,360,035)
Dividend paid	-	-	-	-	(198,813,008)	(198,813,008)
Mark-up paid	-	-	(727,004,937)	-	-	(727,004,937)
	2,014,170,153	(106,360,035)	(727,004,937)	-	(198,813,008)	981,992,174
Finance cost charge during the year	-	-	693,703,984	-	-	693,703,984
Foreign exchange (gain) / loss	50,000,000	-	-	-	-	50,000,000
Profit for the year	-	-	-	-	1,776,665,309	1,776,665,309
Changes in other comprehensive income	-	-	-	-	(202,642,442)	(202,642,442)
Changes in unclaimed dividend	-	-	-	-	(257,812)	(257,812)
	50,000,000	-	693,703,984	-	1,573,765,055	2,317,469,039
Balance as at June 30, 2021	16,562,851,884	62,166,882	162,665,518	663,569,400	10,611,167,245	28,062,420,928
	Rupees					
	Long term finances-secured	Lease Liabilities	Accrued mark-up	Issued and paid up share capital	Reserve	Total
Balance as at July 01, 2019	8,065,842,393	236,244,403	205,692,929	638,047,500	6,736,199,160	15,882,026,385
Payment of long term finance	(1,665,139,753)	-	-	-	-	(1,665,139,753)
Receipts from right share issue - net off Sponsor's loan - subordinated	-	-	-	16,636,630	-	16,636,630
Proceeds from long term finance	8,097,979,091	-	-	-	-	8,097,979,091
Payment of liabilities subject to finance lease	-	(67,717,486)	-	-	-	(67,717,486)
Dividend paid	-	-	-	-	(223,010,340)	(223,010,340)
Mark-up paid	-	-	(1,165,512,071)	-	-	(1,165,512,071)
Changes in accrued mark-up	-	-	-	-	-	-
	6,432,839,338	(67,717,486)	(1,165,512,071)	16,636,630	(223,010,340)	4,993,236,071
Finance cost charge during the year	-	-	1,155,785,614	-	-	1,155,785,614
Profit for the year	-	-	-	-	931,965,168	931,965,168
Changes in other comprehensive income	-	-	-	-	898,100,994	898,100,994
Right shares issue	-	-	-	8,885,270	893,266,500	902,151,770
Changes in unclaimed dividend	-	-	-	-	(306,285)	(306,285)
	-	-	1,155,785,614	8,885,270	2,723,026,377	3,887,697,261
Balance as at June 30, 2020	14,498,681,731	168,526,917	195,966,471	663,569,400	9,236,215,197	24,762,959,717

43 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES	Note	2021	2020
		----- Rupees -----	
43.1 Financial instruments by category			
Financial assets			
At amortised cost			
Long term deposits	9	26,838,890	37,005,581
Trade debts	12	3,446,640,447	3,440,955,729
Loans and advances	13	137,526,630	111,013,993
Trade deposits - unsecured	14	17,958,740	17,017,157
Other receivables	16	185,028	113,575
Cash and bank balances	18	143,565,665	51,195,200
At fair value through OCI			
Short term investments	15	318,381,590	200,000,000
Total financial assets		4,091,096,990	3,857,301,235
Financial liabilities			
At amortised cost			
Long term finances	21	16,562,851,884	14,498,681,731
Lease liabilities	22	62,166,882	168,526,917
Trade and other payables	24	3,668,202,129	3,055,122,766
Accrued mark-up	25	162,665,518	195,966,471
Short term finances	26	6,063,068,547	6,789,925,030
Unclaimed dividend		2,902,597	2,644,785
Total financial liabilities		26,521,857,557	24,710,867,700

43.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

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

There is a transfers of level 3 short term investment to level 1 as it become listed during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: Non active markets The fair value of financial instruments of non active market is based on inputs available in the market.

The fair value of financial instruments traded in active markets is based on market value of shares at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2021:



	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial assets				
Financial investments: fair value through OCI	194,840,000	123,541,590	-	318,381,590
	2020			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Financial investments: fair value through OCI	-	-	200,000,000	200,000,000
	2021			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Investment in associates	3,180,003,578	-	-	3,180,003,578
	2020			
	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Investment in associates	3,441,616,096	228,703,777	-	3,670,319,873

43.3 Financial risk management

The board of directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

43.3.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation of customers profile and payment history. Outstanding customer receivables are regularly monitored.

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

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the company for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.



The bank balances along with the credit ratings are tabulated below:

	Short- term Ratings	2021 ----- Rupees -----	2020
Al Baraka Bank Pakistan Limited	A1	-	40,944
Allied Bank Limited	A1+	10,590,468	-
Bank Al Falah Limited	A1+	181,966	-
Bank Al Habib Limited	A1+	1,157,497	382,735
Bank Islami Pakistan Limited	A1	691,127	915,170
Dubai Islamic Bank Pakistan Limited	A1+	1,254,558	929,224
Faysal Bank Limited	A1+	3,649,739	399,656
Habib Bank Limited	A1+	57,482	56,482
Habib Metropolitan Bank Limited	A1+	27,706,172	5,002,455
JS Bank Limited	A1+	15,085,805	2,234,401
MCB Bank Limited	A1+	428,012	32,423
MCB Islamic Bank Limited	A1	176,591	758,452
Meezan Bank Limited	A1+	65,232,539	17,970,457
National Bank Of Pakistan	A1+	1,305,316	3,430,868
Samba Bank Limited	A1	14,185	13,185
Soneri Bank Limited	A1+	10,188,530	1,128,484
Summit Bank Limited	Suspended	296,771	59,335
Standard Chartered Bank Limited	A1+	630,097	-
Askari Bank Limited	A1+	88,205	-
		138,735,060	33,354,271

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2021 ----- Rupees -----	2020
Long term deposits	9	26,838,890	37,005,581
Trade debts	12	3,446,640,447	3,440,955,729
Loans and advances	13	137,526,630	886,841,965
Trade deposits - unsecured	14	17,958,740	17,017,157
Bank balances	18	138,735,060	33,354,270
		3,767,699,767	4,415,174,702

To reduce the exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

Advances recoverable from employees are secured against their retirement benefits.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Company has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

	Note	2021 ----- Rupees -----	2020
More than 45 days but not more than 3 months		481,295,742	356,189,161
More than 3 months but not more than 6 months		509,262,009	298,242,708
More than 6 months but not more than 1 year		324,727,891	176,559,683
More than 1 year		64,845,543	65,613,396
	12.4	1,380,131,185	896,604,948

In respect of trade debts, the Company is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

43.3.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Based on the above, management believes the liquidity risk is insignificant.

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

Effective rates of return / mark-up on financial liabilities are as follows:

		2021			
		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
Note		-----Rupees-----			
Financial liabilities - Interest bearing					
Long term finances - secured (Conventional)	21	4%	13,197,885,437	2,575,582,046	10,622,303,391
Long term finances - secured (Islamic)		6.3%	3,364,966,447	1,096,516,272	2,268,450,175
Lease liabilities - conventional	22	7.76% to 7.96%	9,502,404	5,089,363	4,413,041
Lease liabilities - Islamic		7.28% to 8.48%	52,664,478	37,676,339	14,988,139
Short term finances - secured - conventional	26	7.18% to 8.96%	6,063,068,547	6,063,068,547	-
Short term finances - secured - Islamic	26	6.81% to 8.63%	-	-	-
Non - interest bearing					
Trade and other payables	24	-	3,668,202,129	3,668,202,129	-
Accrued mark-up	25	-	162,665,518	162,665,518	-
			26,518,954,960	13,608,800,214	12,910,154,746
		2020			
		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
		-----Rupees-----			
Financial liabilities - Interest bearing					
Long term finances - secured - conventional	21	5%	11,538,341,345	796,765,907	10,741,575,438
Long term finances - secured - Islamic		9%	2,960,340,386	188,462,996	2,771,877,390
Lease liabilities - conventional	22	8.78% to 14.73%	37,001,101	18,654,879	18,346,222
Lease liabilities - Islamic		8.39% to 14.68%	131,525,816	58,626,957	72,898,859
Short term finances - secured - conventional	26	8.43% to 14.86%	5,817,993,688	5,817,993,688	-
Short term finances - secured - Islamic	26	8.09% to 14.38%	971,931,342	971,931,342	-
Non - interest bearing					
Trade and other payables	24	-	3,055,122,766	3,055,122,766	-
Accrued mark-up	25	-	195,966,471	195,966,471	-
			24,708,222,915	11,103,525,006	13,604,697,909

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position would not affect profit or loss of the Company.



Cash flow sensitivity analysis for variable rate instruments

At June 30, 2021, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 165.12 million (2020: Rs. 144.99 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2021, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 60.63 million (2020: Rs. 68.01 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

43.3.3 Market risk

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

a) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of financial asset or a liability will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars.

Exposure to Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2021	2020
	----- Amount in USD -----	
Trade debts	3,437,685	6,282,408
Cash and bank balances	141,599	2,488
Trade and other payables	(5,044,483)	(3,291,629)
Loans and advances	871,525	363,263
Advances from customers	(449,586)	(54,044)
	(1,043,259)	3,302,486
Off balance sheet exposures		
Letter of credit	(22,935,137)	(9,150,522)
Net Exposure	(23,978,396)	(5,848,036)

The following significant exchange rates were applied during the year.

	2021	2020
	Rupee per USD	
Average rate	162.97	164.10
Reporting date rate	157.80	168.14

Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2020 would have effect on the equity and profit and loss of the Company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2021.

	2021	2020
	----- Rupees -----	
Strengthening of PKR against respective currencies	378,379,096	98,328,585
Weakening of PKR against respective currencies	(378,379,096)	(98,328,585)

As at 30 June 2021, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 378.38 million (2020: Rs. 98.33 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.



The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

	Note	2021 ----- Rupees -----	2020
Export debtors	12	542,466,672	1,056,320,953
Import creditors		796,019,344	553,452,905
		<u>1,338,486,016</u>	<u>1,609,773,858</u>

b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks, running finance facilities and finance leases. At the reporting date the interest rate profile of the Company's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2021	2020
	----- Rupees -----	
Variable rate instruments		
Financial assets	194,840,000	200,000,000
Financial liabilities	6,377,492,002	6,010,938,346
	<u>6,572,332,002</u>	<u>6,210,938,346</u>

As at 30 June 2021, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher / lower by Rs. 65.72 million. (2020: Rs. 212.57 million) mainly because of higher/lower interest expense on variable rate instruments.

c) Equity risk

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

44 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

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

	2021	2020
	----- Rupees -----	
Share capital	663,569,400	663,569,400
Reserves	10,611,167,244	9,236,215,197
	<u>11,274,736,644</u>	<u>9,899,784,597</u>

The Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Company's capital signifies equity as reported in statement of financial position and includes share capital and accumulated losses.



During 2021 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2021 and 2020 were as follows:

	2021	2020
	----- Rupees -----	
Total borrowings	22,625,920,431	21,288,606,761
Less: Cash and bank balances	(143,565,665)	(51,195,200)
Net debt	22,482,354,766	21,237,411,561
Total equity	11,274,736,644	9,899,784,597
Total equity and debt	33,757,091,410	31,137,196,158
Net gearing ratio (%)	66.6%	68.2%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

45 PLANT CAPACITY AND ACTUAL PRODUCTION

	2021		2020	
	Metric Ton		Metric Ton	
	Rated Capacity	Actual Production	Rated Capacity	Actual Production
Food processing	166,562	88,363	162,462	98,331
Plastic film	63,000	29,608	33,000	24,824

- 45.1 During the year, rated installed capacity of Food Division is increased by 4,100 tons. Enhanced capacities in production lines were fully operative in fourth quarter of the financial year, due to COVID-19 Pandemic and high inflation, the demand of products was under pressure.

In Plastic Division, new BOPET Film production line was commissioned in delay of around 6 months due to COVID-19 Pandemic and become fully operational in fourth quarter of the financial year.

46 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Company and key management personnel. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements, are as follows:

Key Management Personnel (KMP)

Name	Direct shareholding %
Mr. Ahmed Muhammad	15.22
Mr. Munsarim Saif	0.000009
Mr. Ghulam Farooq	Nil
Mr. Abdul Qadir	Nil

2021 2020
----- Rupees -----

Hudson Pharma (Private) Limited

(Subsidiary Company - 77.71% shareholding)

Investment made during the year	-	1,000,000,000
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Bank of Khyber Limited

(Associated Company - 24.43% shareholding)

Investment made during the year	-	16,284,035
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Ismail Resin (Private) Limited.

(Associated Company - common directorship)

Balance as at June 30	491,737,500	-
Salaries & Benefits to KMP	52,143,332	45,736,571
Post employment benefit to KMP	1,386,863	1,269,994
Loan balance to KMP	-	2,000,000



2021 2020
----- Rupees -----

- Purchase of raw & packing Materials	70,392,521	81,113,035
- Metallization of raw material	(31,759,987)	(27,305,781)
- Sales of raw and packing material	-	(4,595,597)
- Recovery against Sales	26,597,506	31,667,166
- Payment against purchases	(94,017,364)	(64,718,196)

Plastiflex Films (Private) Limited

- Payable to associate	1,960,087	30,747,411
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47.1 Referring to the note 8.3 of these unconsolidated financial statement, subsequently the Company has made further investment in Ismail Resin (Private) Limited amounting to Rs. 633,811,644. The requisite regulatory compliances has been completed and 112,500,000 shares amounting to Rs. 1,125,000,000 has been allotted to the Company subsequent to the year end.

47.2 The board of directors in its meeting held on September 17, 2021 has proposed dividend in respect of the year ended June 30, 2021 of Rs. 15/- per share (2020: Rs. 3/- per share) for approval of the members at the annual general meeting. The unconsolidated financial statements for the year ended June 30, 2021 do not include the effect of proposed dividend, which will be accounted for in the unconsolidated financial statements for the year ending June 30, 2022.

These unconsolidated financial statements were authorized for issue on September 17, 2021 by the board of directors of the Company.

Abdul Qadir
Chief Financial Officer

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**



INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

Opinion

We have audited the annexed consolidated financial statements of Ismail Industries Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at June 30, 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following is the key audit matter:

S. Key Audit Matter
No.

1. Valuation of Stock-in-trade

As at June 30, 2021 the Group's total stock-in-trade balance amounting to Rs. 7.72 billion as disclosed in note 12 represents 51.02% of the total current assets of the Group. The value of stock-in-trade is based on the moving weighted average cost method for raw materials and packing materials, weighted average cost method for work in process and lower of weighted average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit.

The Group is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions.

This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.

How the matter was addressed in our audit

In response to this matter, our audit procedures included the following:

- Reviewed the management procedures for valuation of stock-in-trade and evaluating the NRV of stock-in-trade.
- Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade.
- Tested the valuation method used by the management in valuation of stock in trade.
- Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade, tested the accuracy of the aging analysis of stock-in-trade, on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the management and board level to identify any indicators of obsolescence.
- Tested the NRV of the stock-in-trade held by performing a review of sales close to and subsequent to the year-end and compared with the cost for a sample of products.
- Assessed the adequacy of the disclosures on stock-in-trade in these consolidated financial statements.



Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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: September 17, 2021



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

Note 2021 2020
----- Rupees -----

ASSETS

Non-current assets

Property, plant and equipment	6	21,817,195,645	20,350,123,183
Right-of-use assets	6.1	82,762,838	306,955,475
Intangible assets	7	33,730,783	55,293,210
Goodwill	8	11,959,187	11,959,187
Long term investments	9	3,671,741,078	3,670,319,873
Long term deposits	10	31,458,748	40,690,439
Total non-current assets		25,648,848,279	24,435,341,367

Current assets

Stores and spares	11	481,325,971	367,944,563
Stock-in-trade	12	7,723,683,283	6,412,002,447
Trade debts	13	3,393,522,541	3,370,612,422
Loans and advances	14	1,633,606,052	952,135,742
Trade deposits and short term prepayments	15	39,453,161	43,815,508
Short term investments	16	318,381,590	200,000,000
Other receivables	17	117,644,543	119,919,336
Taxation-net	18	1,273,215,243	1,296,310,915
Cash and bank balances	19	158,547,846	358,884,421
Total current assets		15,139,380,230	13,121,625,354
Total assets		40,788,228,509	37,556,966,721

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital 250,000,000 (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	20	663,569,400	663,569,400
Non-controlling interest	21	116,036,838	195,749,872
Reserves	22	9,686,368,083	8,589,399,383
Total shareholders' equity		10,465,974,321	9,448,718,655
Non-current liabilities			
Long term finances - secured	23	13,115,268,004	13,881,308,010
Lease liabilities	24	19,401,180	91,245,081
Deferred liabilities	25	2,316,501,620	2,091,252,475
Total non-current liabilities		15,451,170,804	16,063,805,566
Current liabilities			
Trade and other payables	26	4,033,432,976	3,490,910,788
Accrued mark-up	27	166,153,705	199,737,582
Short term finances - secured	28	6,168,068,547	6,789,925,030
Current portion of:			
- long term finances - secured	23	3,878,636,296	1,036,500,768
- lease liabilities	24	42,765,702	77,281,836
Unclaimed Dividend		2,902,597	2,644,785
Advances from customers - unsecured		579,123,561	447,441,711
Total current liabilities		14,871,083,384	12,044,442,500
Total liabilities		30,322,254,188	28,108,248,066
Total equity and liabilities		40,788,228,509	37,556,966,721
Contingencies and commitments	29		

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
Sales	30	45,207,932,207	41,034,240,755
Sales returns, discounts and direct expenses		(2,001,323,009)	(2,009,975,223)
Export rebate		55,790,351	10,589,965
		(1,945,532,658)	(1,999,385,258)
		43,262,399,549	39,034,855,497
Sales tax		(5,737,558,980)	(5,610,093,075)
Sales - net		37,524,840,569	33,424,762,422
Cost of sales	32	(30,354,451,977)	(26,592,382,801)
Gross profit		7,170,388,592	6,832,379,621
Selling and distribution expenses	33	(4,437,895,864)	(4,780,161,529)
Administrative expenses	34	(766,223,974)	(692,201,269)
Operating profit		1,966,268,754	1,360,016,823
Other operating expenses	35	(395,199,411)	(182,184,602)
Other income	36	405,770,103	356,159,161
		1,976,839,446	1,533,991,382
Finance cost	37	(726,142,880)	(1,211,530,291)
		1,250,696,566	322,461,091
Share of profit from associated companies-net	9.1.3	601,470,332	491,972,141
Profit before taxation		1,852,166,898	814,433,232
Taxation	40	(437,286,484)	(390,737,914)
Profit after taxation		1,414,880,414	423,695,318
Profit for the year attributable to:			
Shareholders of the Holding Company		1,495,504,577	569,251,461
Non-controlling interest		(80,624,163)	(145,556,143)
		1,414,880,414	423,695,318
Earnings per share - basic and diluted	41	22.54	8.85

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020 -----
Profit for the year		1,414,880,414	423,695,318
Other comprehensive income :			
<i>Items that may be reclassified to consolidated statement of profit or loss in subsequent periods</i>			
<i>Items that will not be reclassified to consolidated statement of profit or loss in subsequent periods:</i>			
Income on remeasurements of post employment benefit obligation-net of tax	25.3.7	38,763,305	2,253,417
Unrealized loss during the year on re-measurement of investment classified as fair value through OCI -net of tax		(3,857,616)	-
Share of other comprehensive (loss)/ income from associated companies - net of tax	9.1.3	(233,459,617)	896,140,406
Other comprehensive (loss)/ income - net of tax		(198,553,928)	898,393,823
Total comprehensive income for the year		1,216,326,486	1,322,089,141
Total comprehensive income for the year attributable to :			
Shareholders of the Holding Company		1,296,039,520	1,467,561,425
Non-controlling interest		(79,713,034)	(145,472,284)
		1,216,326,486	1,322,089,141

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued, subscribed and paid-up share capital	Total Reserves						Non-controlling Interest	Total shareholders' equity
		Capital reserve		Revenue reserve			Total reserves		
		Share premium	Amalgamation reserves	Remeasurement of investment in associated companies	Remeasurement of investments at fair value through OCI	Unappropriated profit			
				----- Rupees -----					
Balance as at July 01, 2019	638,047,500	579,265,000	916,862,067	(854,605,234)	-	5,810,366,250	6,451,888,083	179,714,690	7,269,650,273
Profit for the year	-	-	-	-	-	569,251,461	569,251,461	(145,556,143)	423,695,318
Other comprehensive income / (loss) - net of tax	-	-	-	896,140,406	-	2,169,558	898,309,964	83,859	898,393,823
Total comprehensive income / (loss) - net of tax	-	-	-	896,140,406	-	571,421,019	1,467,561,425	(145,472,284)	1,322,089,141
Advance against issue of shares	-	-	-	-	-	-	-	(55,000,000)	(55,000,000)
Right shares issue	25,521,900	893,266,500	-	-	-	-	893,266,500	216,507,466	1,135,295,866
Transactions with owners recognized directly in equity:									
Cash dividend for the year ended June 30, 2019 @ Rs.3 per share	-	-	-	-	-	(191,414,250)	(191,414,250)	-	(191,414,250)
Interim cash dividend for the period ended December 31, 2019 @ Rs. 0.50 per share	-	-	-	-	-	(31,902,375)	(31,902,375)	-	(31,902,375)
Balance as at June 30, 2020	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
Profit for the year	-	-	-	-	-	1,495,504,577	1,495,504,577	(80,624,163)	1,414,880,414
Other comprehensive income / (loss) - net of tax	-	-	-	(233,459,617)	(3,857,616)	37,852,176	(199,465,057)	911,129	(198,553,928)
Total comprehensive income / (loss) - net of tax	-	-	-	(233,459,617)	(3,857,616)	1,533,356,753	1,296,039,520	(79,713,034)	1,216,326,486
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 June 30, 2021	663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	7,492,756,577	9,686,368,083	116,036,838	10,465,974,321

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	43	2,206,366,725	5,639,616,679
Gratuity paid	25.3.3 & 25.2	(75,633,443)	(33,393,705)
Income tax paid-net		(172,014,690)	(541,614,574)
Long-term deposits refund		9,231,691	7,295,409
Net cash generated from operating activities		1,967,950,283	5,071,903,809
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(3,410,920,395)	(8,146,574,013)
Acquisition of Intangible assets during the year		(10,306,201)	-
Investment in associated company	9.2	(491,737,500)	(16,284,035)
Proceed from dissolution of associated company	9.1.3	188,107,892	-
Dividend received	9.1.3	629,020,362	122,169,516
Short-term investments	16	(123,541,590)	(200,000,000)
Proceeds from disposal of property, plant and equipment	6.6	595,409,013	60,521,079
Net cash used in investing activities		(2,623,968,419)	(8,180,167,453)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from long term financing-net off repayment		2,026,095,522	6,363,077,496
Lease repayments		(106,360,035)	(67,717,487)
Contribution from non-controlling shareholders		-	161,507,466
Receipts from right share issue - net of sponsors' loan - subordinated		-	3,430,663
Interest / mark-up paid		(759,726,757)	(1,221,558,242)
Dividend paid		(198,813,008)	(223,010,340)
Net cash generated from financing activities		961,195,722	5,015,729,556
Net increase in cash and cash equivalents		305,177,586	1,907,465,912
Cash and cash equivalents at the beginning of the year		(1,355,922,287)	(3,263,388,199)
Cash and cash equivalents at the end of the year		(1,050,744,701)	(1,355,922,287)
Cash and cash equivalents at the end of the year comprise of:			
Cash and bank balances	19	158,547,846	358,884,421
Running finance utilized under mark-up arrangements	28	(1,209,292,547)	(1,714,806,708)
		(1,050,744,701)	(1,355,922,287)

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

1 LEGAL STATUS AND OPERATIONS

1.1 The Group consist of:

Holding Company : Ismail Industries Limited

Subsidiary Company : Hudson Pharma (Private) Limited

a) Ismail Industries Limited

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 / Head Office of the Holding Company is situated at 17 - Banglore Town, Shahrah-e-Faisal, Karachi, Pakistan. Previously the shares of the Holding Company were listed on the Karachi and Lahore Stock Exchanges. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange Limited effective from January 11, 2016 the shares of the company are now quoted on Pakistan Stock Exchange Limited. 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' and 'Astro films' respectively.

Geographical location and addresses of business units including manufacturing units of the Holding Company are as under:

Factories:

Unit-1	Unit-6
C-230, Hub H.I.T.E., Balochistan.	D-91, D-92 & D-94 North Western Zone, Port Qasim.
Unit-2	Unit-7
B-140, Hub H.I.T.E., Balochistan.	E164-168, North Western Zone, Port Qasim.
Unit-3	Unit-8
G-1, Hub H.I.T.E., Balochistan.	E154-157, North Western Zone, Port Qasim.
Unit-4	Unit-9
G-22, Hub H.I.T.E., Balochistan.	G-1A, Hub H.I.T.E., Balochistan.
Unit-5	
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	

In addition to above it is impracticable to disclose other administrative offices and warehouses as required under paragraph VI(1)(i) of part 1 of the forth schedule to the Companies Act, 2017.

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, Banglore Town, Main Shahrah-e-Faisal, Karachi. Principal activities of the Subsidiary 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

Geographical location and addresses of business units including manufacturing units of the Subsidiary Company are as under:

Head Office:

17 - Banglore Town, Shahrah-e-Faisal, Karachi.

Factory:

D-93, North Western Industrial Zone, Port Qasim.

Administrative office:

24/1 - Banglore Co-operative Housing Society, Block 7/8, Banglore Town, Karachi.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

2.1 The Holding Company in its Extra Ordinary General Meeting held on April 12, 2021 has approved an equity



investment up to Rs. 1.50 billion to be made in its associated company M/s. Ismail Resin (Private) Limited (IRL) incorporated on January 13, 2021 with the intention of setting-up a Polyester Resin (PET Resin) manufacturing plant.

- 2.2 During the financial year 2021, the erection and installation phase of BOPET project has been completed and it has started commercial production in somewhere between third quarter of this financial year. The relevant trial production cost has been capitalised as mentioned in note 6.7 of these consolidated financial statements.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies' and the consolidated statement of cash flows.

3.3 Functional and presentation currency

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

3.4 Basis of Consolidation

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Company.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors. The Holding company can govern the financial & operating policies of subsidiary.

Subsidiary Company is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary company are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income for the year, even if that results in a deficit balance.

The assets, liabilities, income and expenses of Subsidiary Company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the Subsidiary Company's shareholders' equity in these consolidated financial statements.

3.5 Standards, Amendments and Interpretations to Approved Accounting Standards

3.5.1 Standards, amendments and interpretations to the published standards that may be relevant to the Group and adopted in the current year

The Group has adopted the following new standards, amendments to published standards and interpretations of



IFRS which became effective during the current year.

Standard or Interpretation

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

Various Amendments to References to the Conceptual Framework in IFRS	January 1, 2020
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020
IFRS 9 and IAS 39 - Interest Rate Benchmark Reform - Phase I	January 1, 2020
Adoption of the above standards have no significant effect on the amounts for the year ended June 30, 2021.	

3.5.2 Standards, amendments and interpretations to the published standards that may be 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)**

IBOR Reform and its Effects on Financial Reporting - Phase 2	January 1, 2021
Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
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
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 these consolidated financial statements of the company.

3.5.3 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

Amendments to IFRS 17 Insurance Contracts

January 1, 2023

4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

In the process of applying the Group's accounting policies, management has made the following accounting estimates and judgments which are significant to the consolidated financial statements:

	Note
a) Property, plant and equipment	4.1
b) Stock-in-trade, stores and spares	4.2
c) Trade debts and other receivables	4.3
d) Taxation	4.4
e) Staff retirement benefits	4.5
f) Impairment of non financial assets	5.3
g) Leases liabilities	5.13
h) Provisions	5.15
i) Contingent liabilities	5.23
j) Impairment of financial assets	5.25.5

4.1 Property, plant and equipment

The Group reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

4.2 Stock-in-trade, stores and spares

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

4.3 Trade debts and Other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.25.5 of these consolidated financial statements.

4.4 Taxation

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

4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 25.1 to these consolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect the amounts recognized in those years.



5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

5.1.1 Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the Consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note. 6.2 to the consolidated financial statements. Depreciation on leasehold land is charged to the statement of profit and loss, applying the straight-line method at rates given in note.6.2 to these consolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal.

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

The gain or loss on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

5.1.2 Right-of-use assets

The right-of-use assets are initially measured based on the initial amount of the lease liability, for any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a diminishing balance as given in note.6.1 to these consolidated financial statements. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

5.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses, if any, are recorded on the basis as defined in note 5.3.

5.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method. The impairment losses if any are recorded on the basis mentioned in note. 5.3.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.



5.3 Impairment of non-financial assets

Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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

5.4 Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulation prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income/ loss of the associate after the date of acquisition.

5.5 Long term deposits

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

5.6 Stores and spare

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

5.7 Stock-in-trade

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

Types of stock

Valuation method

- | | |
|------------------------------|--|
| a) Raw and packing materials | weighted average cost method |
| b) Work-in-process | weighted average cost method |
| c) Finished goods | lower of weighted average cost or net realizable value |
| d) Goods in-transit | invoice value plus other charges incurred thereon |

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

5.7.1 Judgment and estimates

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

5.8 Trade debts and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

5.9 Cash and cash equivalents

For the purposes of the Consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.



5.10 Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the consolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

5.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the consolidated statement of profit or loss in the period in which they are incurred.

5.12 Staff retirement benefits - gratuity

The Group operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the Group. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note. 25.1 using the projected unit credit method.

5.13 Lease liabilities

From 1 July 2019, leases are recognised as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

5.14 Taxation

5.14.1 Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the Ordinance, whichever is higher.

5.14.2 Deferred

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.15 Provisions

Provisions are recognized in these consolidated statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.16 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.17 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the Consolidated Statement of profit or loss.

5.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food and plastic

5.19 Dividend distribution

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

5.20 Related parties transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Group to do so.

5.21 Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.22 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

5.23 Contingent liabilities

Contingent liability is disclosed when:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.



5.24 Operating, administrative and selling expenses

These expenses are recognized in the Consolidated Statement of profit or loss upon utilization of the services or as incurred except for specifically stated in the Consolidated financial statements.

5.25 Financial Instruments - Initial Recognition and subsequent measurement

5.25.1 Initial recognition

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

5.25.2 Classification of financial assets

The Group classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Group determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

5.25.3 Classification of financial liabilities

The Group classifies its financial liabilities in the following categories:

- at fair value through profit or loss ("FVTPL"), or
- at amortized cost

Financial liabilities are measured at amortised cost using effective yield method, unless they are required to be measured at FVTPL (such as instrument held for trading or derivatives) or the Group has opted to measure them at FVTPL.

5.25.4 Subsequent measurement

i) Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognised at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognised in other comprehensive income/(loss).

ii) Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are initially recognised at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortised cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the Consolidated



statement of profit or loss in the period in which they arise.

Where the management has opted to recognise a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognised in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

5.25.5 Impairment of financial assets

The Group recognises loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances;

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

5.25.6 Derecognition

i) Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable recognised in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the consolidated statement of profit or loss, but is transferred to retain earnings.

ii) Financial liabilities

The Group derecognises its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated Statement of profit or loss.

5.25.7 Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these consolidated statement of financial position if the Group has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.26 Revenue from Contracts with Customers

The Group is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration



to which the Group expects to be entitled in exchange for those goods net of discounts and sales related indirect taxes. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The following are the specific recognition criteria that must be met before revenue is recognized:

- a) Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.

Other income

- b) Processing income is recognized when services are rendered.
- c) Gain and loss on sale of investments is taken to income in the period in which it arises.
- d) Interest income is recognized on an accrual basis using the effective interest method.
- e) Dividend income, other than those from investments in associates, are recognized at the time the right to receive payment is established.

5.27 Contract Assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

5.28 Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

5.29 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the holding company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually and whenever there is an indication that the value may be impaired, and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed.

6 PROPERTY, PLANT AND EQUIPMENT

Operating assets

Capital work in progress - at cost

	Note	2021	2020
	6.2	20,818,215,632	14,507,070,801
	6.7	998,980,013	5,843,052,382
		21,817,195,645	20,350,123,183
		82,762,838	306,955,475

6.1 Right-of-use assets

6.2 Detailed movement of operating assets and Right-of-use assets are as follows:

Year ended June 30, 2020	Rupees											
	Operating assets					Grand total			Right-of-use assets			
	Leaschold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles	Plant and machinery	Vehicles	Grand total	
As at June 30, 2020												
Cost	958,492,804	88,688,580	4,063,249,859	16,334,795,913	108,834,913	393,450,772	71,538,376	341,540,103	22,360,591,320	165,527,276	324,580,872	490,108,148
Accumulated depreciation	(53,996,325)	-	(1,444,946,513)	(6,005,458,241)	(43,576,178)	(118,501,531)	(31,299,338)	(155,742,393)	(7,853,520,518)	(73,104,510)	(110,048,163)	(183,152,673)
Net book value	904,496,479	88,688,580	2,618,303,346	10,329,337,672	65,258,735	274,949,241	40,239,038	185,797,710	14,507,070,801	92,422,766	214,532,709	306,955,475
July 01, 2020												
Opening net book value	904,496,479	88,688,580	2,618,303,346	10,329,337,672	65,258,735	274,949,241	40,239,038	185,797,710	14,507,070,801	92,422,766	214,532,709	306,955,475
Additions / Transfers from CWIP	-	-	1,679,055,986	6,219,141,840	20,652,753	48,719,238	24,875,212	261,729,744	8,254,174,773	-	817,992	817,992
Transfer from leased assets to owned assets	-	-	-	85,308,484	-	-	-	98,950,684	184,259,168	(85,308,484)	(98,950,684)	(184,259,168)
Cost	(298,146,954)	-	-	(203,213)	-	(520,000)	(1,137,890)	(137,300,722)	(437,308,779)	(165,527,276)	(193,358,492)	(358,885,768)
Accumulated depreciation	4,768,339	-	-	157,129	-	94,900	563,480	68,460,177	74,044,025	80,218,792	94,407,808	174,626,600
	(293,378,615)	-	-	(46,084)	-	(425,100)	(574,410)	(68,840,545)	(363,264,754)	-	-	-
Depreciation charge for the year	(8,040,765)	-	(339,599,936)	(1,303,825,185)	(7,316,940)	(30,473,160)	(10,215,717)	(64,552,653)	(1,764,024,356)	(7,114,281)	(33,637,180)	(40,751,461)
Closing net book value	603,077,099	88,688,580	3,957,759,396	15,329,916,727	78,594,548	292,770,219	54,324,123	413,084,940	20,818,215,632	1	82,762,837	82,762,838
As at June 30, 2021												
Cost	660,345,850	88,688,580	5,742,305,845	22,719,261,816	129,487,666	441,650,010	95,275,698	659,327,617	30,536,343,082	-	132,040,372	132,040,372
Accumulated depreciation	(57,268,751)	-	(1,784,546,449)	(7,389,345,089)	(50,893,118)	(148,879,791)	(40,951,575)	(246,242,677)	(9,718,127,450)	1	(49,277,535)	(49,277,534)
Net book value	603,077,099	88,688,580	3,957,759,396	15,329,916,727	78,594,548	292,770,219	54,324,123	413,084,940	20,818,215,632	1	82,762,837	82,762,838
Depreciation rate (%)	1	10	10	10 to 15	10	10	20	20	20	10	20	20

Year ended June 30, 2020	Owned assets										Right-of-use assets		Grand total
	Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles	Grand total	Plant and machinery	Vehicles		
Rupees													
As at June 30, 2019													
Cost	958,492,804	88,688,580	3,858,605,183	13,816,546,517	88,562,686	369,226,515	62,225,826	270,843,414	19,513,191,525	165,527,276	316,717,942	482,245,218	
Accumulated depreciation	(44,449,769)	-	(1,165,727,643)	(5,056,666,375)	(37,264,841)	(89,645,261)	(22,256,009)	(118,889,270)	(6,534,899,168)	(62,835,314)	(87,490,425)	(150,325,739)	
Net book value	914,043,035	88,688,580	2,692,877,540	8,759,880,142	51,297,845	279,581,254	39,969,817	151,954,144	12,978,292,357	102,691,962	229,227,517	331,919,479	
July 01, 2019													
Opening net book value	914,043,035	88,688,580	2,692,877,540	8,759,880,142	51,297,845	279,581,254	39,969,817	151,954,144	12,978,292,357	102,691,962	229,227,517	331,919,479	
Additions / Transfers from CWIP	-	-	204,644,676	2,542,693,967	20,301,227	24,224,257	9,459,050	64,207,820	2,865,530,997	-	76,024,480	76,024,480	
Transfer From / To leased assets to owned assets													
Cost	-	-	-	-	-	-	-	19,341,765	19,341,765	-	-	(19,341,765)	(19,341,765)
Accumulated depreciation	-	-	-	-	-	-	-	(8,046,933)	(8,046,933)	-	-	8,046,933	8,046,933
Disposal	-	-	-	-	-	-	-	11,294,832	11,294,832	-	-	(11,294,832)	(11,294,832)
Cost	-	-	-	(24,444,571)	(29,000)	-	(146,500)	(12,852,896)	(37,472,967)	-	-	(48,819,785)	(48,819,785)
Accumulated depreciation	-	-	-	19,263,685	20,038	-	66,955	7,376,071	26,726,749	-	-	19,963,044	19,963,044
Depreciation charge for the year	(9,546,556)	-	(279,218,870)	(968,055,552)	(8,962)	-	(79,545)	(5,476,825)	(10,746,218)	-	-	(28,856,741)	(28,856,741)
Closing net book value	904,496,479	88,688,580	2,618,303,346	10,329,337,672	65,258,735	274,949,241	40,239,038	185,797,710	14,507,070,800	92,422,766	214,532,709	306,955,475	
As at June 30, 2020													
Cost	958,492,804	88,688,580	4,063,249,859	16,334,795,913	108,834,913	393,450,772	71,538,376	341,540,103	22,360,591,320	165,527,276	324,580,872	490,108,148	
Accumulated depreciation	(53,996,325)	-	(1,444,946,513)	(6,005,458,241)	(43,576,178)	(118,501,531)	(31,299,338)	(155,742,393)	(7,853,520,518)	(73,104,510)	(110,048,163)	(183,152,673)	
Net book value	904,496,479	88,688,580	2,618,303,346	10,329,337,672	65,258,735	274,949,241	40,239,038	185,797,710	14,507,070,801	92,422,766	214,532,709	306,955,475	
Depreciation rate (%)	1	10	10	10 to 15	10	10	20	20	10	10	20	20	
Property plant and equipment of the Group is under charge against long term finances as mentioned in note no. 22.	Note										Rupees		
											2021	2020	
6.3	The expenses have been allocated to the consolidated statement of profit or loss as follows:												
6.4	The depreciation expense has been allocated as follows:												
6.4.1	Cost of sales	32										1,679,005,135	1,274,274,539
	Selling and distribution expenses	33										33,058,420	21,570,927
	Administrative expenses	34										51,960,802	41,455,702
												1,764,024,357	1,337,301,168
6.4.2	Depreciation charge of right-of-use-assets	32										15,918,472	23,207,514
	Cost of sales	33										15,558,749	24,581,646
	Selling and distribution expenses	34										9,274,240	13,047,751
	Administrative expenses											40,751,461	60,836,911



6.5 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Locations	Usage of immovable property	Total area
17 - Bangalore Town, Shahrah-e-Faisal, Karachi.	Registered office / Head office	1000 sq. Yd
C-230, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 1	7.54 acres
B-140, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 2	4.59 acres
G-1, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 3	3.486 acres
G-22, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 4	9.00 acres
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	Manufacturing facility - Unit 5	4.02 acres
D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi	Manufacturing facility - Unit 6	7.50 acres
E164-168, North Western Zone, Port Qasim, Karachi	Manufacturing facility - Unit 7	6.24 acres
E154-157, North Western Zone, Port Qasim, Karachi	Manufacturing facility - Unit 8	5.04 acres
G-1A, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 9	3.185 acres
D-101/M, D-101/N, S.I.T.E area, Nooriabad,	For future expansion	20.50 acres
PT2-24-2402, Pearl Tower, Plot # 7 (R9) Crescent Bay, Karachi.	Administrative purpose	2,209.57 sq.ft
A-39 North Western Zone, Port Qasim, Karachi	For future expansion	4.7 acres
Sabzi mandi road, Chak no. 241 Dist. Faisalabad	For future expansion	0.88 acres
39-B, Sundar Industrial Estate, Raiwind Road, Lahore.	For future expansion	1.138 acres

6.6 Following are the particulars of the disposed assets having a book value of rupees five hundred thousand or more.

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees							
Leasehold Land							
298,146,954	4,768,339	293,378,615	500,000,000	206,621,385	Soorty Enterprises (Private) Limited.	Independent party	Negotiation
298,146,954	4,768,339	293,378,615	500,000,000	206,621,385			
Vehicles							
Suzuki Cultus							
1,765,250	229,483	1,535,767	1,760,000	224,233	Jubilee General Takaful	Insurance Claim	Insurance Policy
1,765,250	388,355	1,376,895	1,012,336	(364,559)	Tariq Aziz	Employee	Company Policy
1,765,250	388,355	1,376,895	1,553,420	176,525	Junaid Ahmed	Employee	Company Policy
1,771,550	494,900	1,276,650	949,594	(327,056)	Qaiser Shahzad	Employee	Company Policy
1,428,750	469,112	959,638	1,183,705	224,067	Haider Nawab Akhter	Employee	Company Policy
1,398,200	522,884	875,316	1,248,954	373,638	Yousuf Peerwani	Employee	Company Policy
1,398,450	555,416	843,034	665,375	(177,659)	Salman Rafiq	Employee	Company Policy
1,398,450	588,476	809,974	558,340	(251,634)	Nazim Naseem	Employee	Company Policy
1,398,450	588,476	809,974	558,340	(251,634)	Ihsan Ahmed	Employee	Company Policy
1,265,000	605,238	659,762	847,316	187,554	Naveed Tariq	Employee	Company Policy
1,265,000	642,852	622,148	822,023	199,875	Ms.Mahira Zaidi	Employee	Company Policy
1,269,050	647,318	621,732	696,338	74,606	Muhammad Kashif	Employee	Company Policy
1,272,950	671,763	601,187	809,888	208,701	Zahid Qayum	Employee	Company Policy
1,272,950	683,104	589,846	809,888	220,042	Shehzad Hussain Sheikh	Employee	Company Policy
1,250,000	651,612	598,388	593,873	(4,515)	Taimoor Iqbal	Employee	Company Policy
21,684,550	8,127,344	13,557,206	14,069,390	512,184			
Suzuki Mehran							
857,980	273,028	584,952	780,000	195,048	Waqar Hussain	Independent party	Negotiation
857,980	273,028	584,952	780,000	195,048	Waqar Hussain	Independent party	Negotiation
837,825	254,346	583,479	890,000	306,521	Waqar Hussain	Employee	Company Policy
873,175	295,483	577,692	860,000	282,308	Jubilee General Takaful	Employee	Insurance Policy
838,575	277,036	561,539	840,000	278,461	Muhammad Ashraf	Employee	Company Policy
852,975	318,313	534,662	780,000	245,338	Ismail Iqbal Security	Independent party	Negotiation
852,975	348,577	504,398	790,000	285,602	Naveed Ahmed	Employee	Company Policy
840,000	288,179	551,821	770,000	218,179	Jameel Shahzad	Employee	Company Policy
860,000	313,716	546,284	885,000	338,716	Muhammad Tanveer Iqbal	Employee	Company Policy
7,671,485	2,641,706	5,029,779	7,375,000	2,345,221			



Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
..... Rupees							
Suzuki Alto							
1,217,727	253,492	964,235	1,207,727	243,492	Murtaza mehdi	Employee	Company Policy
1,325,905	386,963	938,942	1,118,691	179,749	Ali Adnan	Employee	Company Policy
2,543,632	640,455	1,903,177	2,326,418	423,241			
Suzuki Bolan							
939,317	61,838	877,479	1,045,000	167,521	Murtaza mehdi	Independent	Negotiation
939,317	61,838	877,479	1,045,000	167,521			
Toyota Corolla							
2,792,813	740,095	2,052,718	1,480,029	(572,689)	Ahmed Iqbal	Employee	Company Policy
2,331,290	703,964	1,627,326	2,304,000	676,674	Jubilee General Takaful	Insurance Claim	Insurance Policy
2,331,290	956,480	1,374,810	1,970,990	596,180	Maryam Saleem	Employee	Company Policy
2,079,000	783,090	1,295,910	1,521,736	225,826	Khuaja Ziauddin	Employee	Company Policy
1,935,100	975,672	959,428	1,284,524	325,096	Rana Iftikhar Ahmed	Employee	Company Policy
1,867,000	1,125,602	741,398	961,546	220,148	Muhammad Zia Ul Hasan Abidi	Employee	Company Policy
1,819,385	1,118,498	700,887	1,140,543	439,656	Rahim Hussain Bhalwani	Employee	Company Policy
1,771,500	1,182,004	589,496	715,774	126,278	Salman Sayani	Employee	Company Policy
2,411,915	941,349	1,470,566	1,804,061	333,495	Ahmed Raza	Employee	Company Policy
2,331,290	984,537	1,346,753	931,866	(414,887)	Junaid Bawany	Employee	Company Policy
2,046,450	1,178,010	868,440	1,221,919	353,479	Muhammad Sarfaraz	Employee	Company Policy
1,812,375	1,068,691	743,684	1,186,923	443,239	Iftikhar Ahmed	Independent	Negotiation
25,529,408	11,757,992	13,771,416	16,523,911	2,752,495			
Toyota Yaris							
2,404,707	280,549	2,124,158	2,725,000	600,842	M.Azam Iqbal	Customer	Negotiation
2,404,707	280,549	2,124,158	2,725,000	600,842			
Land Cruiser							
11,882,000	9,154,962	2,727,038	10,000,000	7,272,962	New Gagais Automobile	Independent	Negotiation
11,882,000	9,154,962	2,727,038	10,000,000	7,272,962			
Honda Civic							
2,984,958	1,506,981	1,477,977	1,819,527	341,550	Sajjad Ahmed	Employee	Company Policy
2,808,390	1,461,730	1,346,660	1,719,717	373,057	Yasir Mehmood	Employee	Company Policy
2,430,750	1,202,122	1,228,628	1,527,120	298,492	Aqeel Abbas	Employee	Company Policy
2,633,200	1,429,400	1,203,800	1,503,503	299,703	Jawwad Ali Tipu	Employee	Company Policy
2,517,500	1,363,957	1,153,543	1,675,038	521,495	Mr Asif	Employee	Company Policy
2,517,500	1,364,212	1,153,288	1,555,402	402,114	Faisal Aheed	Employee	Company Policy
2,534,977	1,880,836	654,141	1,031,268	377,127	Ghulam Farooq Sb	Employee	Company Policy
2,810,500	1,653,953	1,156,547	1,539,698	383,151	Ehtisham Khan	Employee	Company Policy
21,237,775	11,863,191	9,374,584	12,371,273	2,996,689			
93,892,874	44,528,037	49,364,837	66,435,992	17,071,155			
392,039,828	49,296,376	342,743,452	566,435,992	223,692,540			

Aggregate of assets disposed off having net book value below Rs. 500,000 each

	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)
Plant and machinery	203,213	157,129	46,084	90,000	43,916
Vehicles	43,407,848	23,932,141	19,475,707	27,998,221	8,522,514
Equipments	520,000	94,900	425,100	520,000	94,900
Computer	1,137,890	563,481	574,409	364,800	(209,609)
Sub-total	45,268,951	24,747,651	20,521,300	28,973,021	8,451,721
2021 - total	437,308,779	74,044,027	363,264,752	595,409,013	232,144,261
2020 - total	86,292,752	46,689,793	39,602,959	60,521,079	20,918,120

6.6.1 All disposals are made through negotiation otherwise specified in 6.6 of these consolidated financial statements.



	Note	2021	2020
		-----Rupees-----	
6.7 Capital work-in-progress			
Civil works		196,764,243	669,748,424
Plant and machinery		801,243,839	5,173,303,958
Equipment and fittings		971,931	-
	6.7.1	998,980,013	5,843,052,382

6.7.1 Movement of capital work in progress:

Note	Civil works	Plant and machinery	Equipment and fittings	Total
	-----Rupees-----			
Balance as at July 1, 2019	96,590,116	541,443,730	-	638,033,846
Capital expenditure incurred during the year	777,802,984	6,941,725,541	-	7,719,528,525
Trial production cost incurred - net	6.7.2	231,817,304	-	231,817,304
Transferred to operating fixed assets		(204,644,676)	-	(2,746,327,293)
Balance as at June 30, 2020		669,748,424	5,173,303,958	5,843,052,382
Capital expenditure incurred during the year		1,200,081,517	9,789,735	2,881,930,184
Trial production cost incurred - net	6.7.2	-	-	159,343,481
Transferred to operating fixed assets		(1,673,065,698)	(8,817,804)	(7,885,346,034)
Balance as at June 30, 2021		196,764,243	971,931	998,980,013

6.7.2 The Holding Company has completed its trial production phase of BOPET line II in this financial year. Therefore, the related sales and expenses have been transferred to CWIP as trial production cost.

	Note	2021	2020
		-----Rupees-----	
7 INTANGIBLE ASSETS			
Software	7.1	55,293,210	85,453,143
Add: Addition for the year		10,306,201	-
Less: Amortisation charge for the year		(31,868,628)	(30,159,933)
Closing net Book Value		33,730,783	55,293,210
As at June 30			
Cost		88,667,156	88,667,156
Add: Addition for the year		10,306,201	-
Accumulated amortisation		(65,242,574)	(33,373,946)
Net book value		33,730,783	55,293,210
Amortisation rate (%)		33.33%	33.33%

7.1 Software includes license which are amortized on straight line basis over a period of 36 months.

	Note	2021	2020
		-----Rupees-----	
7.2 The amortisation charge has been allocated as follows:			
Cost of sales	32	15,157,980	15,157,980
Selling and distribution expenses	33	8,369,175	8,369,175
Administrative expenses	34	8,341,473	6,632,778
		31,868,628	30,159,933
8 GOODWILL	8.1	11,959,187	11,959,187

8.1 This represents amount recognised on acquisition of subsidiary

9 LONG TERM INVESTMENTS

Investment in associated companies	9.1	3,180,003,578	3,670,319,873
Share deposit money	9.2	491,737,500	-
		3,671,741,078	3,670,319,873
9.1 Investment in associated companies			
Novelty Enterprises (Private) Limited	9.1.1	-	228,703,777
The Bank of Khyber	9.1.2	3,180,003,578	3,441,616,096
		3,180,003,578	3,670,319,873



9.1.1 Novelty Enterprises (Private) Limited

Novelty enterprises (Private) Limited (NEL) has filed the application with SECP for winding-up. The NEL has paid out full dividend and remaining equity is distributed among shareholders with respect to their shareholding. The Holding Company held Nil (2020: 33%) voting and equity interest in (NEL). The shares of NEL are not publicly listed on a stock exchange and hence published price quotes were not available. The financial reporting date of NEL was June 30.

9.1.2 The Bank of Khyber

The total shareholding of the Holding Company including the recent bonus entitlement of 5% announce by the Bank of Khyber (the Bank) is 256,555,982 shares (2020: 244,339,031 shares) which represents 24.43% of paid-up capital of the Bank (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 financial statements have been taken from annual audited financial results for the year ended December 31, 2019 and December 31, 2020 and from reviewed condensed interim financial information of the Bank for the six-months periods ended June 30, 2020 and June 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 June 30, 2021 was Rs. 4,156.206 million (June 30, 2020: Rs. 3,467.171 million)

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

Note	The Bank of Khyber		Novelty Enterprises (Private) Limited		Total	
	2021	2020	2021	2020	2021	2020
Balance as at July 1	3,441,616,096	2,001,232,631	228,703,777	228,717,751	3,670,319,873	2,229,950,382
Investment made during the year	-	16,284,035	-	-	-	16,284,035
Share of profit/(loss)	379,554,402	491,986,115	221,915,930	(13,974)	601,470,332	491,972,141
Proceed from dissolution	-	-	(188,107,892)	-	(188,107,892)	-
Dividend received	(366,508,547)	(122,169,516)	(262,511,815)	-	(629,020,362)	(122,169,516)
Share of other comprehensive income/(loss)	(274,658,373)	1,054,282,831	-	-	(274,658,373)	1,054,282,831
Balance as at June 30	3,180,003,578	3,441,616,096	-	228,703,777	3,180,003,578	3,670,319,873

9.2 Ismail Resin (Private) Limited.

As mentioned in note 2.1 of these Consolidated financial statements, the Holding Company has made an investment in its newly incorporated associated company M/S. Ismail Resin (Private) Limited amounting to Rs. 491.74 million. This amount is classified as share deposit money and the allotment against this investment has been made subsequent to year end as mentioned in note: 48.1.

Note	Ismail Resin (Private) Ltd	
	2021	2020
Balance as at July 1	-	-
Share deposit money paid during the year	491,737,500	-
Balance as at June 30	491,737,500	-

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

	The Bank of Khyber		Ismail Resin (Private) Limited		Novelty Enterprises (Private) Limited	
	2021	2020	2021	2020	2021	2020
	Unaudited		Audited		Audited	
	-----Rupees-----					
Non-current assets			615,581,090	-	-	560,351,964
Current assets	328,776,835,000	318,194,917,000	209,032,721	-	-	1,068,166
Total assets	328,776,835,000	318,194,917,000	824,613,811	-	-	561,420,130
Non-current liabilities			168,697,000	-	-	-
Current liabilities	312,089,306,000	300,436,247,000	426,159	-	-	33,060
Total liabilities	312,089,306,000	300,436,247,000	169,123,159	-	-	33,060
Revenue	6,774,926,000	5,673,133,000	-	-	-	-
Profit / (loss) for the year	1,553,788,000	2,014,047,000	(159,348)	-	790,627,192	(35,750)
Other comprehensive income for the year	(1,124,372,000)	4,315,925,000	-	-	-	-
Total comprehensive income / (loss) for the year	429,416,000	6,329,972,000	(159,348)	-	790,627,192	(35,750)

All transfers of funds to the Holding Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associates. During the year, Rs. 1.50 per share cash dividend have been received from the Bank of Khyber (2020: Rs. 0.50 per share) and 5% bonus shares (2020: nil). Further the detail of dividend pertaining to NEL is disclosed in note 9.1.3 of these consolidated financial statements.



		2021	2020
10	LONG TERM DEPOSITS	Note	Rupees
	Lease - Conventional		3,482,300
	Lease - Islamic		9,287,190
	Less: Current maturity - Conventional	15	(1,580,900)
	Less: Current maturity - Islamic	15	(3,901,690)
			7,286,900
	Utilities		14,184,251
	Others		9,987,597
			31,458,748
11	STORES AND SPARES		
	Stores	11.2	137,061,509
	Spare parts	11.2	326,639,923
	Others	11.2	17,624,539
			481,325,971

11.1 Stock and spares of the Group is under hypothecation charge against short term finances as mentioned in note. 28.

11.2 Reconciliation of provision for slow moving spare parts

	2021			
	Stores	Spare parts	Others	Total
	Rupees			
Stores and spares	145,652,929	326,639,923	17,624,539	489,917,391
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	137,061,509	326,639,923	17,624,539	481,325,971
	2020			
	Stores	Spare parts	Others	Total
	Rupees			
Stores and spares	110,391,629	235,920,613	30,223,741	376,535,983
Provision for slow moving				
- opening	(8,591,420)	-	-	(8,591,420)
- charge for the year	-	-	-	-
- closing	(8,591,420)	-	-	(8,591,420)
Stores and spares - net	101,800,209	235,920,613	30,223,741	367,944,563

12	STOCK-IN-TRADE	Note	2021	2020
			Rupees	
	Raw materials	12.2 & 12.3	3,929,756,610	2,819,975,284
	Packing materials	12.2	842,685,060	674,934,704
	Work-in-process	32	232,913,397	175,501,874
	Finished goods	12.2	2,718,328,216	2,741,590,585
			7,723,683,283	6,412,002,447

12.1 Stock-in-trade of the Group is under hypothecation charge against short term finances as mentioned in note. 28.

		2021		
		Raw materials	Packing materials	Finished goods
		----- Rupees -----		
12.2	Reconciliation of provision for stock-in-trade			
	Stock-in-trade	3,943,333,466	995,533,609	2,718,328,216
	Provision for slow moving			
	- opening	(12,959,090)	(109,848,549)	-
	- charge for the year	(617,766)	(43,000,000)	-
	- reversal	-	-	-
	- closing	(13,576,856)	(152,848,549)	-
	Stock-in-trade-net	3,929,756,610	842,685,060	2,718,328,216



		2020		
		Raw materials	Packing materials	Finished goods
		Rupees		
		2,832,934,374	784,783,252	2,741,590,585
Stock-in-trade				
Provision for slow moving				
- opening		(13,384,583)	(109,848,548)	-
- reversal of provision	32.1	425,493	-	-
- closing		(12,959,090)	(109,848,548)	-
Stock-in-trade-net		2,819,975,284	674,934,704	2,741,590,585
12.3 This includes raw materials in transit amounting to Rs. 1,130,732,151 (June 30, 2020: Rs. 275,163,978).				
		Note	2021	2020
			Rupees	
13 TRADE DEBTS				
Considered good				
- export-secured			542,466,672	1,056,320,953
- local- unsecured		13.4	2,952,026,509	2,410,262,109
Trade debts			3,494,493,181	3,466,583,062
Allowance for expected credit loss		13.3	(100,970,640)	(95,970,640)
Trade debts - net			3,393,522,541	3,370,612,422
13.1 Trade debts of the Group is under hypothecation charge against short term finances as mentioned in note. 28.				
13.2 There is no receivables from related party at reporting date (2020: Rs. Nil). Further it does not include defaulter parties in export customers.				
		Note	2021	2020
			Rupees	
13.3 Allowance for expected credit loss				
Balance at the beginning of the year			(95,970,640)	(76,343,145)
Charge during the year - net		33	(5,000,000)	(19,627,495)
Balance at the end of the year			(100,970,640)	(95,970,640)
13.4 Age analysis trade debts				
Not Due			2,080,423,623	2,561,220,208
More than 45 days but not more than 3 months			505,371,718	359,316,255
More than 3 months but not more than 6 months			514,939,516	303,067,564
More than 6 months but not more than 1 year			328,912,781	177,365,639
More than 1 year			64,845,543	65,613,396
			3,494,493,181	3,466,583,062
14 LOANS AND ADVANCES				
Loan to employees - secured		14.1	45,976,065	51,612,617
Advances - unsecured				
- suppliers			1,450,103,357	839,444,237
- LC margins		14.2	137,526,630	61,078,888
			1,633,606,052	952,135,742
14.1 These represent interest free loans that are to be repaid within a period of one year in equal monthly installments. Any outstanding loan due from an employee at the time of leaving the service of the Group is adjustable against the final settlement of staff.				
		Note	2021	2020
			Rupees	
14.2 Allied Bank Limited.				
Bank Alfalah Limited.			75,112,954	29,604,128
Meezan Bank Limited.			31,315,236	-
Bank Al Habib Limited			31,098,440	-
Standard Chartered Bank			-	24,447,200
			-	7,027,560
			137,526,630	61,078,888
15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS				
Trade deposits - unsecured			26,165,635	22,517,610
Short term prepayments			7,804,936	12,611,798
Current maturity of lease deposits- Conventional		10	1,580,900	8,686,100
Current maturity of lease deposits- Islamic		10	3,901,690	-
			39,453,161	43,815,508



16	SHORT TERM INVESTMENTS	Note	2021	2020
			-----Rupees-----	
	Term Finance Certificates	16.1	194,840,000	200,000,000
	Pakistan Investment Bonds	16.2	123,541,590	-
			<u>318,381,590</u>	<u>200,000,000</u>
16.1	The Holding Company has made an investment of Rs. 200 millions (2020: Rs. 200 millions) in listed Term Finance Certificates (IFC) 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 (2020: KIBOR + 160 bps). The market price of each certificate as at June 30, 2021 is Rs. 97,420. (2020: Rs. 100,000)			
16.2	During the year, the Holding Company has made investment in Pakistan Investment Bonds having face value of Rs. 120 millions, (market value 120 millions)[(2020: nil)(market value: nil)]. This carries markup of 9% (2020: nil) per annum and will mature in 2022. This investment is classified at fair value through other comprehensive income and unrealized loss or gain is recognized in other comprehensive income.			
17	OTHER RECEIVABLES	Note	2021	2020
			-----Rupees-----	
	Export rebate		17,242,514	19,588,761
	Other receivables	17.1	100,402,029	100,330,575
			<u>117,644,543</u>	<u>119,919,336</u>
17.1	This amount includes Rs. 100.217 million (June 30 2020: Rs.100.217 million) due from Nazir of the Sindh High Court as refer in note 29.1.2.			
18	TAXATION - net	Note	2021	2020
			-----Rupees-----	
	Advance income tax		1,452,236,158	1,578,085,444
	Provision for taxation	40	(179,020,915)	(281,774,529)
			<u>1,273,215,243</u>	<u>1,296,310,915</u>
19	CASH AND BANK BALANCES		2021	2020
			-----Rupees-----	
	Cash in hand		5,518,264	18,483,676
	Cash at banks:			
	- current accounts - conventional		84,939,262	220,956,910
	- current accounts - Islamic		68,090,320	119,443,835
			<u>158,547,846</u>	<u>358,884,421</u>
20	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL		2021	2020
			-----Rupees-----	
	Number of Shares			
	2021	2020		
	50,520,750	50,520,750	Ordinary shares of Rs.10 each fully paid in cash	505,207,500
	13,284,000	13,284,000	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation	132,840,000
	2,552,190	2,552,190	Ordinary shares of Rs.10 each issued as fully paid against cash consideration through right issue	25,521,900
	<u>66,356,940</u>	<u>66,356,940</u>	<u>663,569,400</u>	<u>663,569,400</u>

21 Non-Controlling Interest

Below is summarised financial information of Hudson Pharma (Private) Limited that has a non-controlling interest (22.29% stake) that is material to the Group. The amounts disclosed are before inter-group eliminations

	2021	2020
	-----Rupees-----	
Summarised balance sheet		
Current assets	367,758,091	556,097,305
Non-current assets	1,024,514,369	1,086,959,367
Non-current liabilities	(249,731,982)	(389,601,618)
Current liabilities	(357,277,983)	(500,097,796)
	<u>785,262,495</u>	<u>753,357,258</u>
Accumulated NCI	<u>116,036,838</u>	<u>195,749,872</u>



	Note	2021 -----Rupees-----	2020
Summarised statement of profit or loss and other comprehensive income			
Sales		217,080,697	206,489,512
Loss for the period		(361,784,895)	(508,269,850)
Total comprehensive loss		(357,696,381)	(507,977,021)
Loss allocated to NCI		(80,624,163)	(145,556,143)
Summarised cash flows			
Cash flow from operating activities		(330,616,474)	(325,658,943)
Cash flow from investing activities		(46,294,120)	(17,421,737)
Cash flow from financing activities		84,203,554	646,561,943
Net increase / (decrease) in cash and cash equivalents		(292,707,040)	303,481,263
22 RESERVES			
Capital Reserve			
- Share premium	22.1	1,472,531,500	1,472,531,500
- Reserve arising due to amalgamation	22.2	916,862,067	916,862,067
Revenue Reserve			
- Remeasurement of investment in associate		(191,924,445)	41,535,172
- Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(3,857,616)	-
- Unappropriated profit		7,492,756,577	6,158,470,644
Total reserves	22.3	9,686,368,083	8,589,399,383
22.1	This represents share premium amount pertaining to issue of shares at premium. This reserve can be utilized by the Group for the purpose specified in section 81(2) of the Companies Act, 2017.		
22.2	This represents reserve created under scheme of arrangement for amalgamation of an Astro Plastics (Private) Limited with the Group.		
22.3	Movement of the total reserves have been reflected in consolidated statement of changes in equity.		



					2021	2020
					----- Rupees -----	
23 LONG TERM FINANCES - secured	Note					
Long term finances - secured - conventional	23.1				10,726,817,829	10,949,430,620
Long term finances - secured - islamic	23.2				2,388,450,175	2,931,877,390
Total long term finances - secured					13,115,268,004	13,881,308,010
23.1 CONVENTIONAL						
Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021	2020
					----- Rupees -----	
Habib Bank Limited						
- Term Finance - FCY	Monthly	2021-2024	1 month EURIBOR + 1.75%	36	562,972,212	738,680,000
- SBP-LTFF	Quarterly	2018-2030	SBP + 0.25%	36	369,167,351	382,696,040
- Term finance	Monthly	2017-2023	1 month KIBOR + 0.25%	60	183,333,346	208,333,341
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.25%	34	1,483,128,671	1,341,810,108
- SBP-TERF	Quarterly	2022-2031	SBP + 1.25%	36	242,349,300	-
Bank Al-Habib Limited						
- Term finance	Monthly	2018-2022	3 months KIBOR + 0.25%	42	32,142,843	42,857,136
- SBP-LTFF	Quarterly	2019-2029	SBP + 0.75%	32	339,118,000	346,543,000
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.50%	32	51,591,000	53,363,000
MCB Bank Limited						
- SBP-LTFF	Quarterly	2018-2028	SBP + 0.75%	36	241,454,570	247,046,948
- SBP-LTFF	Quarterly	2020-2030	SBP + 0.25%	36	460,789,006	474,275,169
- SBP-TERF	Quarterly	2024-2031	SBP + 1%	32	21,200,000	-
Allied Bank Limited						
- SBP-LTFF	Semi-annual	2022-2031	SBP +0.25%/0.75%	18	1,749,413,000	1,749,413,000
- Term finance	Monthly	2021-2024	3 months KIBOR + 0.25%	48	300,000,004	400,000,000
- Term finance	Monthly	2015-2021	3 months KIBOR + 0.25%	60	-	7,920,911
Balance carried forward					6,036,659,303	5,992,938,653



Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020
Balance brought forward					6,036,659,303	5,992,938,653
- Term finance	Monthly	2018-2022	3 months KIBOR + 0.25%	36	75,000,009	100,000,008
- Term finance	Monthly	2016-2022	3 months KIBOR + 0.25%	60	63,960,000	74,620,000
Pak Brunei Investment Company Limited						
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.5%	32	490,445,000	496,424,000
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.5%	32	193,574,000	193,574,000
Pak Oman Investment Company Limited						
- Term finance	Monthly	2016-2022	1 month KIBOR + 0.5%	60	35,000,000	50,000,000
- SBP-LTFF	Quarterly	2022-2030	SBP + 1.5%	32	474,566,000	474,566,000
Bank Al falah Limited						
- Term finance	Quarterly	2022-2025	6 month KIBOR + 0.75%	16	500,000,000	500,000,000
- Term finance	Quarterly	2023-2026	3 month KIBOR + 0.75%	16	600,000,000	-
- SBP-LTFF	Quarterly	2017-2029	SBP+0.5%	40/36	345,355,085	357,994,963
- SBP-TERF	Quarterly	2024-2031	SBP+1.25%	32	17,608,000	-
JS Bank Limited						
- SBP-Payroll finance	Quarterly	2021-2023	SBP+3%	8	485,899,719	647,866,294
- SBP-LTFF	Quarterly	2022-2030	SBP+0.30%	32	129,759,000	129,759,000
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.3%	36	122,222,222	138,888,889
- Term finance	Monthly	2018-2022	3 month KIBOR + 0.3%	36	50,000,000	62,500,000
- SBP-Payroll finance	Quarterly	2021-2023	SBP+3%	8	36,315,586	47,738,158
Habib Metropolitan Bank Ltd						
- SBP-TERF	Semi Annual	2024-2031	SBP+1.5%	16	198,931,000	-
The Bank of Punjab						
- SBP-TERF	Quarterly	2023-2031	SBP + 1.25%	32	130,681,254	-
Faysal Bank Limited						
- Term finance	Monthly	2017-2022	3 months KIBOR + 0.25%	48	62,500,000	93,750,000
Balance carried forward					10,048,476,178	9,360,619,965



Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020 ----- Rupees -----
Balance brought forward					10,048,476,178	9,360,619,965
National Bank of Pakistan						
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.25%	48	200,000,008	225,000,007
- SBP-LTFF	Quarterly	2021-2030	SBP+0.65%	36	967,132,500	938,168,080
- SBP-TERF	Quarterly	2022-2031	SBP+1%	36	442,074,000	-
Askari Bank Limited						
- SBP-LTFF	Quarterly	2021-2031	SBP+0.50%	40	213,070,975	230,347,000
- Term finance	Monthly	2019-2024	1 month KIBOR + 0.50%	48	291,666,671	316,666,670
- SBP-Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	567,000,168	-
- SBP-Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	44,906,608	-
Soneri Bank Limited						
- Term finance	Monthly	2019-2025	1 month KIBOR + 0.75%	60	391,666,671	416,666,670
PAIR Investment Company Limited						
- Term finance	Quarterly	2021-2025	3 month KIBOR + 0.75%	16	281,250,000	300,000,000
- SBP-ILTFF	Quarterly	2023-2033	SBP+0.50%	40	21,694,074	-
Total long term loan - secured					13,468,937,853	11,787,468,392
Less: Current portion of long term finances shown under current liabilities					(2,742,120,024)	(838,037,772)
					10,726,817,829	10,949,430,620
23.2 ISLAMIC						
Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020 ----- Rupees -----
Habib Bank Limited						
- Islamic financing	Monthly	2016-2022	1 month KIBOR + 0.25%	60	100,000,016	125,000,015
MCB Islamic Bank Ltd						
- Islamic financing	Quarterly	2018-2023	3 months KIBOR + 0.25%	20	140,000,000	157,500,000
- SBP ITERF	Quarterly	2023-2030	SBP+0.75%	32	42,859,000	-
Dubai Islamic Bank Pakistan Limited						
- SBP ILTFF	Quarterly	2022-2027	SBP+1%	20	294,831,035	292,653,700
- Islamic financing	Quarterly	2017-2022	3 months KIBOR + 0.25%	16	37,500,000	50,000,000
Meezan Bank Limited						
- Islamic financing	Monthly	2023-2029	1 months KIBOR + 0.75%	78	600,000,000	-
Balance carried forward					1,215,190,051	625,153,715



Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2021 ----- Rupees -----	2020 ----- Rupees -----
Balance brought forward					1,215,190,051	625,153,715
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	937,500,001	1,000,000,000
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	400,000,000	400,000,000
- Islamic financing	Monthly	2019-2022	3 month KIBOR + 0.25%	36	133,333,336	166,666,669
- Islamic financing	Monthly	2020-2023	3 month KIBOR + 0.25%	24	312,500,003	375,000,002
- Islamic financing	Quarterly	2020-2025	3 months KIBOR + 0.25%	20	160,000,000	170,000,000
Faysal Bank Limited						
- Islamic financing	Quarterly	2018-2022	3 months KIBOR + 0.25%	16	75,000,000	93,750,000
- SBP-LTFF	Quarterly	2021-2030	SBP+1%	36	291,443,056	299,770,000
Total long term loan - secured					3,524,966,447	3,130,340,386
Less: Current portion of long term finances shown under current liabilities					(1,136,516,272)	(198,462,996)
					2,388,450,175	2,931,877,390

23.3 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 sponsors.

23.4 The Group's total limit for long term loan amounting to Rs. 25,762 million. (June 2020: Rs. 19,816 million).

23.5 Last year, the Group 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 Group will continue to service the mark-up to Banks/Financial Institutions as per agreed terms and conditions with them, the extension period of this deferment expired on March 31, 2021.

23.6 The Group entered into a long-term loan agreement with JS Bank Limited and Askari Bank Limited- conventional amounting to Rs. 706.50 million from each Bank under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, starting from January 2021 and April 2021 respectively. This long term financing facility is secured by way of equitable mortgage and pari-passu over present and future fixed assets of the Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate at 0% plus bank's spread of 3% (2020: 3%) and 1.50% (2020: Nil) per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

23.7 The long-term financing has been obtained for plant and equipment under temporary economic refinance facility scheme of State Bank of Pakistan for a term of 10 years with grace period of 12 months and 24 months from disbursement and carry markup at the rate ranging from 1.75% to 2.50% per annum payable quarterly in arrears. The principal repayment will take place in 32 and 36 quarterly installments which shall commence from December 2021.

23.8 The markup rate of facilities has not change significantly from the last year.

24 LEASE LIABILITIES

Under the agreements, lease rentals are payable in 36 equal monthly, 16 equal quarterly & 6 equal biannually installments. Taxes, repairs, replacement and insurance costs, if any, are borne by the Company. The financings from conventional banks carry mark-up at rates ranging from 7.76% to 7.96% (2020: 8.78% to 14.73%) per annum and financing from Islamic banks carry mark-up at rates ranging from 7.28% to 8.48% (2020: 8.39% to 14.68%) approximately which have been used as a discounting factor. The Holding Company has the option to purchase the asset upon completion of the lease period.

The net carrying amount of the assets held under finance lease arrangement is Rs. 82.76 million (2020: Rs. 306.96 million) (refer note 6.1)

These are secured against deposits of Rs. 10.41 million (2020: Rs 23.64 million), title of ownership of leased assets and personal guarantees of the directors of the Group.

Maturity analysis of lease repayments for which the Group has committed to pay in future under the lease agreements are due as follows:

	2021	2020
	----- Rupees -----	
Lease liability	62,166,882	168,526,917
Less: Current portion	(42,765,702)	(77,281,836)
	19,401,180	91,245,081
As at July 1	168,526,917	236,244,403
Additions	817,992	76,024,480
Transfer to own	-	(11,294,832)
Interest expense relating to lease liabilities	12,581,444	24,759,033
Payments (Lease & interest)	(119,759,471)	(92,476,518)
Disposals	-	(64,729,649)
As on June 30	62,166,882	168,526,917

	2021			2020		
	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments
	----- Rupees -----					
<i>Conventional</i>						
Up to one year	5,651,908	562,545	5,089,363	20,316,233	1,661,354	18,654,879
Later than one year but not later than five years	4,503,624	90,583	4,413,041	19,003,092	656,870	18,346,222
	10,155,532	653,128	9,502,404	39,319,325	2,318,224	37,001,101
<i>Islamic</i>						
Up to one year	41,088,675	3,412,336	37,676,339	69,871,417	11,244,460	58,626,957
Later than one year but not later than five years	15,490,989	502,850	14,988,139	79,015,326	6,116,467	72,898,859
	56,579,664	3,915,186	52,664,478	148,886,743	17,360,927	131,525,816
	66,735,196	4,568,314	62,166,882	188,206,068	19,679,151	168,526,917

The Holding Company has lease contract for plant and machinery and vehicles, which generally have lease term in between 3 to 5 years. The Holding Company's obligation under its leases are secured by the lessor's title to the lease assets. There are several lease contracts that include extension and termination options.



	Note	2021 ----- Rupees -----	2020
25 DEFERRED LIABILITIES			
Provision for staff gratuity scheme - unfunded	25.1	472,523,930	458,656,452
Deferred tax liability	25.4	1,843,977,690	1,632,596,023
		2,316,501,620	2,091,252,475
25.1 Provision for staff gratuity scheme - unfunded			
In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2021, using the "Projected Unit Credit Method". Provision has been made in these consolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as			
25.2 Risk on account of staff gratuity scheme - unfunded			
The Group faces the following risk on account of staff gratuity scheme.			
25.2.1 Final Salary Risk (linked to inflation risk)			
The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.			
25.2.2 Mortality Risk			
The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.			
25.2.3 Withdrawal Risk			
The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.			
25.3 Significant actuarial assumptions		2021	2020
		----- Rupees -----	
<i>Financial assumptions</i>			
Discount rate (per annum)		10.00%	9.25%
Expected rate of increase in salaries (per annum)		10.00%	9.25%
<i>Demographic assumptions</i>			
Mortality rates (for death in service)		Adjusted SLIC 2001-2005	Adjusted SLIC 2001-2005
Retirement assumption		60 years	60 years
		2021	2020
25.3.1 Consolidated Statement of Financial Position reconciliation	Note	----- Rupees -----	
Present value of defined benefit obligation	25.3.3	472,523,930	458,656,452
Fair value of plan assets		-	-
Net liability in balance sheet		472,523,930	458,656,452
25.3.2 Maturity Profile			
1-5 Years		279,426,874	191,597,014
6-10 Years		391,972,739	320,611,914
10 Years onwards		4,641,086,841	7,010,376,327
Weighted average duration		8 Years	11 Years



		2021	2020
		----- Rupees -----	
25.3.3 Movement in the defined benefit obligation	Note		
Present value of defined benefit obligation as at July 1		458,656,452	369,541,421
Current service cost		90,721,062	83,394,721
Past service cost		4,631,686	5,622,164
Interest cost		38,983,181	50,150,154
Re-measurement on obligation	25.3.7	(50,469,989)	(3,054,221)
Payments during the year		(62,029,361)	(33,393,705)
Benefits payable transferred to short term liability		(7,969,101)	(13,604,082)
Present value of defined benefit obligation as at June 30		472,523,930	458,656,452
25.3.4 Movement in the net liability at reporting date is as follows:			
Opening balance of net liability		458,656,452	369,541,421
Charge for the year	25.3.5	134,335,929	139,167,039
Re-measurements recognized in 'OCI'	25.3.7	(50,469,989)	(3,054,221)
Payments during the year		(62,029,361)	(33,393,705)
Benefits payable transferred to short term liability		(7,969,101)	(13,604,082)
Closing balance of net liability		472,523,930	458,656,452
25.3.5 The amounts recognised in the consolidated statement of profit or loss account against defined benefit scheme are as follows:			
Current service cost		90,721,062	83,394,721
Past service cost		4,631,686	5,622,164
Interest cost		38,983,181	50,150,154
Charge for the year		134,335,929	139,167,039

25.3.6 For the year ended June 30, 2022, expected provisions to the staff retirement benefit scheme is Rs. 123.484 million.

	2021	2020
	----- Rupees -----	
25.3.7 Re-measurement recognized in 'other comprehensive income'		
Experience (gains)	(50,469,989)	(3,054,221)
Re-measurement of the fair value of the plan assets	-	-
	(50,469,989)	(3,054,221)
Related deferred tax	11,706,684	800,804
	(38,763,305)	(2,253,417)

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

Comparison for five years	2021	2020	2019	2018	2017
	-----Rupees-----				
Present value of the defined benefit obligation	472,523,930	458,656,452	369,541,421	239,551,893	178,356,600

25.3.9 The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

		Impact on defined benefit obligation		
		Change in assumptions	Increase in assumption	Decrease in assumption
			-----Rupees-----	
Discount rate	1%		431,167,739	(510,906,923)
Salary growth rate	1%		511,587,774	(429,854,405)



25.3.10 The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognized within the consolidated statement of financial position.

25.4 Deferred taxation

The details of deferred tax on temporary differences are as follows:

	2021	2020
	----- Rupees -----	
- accelerated tax depreciation allowances	1,891,286,053	1,649,441,875
- provision for gratuity	(112,900,132)	(126,703,904)
- allowance for expected credit loss	(25,484,990)	(27,831,486)
- investment in associates at fair value through OCI	136,553,389	175,795,265
- STI - Term finance certificates	(1,302,384)	-
- provision for stores and spares	(2,168,474)	(2,491,512)
- provision for stock in trade	(42,005,772)	(35,614,215)
Deferred tax liability	<u>1,843,977,690</u>	<u>1,632,596,023</u>

25.4.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2019	Recognized in consolidated statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2020	Recognized in consolidated statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2021
	Rupees						
Provision for gratuity	(103,986,578)	(23,518,130)	800,804	(126,703,904)	2,097,088	11,706,684	(112,900,132)
Allowance for expected credit loss	(22,139,512)	(5,691,974)	-	(27,831,486)	2,346,496	-	(25,484,990)
Investment in associates at fair value through OCI	(37,818,069)	55,470,910	158,142,424	175,795,265	1,956,880	(41,198,756)	136,553,389
Other investment at fair value through OCI	-	-	-	-	-	-	-
Provision for stores & spares	(2,491,512)	-	-	(2,491,512)	323,038	-	(2,168,474)
Provision for stock in trade	(35,737,608)	123,393	-	(35,614,215)	(6,391,557)	-	(42,005,772)
Accelerated tax depreciation allowances	1,476,261,432	173,180,443	-	1,649,441,875	241,844,178	-	1,891,286,053
Term Finance Certificates-Habib Bank Limited	-	-	-	-	-	(1,302,384)	(1,302,384)
	<u>1,274,088,153</u>	<u>199,564,642</u>	<u>158,943,228</u>	<u>1,632,596,023</u>	<u>242,176,123</u>	<u>(30,794,456)</u>	<u>1,843,977,690</u>

	2021	2020
	----- Rupees -----	
26 TRADE AND OTHER PAYABLES		
Trade creditors	26.1	1,886,612,724
Accrued liabilities		1,758,094,054
Gratuity payable	26.2	7,969,101
Workers' profit participation fund	26.3	106,257,804
Workers' welfare fund		45,446,869
Sales tax payable		184,747,427
Other liabilities		44,304,997
		<u>4,033,432,976</u>
		<u>3,490,910,788</u>

26.1 This includes payable to related party amounting to Rs. 1.96 million (2020: Rs. 30.75 million)

26.2 This represents benefits payable transferred to short term liability (note 25.3.3)

26.3 Workers' profit participation fund

Balance at the beginning of the year		54,621,136	54,718,374
Contribution for the year	35	118,683,864	71,036,685
Interest on funds utilized in the Company's business	37	1,911,739	1,697,092
		<u>175,216,739</u>	<u>127,452,151</u>
Less: Payments made during the year		(68,958,935)	(72,831,015)
Balance at the end of the year		<u>106,257,804</u>	<u>54,621,136</u>



		2021	2020
	Note	----- Rupees -----	
27 ACCRUED MARK-UP			
Accrued mark-up on:			
Conventional			
- long term finances - secured		72,471,195	69,815,026
- short term finances - secured		68,711,539	96,951,855
Islamic			
- long term finances - secured		23,842,283	20,015,724
- short term finances - secured		1,128,688	12,954,977
		166,153,705	199,737,582
28 SHORT TERM FINANCES - Secured			
From banking companies			
Term finances - conventional	28.1	-	855,000,000
Term finances - islamic	28.2	105,000,000	971,931,342
Export refinances	28.3	4,853,776,000	3,248,186,980
Running finance utilized under mark-up arrangements	28.4	1,209,292,547	1,714,806,708
		6,168,068,547	6,789,925,030
28.1	These represent facilities for term finances arranged from various banks aggregating to Rs. 1,005 million (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 (2020: 8.43% to 14.29% per annum). As at the reporting date the amount of facility is nil.		
28.2	These represent facilities for term finances arranged from various banks aggregating to Rs. 450 million (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 (2020: 8.09% to 14.38% per annum). As at the reporting date the amount of facility is nil.		
28.3	These represent facilities for export refinance arranged from various banks aggregating to Rs. 4,950.70 million (2020: Rs. 3,650.70 million). These were secured against pari-passu / ranking 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 ranging from 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (2020: 0.25% to 1% above SBP rate per annum).		
28.4	These represent facilities for running finances available from various banks aggregated to Rs. 3,829.30 million (2020: Rs. 4,039.40 million). These are secured against pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.35% to 8.28% per annum (2020: 8.43% to 14.86 % per annum).		
29 CONTINGENCIES AND COMMITMENTS			
29.1 Contingencies			
29.1.1	As the Ministry of Industries has declared that BOPET film manufacturing project of the Company as Pioneer Industry, after which imports of capital goods shall be duty free. The Holding Company approached the Board of Investment (BOI) for the permission of imports who entertained the request and was in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Holding Company imported some capital goods and as per section 81 of the Customs Act, 1969, issued postdated cheques in favor of Collector of Custom amounting to Rs. 557.403 million (2020: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The Holding Company had filed the subject Constitutional Petition in the High Court of Sindh vide D-2666 on May 13, 2015 to refrain FBR and Pakistan Customs to encase the securities submitted against the provisional release of the plant and machineries, and also to issue		

formal notification to endorse the earlier decision of the Ministry of Industries dated August 15, 2012. The High Court has passed interim order dated: May 13, 2015, in favor of the Holding Company which is still operative and last hearing was held on Dec 07, 2020. The management of the Holding Company, based on legal counsel's opinion, is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospective.

- 29.1.2** The Holding Company has filed Constitutional Petition 620-K of 2015 on November 27, 2015 against Federation of Pakistan, Federal Board of Revenue and Collectorate of Custom in the High Court of Sindh against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% duty on import of Poly Ethylene Terephthalate (PET Resin). In this connection the High Court vide order dated March 12, 2013 directed that custom duties at the rate of 3% to be paid by the Holding Company and so far as differential amount is concerned 2.5% shall be deposited in cash and 2.5% shall be paid through postdated cheques to the Nazir of the High Court. In this connection the Holding Company has deposited pay orders amounting to Rs. 100.217 million (2019: Rs. 100.217 million) and issued postdated cheques amounting to Rs. 100.217 million (2019: Rs. 100.217 million) in favor of Nazir of the High Court as directed. Further, the Holding Company has filed petition in the High Court of Sindh for rationalisation of duty structure on PET Resin. The main grievance of the Holding Company was for classifying the Pet Resin (Film Grade) and Pet Resin (Yarn Grade) under the same PCT Heading has already been redresses in Fiscal Budget (2015-16) and from 01st July 2015, the raw material for BOPET film manufacturing i.e., PET Resin – Film Grade is being imported on the same rate as applicable to PET Resin – Yarn Grade. However, the retrospective relief on the previous consignments has been regretted by the High Court which has been challenged in the Honorable Supreme Court of Pakistan and last hearing was held on Feb 06, 2020. As per legal Counsel, there is no immediate financial liability against the Holding Company in the above-mentioned matter and has a good prima facie case.
- 29.1.3** The Holding Company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and the Holding Company is not going to pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to the company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards, the High Court has allowed the Holding Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above Suits/Petitions is Rs. 606.40 million. These Suits/Petitions are still pending in the High Court and the last hearing was held on May 03, 2021. The Holding Company legal counsel is of the opinion that company has a good prima facie case.
- 29.1.4** During the fiscal year 2017, Federal Board of Revenue has issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that the Holding Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million in their sales tax returns. In response of that SCN, the company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it was categorically mentioned that the High Court of Sindh, at Karachi, has sanctioned the petition no. J.Misc. 13/ 2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and the Holding Company has claimed the input sales tax on that basis. However, the Holding Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was ultimately withdrawn by the Holding Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e. Alternative Dispute Resolution Committee.



- 29.1.5** The Holding Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by the Holding Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order / Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was ultimately withdrawn by the Holding Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee.
- 29.1.6** The Holding Company has filed the Constitutional Petition 2752/2011 on August 09, 2011 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. The total quantum of bank guarantees involved in above Petitions is Rs. 290 million which is equivalent to 50% of amount of cess. During the year, the case has been disposed off by the High Court of Sindh in favor of Excise and Taxation Department. However, the Holding Company along with the industry has challenged the applicability of said order in Honorable Supreme Court of Pakistan and the Court has granted the stay order on Sep 01, 2021 and restrained the authorities to take any coercive action against the plaintiff.
- 29.1.7** 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 that GIDC Act 2015 and filed a writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC Act, 2015. On October 2015, SHC decided this suit in favor of Holding Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where the Holding Company was not party to such litigation. The Honorable Supreme Court of Pakistan 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 consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, the Holding Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on Aug 16, 2021. The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 746 millions (inclusive of Sales Tax) The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.
- 29.1.8** Through Finance Act, 2019, the Government has reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Holding Company has challenged the provision of Finance Act, 2019 before the High Court of Sindh on 19 December, 2019 against the Federation of Pakistan and obtained the interim relief of claiming 10% tax credit on all investments already planned including its ancillary cost of last and current fiscal year. The last hearing was held on Apr 26, 2021 and the management is confident that the case will be decided in favor of the Holding Company based on the opinion



- 29.1.9** The Holding Company has filed two petition S-1803 & 1905 of 2020 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2020 dated October 23, 2020 for increase in the price of national gas and different prices for industrial and captive connection where the same is used for internal consumption by industrial undertaking. The Court vide its order dated Nov 11, 2020 & Dec 03, 2020 passed an interim stay order in favor of the Holding Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed the company to pay the balance amount by way of bank guarantee or cheque in favor of the Nazir of Court. The cumulative differential amount accounted for approximately Rs 31.10 million (inclusive of sales tax). The management is confident that the case will be decided in favor of the Holding Company based on the opinion of legal counsel.
- 29.1.10** In note 20.3 of interim financial statement of The Bank of Khyber (the bank) an associated company for the period ended June 30, 2021 the bank has disclosed contingent liability for disallowing of markup and others expense by the Assistant Commissioner Inland Revenue. The said matter standing in adjudication with commissioner Inland Revenue (Appeal) and the Honorable Peshawar High Court. The bank's managements is confidence about the positive outcome of the matter.

	2021	2020
	----- Rupees -----	
29.2 Commitments		
29.2.1 Outstanding letters of guarantee	2,113,128,557	2,136,440,528
29.2.2 Cross Corporate guarantees issued by Holding Company on behalf of Subsidiary / associates company	4,078,811,644	-
29.2.3 Outstanding letters of credit for:		
- capital expenditure	2,850,901,463	592,832,875
- raw materials	1,018,228,669	946,531,340
29.2.4 The Group has issued guarantee in the form of sponsors support agreement to 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.		
29.2.5 The Holding Company's share of commitments of associated companies.		
- Guarantees	4,874,734	3,985,251
- Commitments	158,324,352	10,847,832

30 OPERATING RESULTS Note

	Rupees-----				Total	
	Food segment		Plastic segment		2021	2020
	2021	2020	2021	2020		
Sales						
Local sales	29,892,074,849	29,224,017,086	8,463,896,546	7,135,458,356	38,615,171,500	36,586,860,510
Export sales	5,540,716,573	3,662,310,269	1,117,602,259	836,559,991	6,658,318,832	4,498,870,260
Trial production sales transferred to CWIP	-	(51,490,015)	(65,558,125)	-	(65,558,125)	(51,490,015)
	35,432,791,422	32,834,837,340	9,515,940,680	7,972,018,347	45,207,932,207	41,034,240,755
Sales returns, discounts and direct expenses	(1,947,181,829)	(1,955,936,820)	(12,021,772)	(33,142,847)	(2,001,323,009)	(2,009,975,223)
	33,485,609,593	30,878,900,520	9,503,918,908	7,938,875,500	43,206,609,198	39,024,265,532
Add: Export rebate	55,014,144	10,589,965	776,207	-	55,790,351	10,589,965
	33,540,623,737	30,889,490,485	9,504,695,115	7,938,875,500	43,262,399,549	39,034,855,497
Sales tax	(4,461,769,475)	(4,537,730,880)	(1,275,789,505)	(1,072,362,195)	(5,737,558,980)	(5,610,093,075)
Sales - Net	29,078,854,262	26,351,759,605	8,228,905,610	6,866,513,305	37,524,840,569	33,424,762,422
Cost of sales	(23,556,187,237)	(20,273,466,252)	(6,557,792,985)	(6,067,182,312)	(30,354,451,977)	(26,592,382,801)
	5,522,667,025	6,078,293,353	1,671,112,625	799,330,993	7,170,388,592	6,832,379,621
Gross profit						
Selling and distribution expenses	(3,905,792,638)	(4,209,866,560)	(329,709,133)	(259,390,281)	(4,437,895,864)	(4,780,161,529)
Administrative expenses	(543,313,919)	(545,026,795)	(108,572,318)	(48,666,334)	(766,223,974)	(692,201,269)
	(4,449,106,557)	(4,754,893,355)	(438,281,451)	(308,056,614)	(5,204,119,838)	(5,472,362,798)
Operating profit/(loss)						
Unallocated items	1,073,560,467	1,323,399,999	1,232,831,175	491,274,379	1,966,268,754	1,360,016,823
Other operating expenses					(395,199,411)	(182,184,602)
Other income					405,770,103	356,159,161
Finance cost					(726,142,880)	(1,211,530,291)
Share of profit from associated companies-net					601,470,332	491,972,141
Profit before taxation					1,852,166,898	814,433,232
Taxation					(437,286,484)	(390,737,914)
Profit for the year					1,414,880,414	423,695,318

	Food segment		Plastic segment		Pharmaceutical segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
-----Rupees-----								
30.1 Segment assets	21,499,513,848	20,270,313,109	13,469,484,469	11,026,677,406	1,404,231,647	1,655,015,855	36,373,229,964	32,952,006,370
30.2 Unallocated assets	-	-	-	-	-	-	4,414,998,545	4,604,960,351
	21,499,513,848	20,270,313,109	13,469,484,469	11,026,677,406	1,404,231,647	1,655,015,855	40,788,228,509	37,556,966,721
30.3 Segment liabilities	4,053,474,175	2,529,351,727	7,192,773,585	8,778,993,873	175,957,555	80,970,747	11,422,205,316	11,389,316,347
30.4 Unallocated liabilities	-	-	-	-	-	-	18,900,048,872	16,718,931,719
	4,053,474,175	2,529,351,727	7,192,773,585	8,778,993,873	175,957,555	80,970,747	30,322,254,188	28,108,248,066
30.5 Major non-cash items								
-depreciation and amortisation	1,304,000,345	989,328,728	419,829,192	314,878,325	112,814,909	124,090,957	1,836,644,446	1,428,298,010
-gratuity	93,391,463	119,298,267	26,877,734	7,671,887	13,437,544	67,062,615	133,706,741	194,032,769
	1,397,391,808	1,108,626,995	446,706,926	322,550,212	126,252,453	191,153,572	1,970,351,187	1,622,330,779
30.6 Capital expenditure	1,932,409,629	3,799,926,396	1,433,377,273	4,326,941,863	55,439,694	19,705,754	3,421,226,596	8,146,574,013

30.7 The Holding Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia.

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

31 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES

31.1 Assets

Total assets for reportable segments	30.1	36,373,229,964	32,952,006,370
Administrative capital assets		743,257,467	934,640,476
Long term investments	9	3,671,741,078	3,670,319,875
Total assets		40,788,228,509	37,556,966,721

31.2 Liabilities

Total liabilities for reportable segments	30.3	11,422,205,316	11,389,316,347
Deferred liabilities	25	1,843,977,690	1,632,596,024
Long term finances - secured	23	16,993,904,300	14,917,808,778
Lease liabilities	24	62,166,882	168,526,917
Total liabilities		30,322,254,188	28,108,248,066

31.3 There were no inter-segment sales of the Group during the year (2020:Rs. Nil)

2021
----- Rupees -----
2020

Note

32 COST OF SALES

Note

	Food segment		Plastic segment		Pharmaceutical segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
-----Rupees-----								
Raw materials consumed	13,191,614,022	11,531,962,823	5,282,192,874	4,750,588,687	28,816,291	31,767,271	18,502,623,187	16,314,318,781
Packing materials consumed	5,210,598,251	5,224,460,702	233,600,340	176,971,878	23,643,871	18,665,185	5,467,842,462	5,420,097,765
Stores and spares consumed	373,192,627	350,544,939	152,796,935	118,817,505	3,366,629	7,029,380	529,356,191	476,391,824
Salaries, wages and other benefits	2,398,608,833	2,393,481,455	340,272,928	368,993,136	78,429,286	79,079,064	2,817,311,047	2,841,553,655
Electricity, gas, fuel and lubricants	761,755,855	824,479,567	405,888,539	334,727,593	22,169,046	25,762,195	1,189,813,440	1,184,969,355
Repairs and maintenance	157,759,658	168,848,488	22,692,852	23,904,085	11,118,159	16,225,319	191,570,669	208,977,892
Cold storage - rent & maintenance	1,680,400	644,587	-	-	-	-	1,680,400	644,587
Printing and stationery	8,349,703	7,950,045	1,383,307	1,284,707	902,810	688,635	10,635,820	9,923,387
Insurance	28,492,959	18,904,055	12,317,030	9,871,327	1,342,456	1,754,961	42,152,445	30,530,343
Rent, rates and taxes	3,233,643	2,660,095	3,075,869	2,624,581	465,028	515,036	6,774,540	5,799,712
Water charges	36,792,800	31,942,512	10,224,149	9,289,346	-	-	47,016,949	41,231,858
Postage and telephone	4,833,089	5,976,559	1,871,649	3,323,953	1,682,583	1,390,795	8,387,321	10,691,308
Travelling and conveyance	7,909,034	8,930,453	144,218	231,130	224,209	687,020	8,277,461	9,848,602
Vehicle running and maintenance	14,011,879	15,680,356	7,982,316	8,033,776	2,669,928	3,403,128	24,664,123	27,117,260
Depreciation	1,200,343,600	883,154,036	392,098,303	301,725,011	102,481,504	112,603,005	1,694,923,607	1,297,482,053
Amortisation charge	11,572,432	11,572,432	3,585,548	3,585,548	-	-	15,157,980	15,157,980
Laboratory expenses	16,270,745	8,292,223	44,379	-	10,280,365	6,080,120	26,595,489	14,372,344
Fees and subscription	2,490,617	2,002,750	1,840,732	245,760	-	37,355	4,331,349	2,285,865
Legal and professional charges	-	-	-	3,445,025	-	-	-	-
Cartage inward	12,962,808	15,980,326	556,681	-	-	-	13,519,489	19,425,351
Procurement expenses	-	-	-	-	-	-	-	-
Other manufacturing expenses	4,241,445	1,711,880	7,536,345	5,050,011	206,684	193,441	11,984,474	6,955,333
	23,446,714,400	21,509,180,283	6,880,105,194	6,122,713,059	287,798,849	305,881,910	30,614,618,443	27,937,775,252
Work-in-process at the beginning of the year	74,101,924	29,295,206	101,399,950	52,887,950	-	-	175,501,874	82,183,155
Work-in-process at the end of the year	(82,019,341)	(74,101,924)	(150,894,057)	(101,399,950)	-	-	(232,913,398)	(175,501,874)
	(7,917,417)	(44,806,718)	(49,494,107)	(48,512,000)	-	-	(57,411,524)	(93,318,719)
Trial production cost transferred to CWIP	-	(209,133,763)	(224,901,606)	-	-	-	(224,901,606)	(209,133,763)
Cost of goods manufactured	23,438,796,983	21,255,239,802	6,605,709,481	6,074,201,059	287,798,849	305,881,910	30,332,305,313	27,635,322,770



	Rupees					
	Food segment		Plastic segment		Pharmaceutical segment	
	2021	2020	2021	2020	2021	2020
Note						
Stock of finished goods at the beginning of the year	2,584,245,910	1,554,400,402	77,533,031	71,928,039	79,811,644	92,298,126
Purchase of finished goods	54,436,419	48,413,693	-	-	-	-
Cost of promotional samples reclassified to selling expenses	-	-	-	-	(48,738,272)	(66,634,155)
Insurance claim	(6,424,812)	(341,734)	(389,040)	(1,413,755)	-	-
Stock of finished goods at the end of the year	(2,514,867,263)	(2,584,245,910)	(125,060,487)	(77,533,031)	(78,400,466)	(79,811,644)
	117,390,254	(981,773,549)	(47,916,496)	(7,018,747)	(47,327,094)	(54,147,673)
	23,550,187,237	20,273,466,252	6,557,792,985	6,067,182,312	240,471,755	251,734,237
					22,146,664	(1,042,939,969)
					30,354,451,977	26,592,382,801
32.1 Raw materials consumed						
Stock of raw materials at the beginning of the year	1,666,112,177	1,486,482,782	1,099,275,919	1,478,890,776	67,546,278	46,907,383
Purchases	13,357,354,483	11,710,873,541	6,224,897,774	4,370,973,830	21,040,643	52,406,166
Cartage inward	9,111,613	1,144,170	-	-	-	-
	15,032,578,273	13,198,500,493	7,324,173,693	5,849,864,606	88,586,921	99,313,549
Provision / (reversal) for the year	617,766	(425,493)	-	-	-	-
Stock of raw materials at the end of the year	(1,841,582,017)	(1,666,112,177)	(2,041,980,819)	(1,099,275,919)	(59,770,630)	(67,546,278)
	13,191,614,022	11,531,962,823	5,282,192,874	4,750,588,687	28,816,291	31,767,271
					(3,943,333,466)	(2,832,934,374)
					18,502,623,187	16,314,318,781
32.2 Packing materials consumed						
Stock of packing materials at the beginning of the year	752,041,262	548,452,482	19,755,795	12,511,623	12,986,196	8,698,331
Purchases	5,373,863,438	5,428,049,482	235,994,780	184,216,050	25,734,600	22,953,049
	6,125,904,700	5,976,501,964	255,750,575	196,727,673	38,720,796	31,651,380
Provision for the year	43,000,000	-	-	-	-	-
Stock of packing materials at the end of the year	(958,306,449)	(752,041,262)	(22,150,235)	(19,755,795)	(15,076,925)	(12,986,196)
	5,210,598,251	5,224,460,702	233,600,340	176,971,878	23,643,871	18,665,185
					(995,533,609)	(784,783,252)
					5,467,842,462	5,420,097,765

	Food segment			Plastic segment		Pharmaceutical segment		Total	
	2021	2020		2021	2020	2021	2020	2021	2020
32.3 Stores and spares consumed									
Stock of stores and spares at the beginning of the year	258,748,824	210,286,568		101,689,821	77,280,746	16,097,338	13,911,698	376,535,983	301,479,012
Purchases	391,346,151	397,304,342		241,213,189	143,185,998	18,703,102	34,881,591	651,262,442	575,371,931
Reclassification to selling expenses	-	-		-	-	(9,619,124)	(25,666,571)	(9,619,124)	(25,666,571)
Cartage inward	1,069,994	1,702,853		24,287	40,582	-	-	1,094,281	1,743,435
	651,164,969	609,293,763		342,927,297	220,507,326	25,181,316	23,126,718	1,019,273,582	852,927,806
Stock of stores and spares at the end of the year	(277,972,342)	(258,748,824)		(190,130,362)	(101,689,821)	(21,814,687)	(16,097,338)	(489,917,391)	(376,535,983)
	373,192,627	350,544,939		152,796,935	118,817,505	3,366,629	7,029,380	529,356,192	476,391,824
32.4 This includes expense recognised in respect of staff gratuity fund amounting to Rs. 54.45 million (2020:Rs. 51.41 million)									
33 SELLING AND DISTRIBUTION EXPENSES									
Salaries and other benefits	1,049,853,798	1,161,373,464		43,896,348	38,751,177	88,343,479	121,454,488	1,182,093,625	1,321,579,129
Cartage outward	1,035,138,538	1,099,884,128		142,169,297	99,161,730	-	-	1,177,307,835	1,199,045,858
Export expenses	243,164,349	170,355,677		119,624,695	81,172,716	2,977,127	4,954,954	365,766,171	256,483,347
Advertisements	1,152,154,646	1,348,724,164		610,488	-	-	-	1,152,765,134	1,348,724,164
Entertainment	5,357,001	9,479,202		201,329	661,471	-	1,596,001	5,558,330	11,736,674
Vehicle running and maintenance	191,199,819	219,580,370		1,343,826	1,456,210	8,118,441	15,321,431	200,662,086	236,358,011
Printing and stationery	2,610,284	1,935,669		792,468	455,958	16,514	221,141	3,419,266	2,612,768
Postage and telephone	33,429,620	19,925,228		1,069,590	854,814	3,582,157	4,094,776	38,081,367	24,874,818
Conveyance and travelling	42,624,118	38,662,652		831,100	4,631,336	24,340,620	46,183,363	67,795,838	89,477,351
Samples	-	-		-	-	48,738,272	66,634,155	48,738,272	66,634,155
Sales promotion	-	-		-	-	17,745,581	39,239,639	17,745,581	39,239,639
Utilities	2,773,174	2,869,619		1,314,724	1,276,959	-	-	4,087,898	4,146,578
Repairs and maintenance	620,699	1,612,525		289,013	724,484	31,250	140,065	940,962	2,477,074
Rent, rates and taxes	88,286,784	91,869,166		4,466,754	3,884,208	-	-	92,753,538	95,753,374
Depreciation	36,494,823	36,716,194		5,853,759	1,992,802	6,268,587	7,443,577	48,617,169	46,152,573
Amortisation charge	5,870,933	5,870,933		2,498,242	2,498,242	-	-	8,369,175	8,369,175
Fee and subscription	61,503	1,233,800		1,492,543	1,312,597	-	413,399	1,554,046	2,959,796
Insurance	10,822,918	8,894,723		2,200,004	751,906	1,315,281	1,467,615	14,338,203	11,114,244
Allowance for expected credit loss	4,033,407	-		966,593	19,627,495	-	-	5,000,000	19,627,495
Miscellaneous	1,296,224	6,380,027		88,360	176,176	916,784	1,740,083	2,301,368	8,296,286
Trial production cost transferred to CWIP	-	(15,500,980)		-	-	-	-	-	(15,500,980)
	3,905,792,638	4,209,866,560		329,709,133	259,390,281	202,394,093	310,904,689	4,437,895,864	4,780,161,329
33.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 57.48 million (2020: Rs 63.40 million)									

33.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 57.48 million (2020: Rs 63.40 million)

34 ADMINISTRATIVE EXPENSES Note

Salaries and other benefits including

	Food segment		Plastic segment		Pharmaceutical segment		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
director's remuneration	361,478,294	363,426,738	60,191,994	32,621,774	76,432,136	49,690,371	498,102,424	445,738,883
Conveyance and travelling	11,242,753	20,902,852	1,941,076	1,646,593	644,102	987,838	13,827,931	23,537,283
Postage and telephone	10,826,552	9,164,892	3,272,710	1,368,440	1,241,782	709,201	15,341,044	11,242,533
Printing and stationery	16,011,750	20,715,115	4,942,272	817,856	9,767,174	11,296,280	30,721,196	32,829,251
Repairs and maintenance	13,170,516	10,114,642	3,313,734	1,438,642	1,346,820	743,000	17,831,070	12,296,284
Electricity and utilities	8,018,579	10,639,282	2,413,853	556,506	1,624,242	1,266,819	12,056,674	12,462,607
Insurance	7,213,791	6,883,135	2,402,413	657,713	772,012	1,052,445	10,388,216	8,593,293
Advertisement	106,396	120,725	25,604	-	-	-	132,000	120,725
Entertainment	8,685,316	8,958,144	2,157,801	609,962	-	148,438	10,843,117	9,716,544
Vehicle running and maintenance	25,628,825	13,725,291	6,719,415	1,286,212	5,359,319	5,028,547	37,707,559	20,040,050
Rent, rates and taxes	4,417,095	2,397,600	686,523	642,320	7,680,000	6,985,000	12,783,618	10,024,920
Fee and subscription	9,221,468	8,031,096	2,394,703	744,382	4,105,366	13,478,434	15,721,537	22,253,912
Legal and professional charges	15,445,663	17,914,408	1,343,637	731,007	458,325	2,450,625	17,247,625	21,096,040
Depreciation	43,592,891	47,017,383	13,577,333	3,441,695	4,064,818	4,044,374	61,235,042	54,503,452
Amortisation charge	6,125,666	4,997,751	2,215,807	1,635,027	-	-	8,341,473	6,632,778
Miscellaneous	2,128,364	801,521	973,443	468,203	841,641	626,768	3,943,448	1,896,494
Trial production cost transferred to CWIP	-	(783,780)	-	-	-	-	-	(783,780)
	543,313,919	545,026,795	108,572,318	48,666,332	114,337,737	98,508,139	766,223,974	692,201,269

34.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 23.26 million (2020: Rs 24.36 million)



35	OTHER OPERATING EXPENSES	Note	2021	2020
			----- Rupees -----	----- Rupees -----
	Contribution to:			
	- workers' profits participation fund		118,683,864	71,036,685
	- workers' welfare fund		45,099,868	26,993,940
	Auditors' remuneration	35.1	5,303,872	4,871,272
	Exchange loss		169,796,970	6,188,796
	Donations	35.2	56,091,438	78,370,118
	Other		223,399	912,587
	Trial production cost transferred to CWIP	6.7.2	-	(6,188,796)
			<u>395,199,411</u>	<u>182,184,602</u>
35.1	Auditor's remuneration			
	Audit fee - unconsolidated		2,600,000	2,400,000
	Audit fee - consolidated		800,000	700,000
	Audit fee - subsidiary		700,000	550,000
	Fee for statutory certification		200,000	200,000
	Fee for half yearly review		500,000	500,000
	Out-of-pocket expense		503,872	521,272
			<u>5,303,872</u>	<u>4,871,272</u>
35.2	Donation to the following organizations exceed 10% of total donation			
	- Khadija Girls College		5,708,141	22,678,528
	- Indus Hospital		-	18,084,960
	- Al Mustufa Welfare Trust		19,719,431	15,204,615
			<u>25,427,572</u>	<u>55,968,103</u>
35.2.1	None of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.			
36	OTHER INCOME	Note	2021	2020
			----- Rupees -----	----- Rupees -----
	Income from financial assets			
	Exchange gain		-	87,969,045
	Income from non financial assets			
	Recovery from the sale of production scrap		97,418,381	200,296,959
	Gain on disposal of property, plant and equipment-net		232,144,261	20,918,120
	Processing income		27,145,208	23,338,275
	Income from Term Finance Certificates		25,304,390	22,000,000
	Trading income		2,006,008	-
	Gain on Forward Contract		13,840,518	-
	Others		7,911,337	1,636,762
			<u>405,770,103</u>	<u>356,159,161</u>



	2021	2020
Note	----- Rupees -----	
37 FINANCE COST		
Mark up on:		
- long term finances -conventional	141,230,056	592,538,001
- long term finances-islamic	224,977,702	284,268,660
- short term finances-conventional	216,712,303	90,662,982
- short term finances-islamic	43,275,131	214,158,809
Interest on workers' profits participation fund	1,911,739	1,697,092
Finance charge on lease liabilities	12,811,328	24,759,031
Bank charges	85,224,621	55,145,715
Trial production cost transferred to CWIP	-	(51,700,000)
	726,142,880	1,211,530,291

38 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2021			2020		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Managerial remuneration	22,400,000	10,800,000	512,752,379	20,200,000	9,703,900	471,686,036
Gratuity	-	-	27,666,929	-	-	30,269,203
Bonus	-	-	24,546,002	-	-	23,448,302
Leave Encashment	-	-	19,904,165	-	-	19,001,659
Reimbursement of expenses						
Utilities	1,166,668	916,664	-	1,000,000	750,000	-
	23,566,668	11,716,664	584,869,475	21,200,000	10,453,900	544,405,200
Number of persons	2	1	115	2	1	113

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

38.1 The remuneration has been allocated as follows:

	2021			2020		
	Chief executive officer	Directors	Executives	Chief executive officer	Directors	Executives
	-----Rupees-----					
Cost of goods sold	-	-	244,524,484	-	-	222,088,255
Selling and distribution expenses	-	-	183,677,611	-	-	181,200,382
Administrative expenses	23,566,668	11,716,664	156,667,380	21,200,000	10,453,900	141,116,563
	23,566,668	11,716,664	584,869,475	21,200,000	10,453,900	544,405,200
Number of persons	2	1	115	2	1	113

38.2 Bonus is given to employees as per the Group's policy.



39 CLASSIFICATION OF EXPENSES

		2021			
		Local	Export	Common expenses	Total
		-----Rupees-----			
Note					
Selling and distribution expenses	33	3,875,493,998	562,401,865	-	4,437,895,863
Administrative expenses	34	646,342,095	119,881,879	-	766,223,974
Finance cost	37	598,570,717	127,572,163	-	726,142,880
		2020			
		Local	Export	Common expenses	Total
		-----Rupees-----			
Selling and distribution expenses	33	4,528,633,136	251,528,393	-	4,780,161,529
Administrative expenses	34	-	-	692,201,269	692,201,269
Finance cost	37	1,118,500,895	93,029,396	-	1,211,530,291

40 TAXATION

		2021		2020
		----- Rupees -----		
Note				
Current		179,020,915		281,774,529
Prior year		16,089,447		(90,601,258)
Deferred	25.4.1	242,176,122		199,564,643
		<u>437,286,484</u>		<u>390,737,914</u>

40.1 The relationship between accounting profit and tax expense

The relationship between tax expense and accounting profit has not been presented in these consolidated financial statements as the current year's income of the Group attracts minimum tax under section 113 of Income Tax Ordinance, 2001.

41 EARNING PER SHARES - basic and diluted

Basic earnings per share

Profit for the year attributable to holding Company	1,495,504,577	569,251,461
	Number of shares	
Opening Number of shares at July 01, 2020	66,356,940	63,804,750
Weighted average number of ordinary shares issued during the year	-	531,415
Closing weighted number of shares	66,356,940	64,336,165
	<u>66,356,940</u>	<u>64,336,165</u>
Basic earnings per share	<u>22.54</u>	<u>8.85</u>



Diluted earnings per share

There is no dilutive potential ordinary shares outstanding as at June 30, 2021 & June 30, 2020.

42 NUMBER OF EMPLOYEES

	2021	2020
	Numbers	
Number of employees as at the year end	2,516	2,594
Average number of employees during the year	2,437	2,525

43 CASH GENERATED FROM OPERATIONS

	Note	2021	2020
		----- Rupees -----	
Profit before taxation		1,852,166,898	814,433,232
Adjustments for non-cash and other items:			
Depreciation	6.4.1	1,804,775,818	1,398,138,079
Amortisation charge	7.2	31,868,628	30,159,933
Gain on disposal of property, plant and equipment - net	36	(232,144,261)	(20,918,120)
Provision for staff gratuity scheme - unfunded	25.3.5	134,335,929	139,167,039
Finance cost	37	726,142,880	1,211,530,291
Share of profit from associated companies - net	9.1.3	(601,470,332)	(491,972,141)
Provision for slow moving - stock in trade		43,617,766	-
Allowance for expected credit loss		5,000,000	19,627,495
Unrealized exchange gain		-	(46,658,848)
Unrealized exchange loss on borrowing		50,000,000	-
Unrealized exchange loss		11,642,086	9,191,212
		3,825,935,412	3,062,698,172
Working capital changes			
(Increase) / Decrease in current assets			
Stores and spares		(113,381,408)	(75,056,971)
Stock-in-trade		(1,355,298,602)	(1,150,106,976)
Trade debts		(27,910,119)	(575,151,912)
Loans and advances		(681,470,310)	681,972,375
Trade deposits and short term prepayments		4,362,347	(6,542,396)
Other receivables		2,274,793	12,043,467
		(2,171,423,299)	(1,112,842,413)
(Decrease) / Increase in current liabilities			
Trade and other payables		536,515,084	1,362,336,055
Short term finances - secured		(116,342,322)	2,075,204,931
Advances from customers - unsecured		131,681,850	252,219,935
		551,854,612	3,689,760,921
Net (decrease)/ increase in working capital		(1,619,568,687)	2,576,918,507
Cash generated from operations		2,206,366,725	5,639,616,679



44 Reconciliation of movement of liabilities to cash flow arising from financing activities

	Liabilities			Equity			Total
	Long term finances-secured	Lease Liabilities	Accrued mark-up	Issued and paid up share capital	Reserve	Non-controlling Interest	
	Rupees						
Balance as at July 01, 2020	14,917,808,778	168,526,917	199,737,582	663,569,400	8,589,399,383	195,749,872	24,734,791,932
Proceeds from long term finance	3,220,196,322	-	-	-	-	-	3,220,196,322
Payment of long term finance	(1,194,100,800)	-	-	-	-	-	(1,194,100,800)
Payment of liabilities subject to finance lease	-	(106,360,035)	-	-	-	-	(106,360,035)
Dividend paid	-	-	-	-	(198,813,008)	-	(198,813,008)
Mark-up paid	-	(12,811,328)	(746,915,429)	-	-	-	(759,726,757)
	2,026,095,522	(119,171,363)	(746,915,429)	-	(198,813,008)	-	961,195,722
Finance cost charge during the year	-	12,811,328	713,331,552	-	-	-	726,142,880
Foreign exchange gain / loss	50,000,000	-	-	-	-	-	50,000,000
Profit for the year	-	-	-	-	1,495,504,579	(80,624,163)	1,414,880,415
Changes in other comprehensive income	-	-	-	-	(199,465,058)	911,130	(198,553,928)
Changes in unclaimed dividend	-	-	-	-	(257,812)	-	(257,812)
	50,000,000	12,811,328	713,331,552	-	1,295,781,708	-	1,992,211,555
Balance as at June 30, 2021	16,993,904,300	62,166,882	166,153,705	663,569,400	9,686,368,084	116,036,839	27,688,199,210
	Long term finances- secured	Lease Liabilities	Accrued mark-up	Issued and paid up share capital	Reserve	Non-controlling Interest	Total
	Rupees						
Balance as at July 01, 2019	8,554,731,282	236,244,404	209,765,533	638,047,500	6,451,888,083	179,714,690	16,270,391,492
Proceeds from long term finance	8,145,717,249	-	-	-	-	-	8,145,717,249
Payment of long term finance	(1,782,639,753)	-	-	-	-	-	(1,782,639,753)
Receipts from right share issue - net off Sponsor's loan - subordinated	-	-	-	3,430,663	-	-	3,430,663
Receipts from right share issue - (NCI)	-	-	-	-	-	161,507,466	161,507,466
Payment of liabilities subject to finance lease	-	(67,717,487)	-	-	-	-	(67,717,487)
Dividend paid	-	-	-	-	(223,010,340)	-	(223,010,340)
Mark-up paid	-	(24,759,031)	(1,196,799,211)	-	-	-	(1,221,558,242)
	6,363,077,496	(92,476,518)	(1,196,799,211)	3,430,663	(223,010,340)	161,507,466	5,015,729,556
Finance cost charge during the year	-	24,759,031	1,186,771,260	-	-	-	1,211,530,291
Profit for the year	-	-	-	-	569,251,461	(145,556,143)	423,695,318
Changes in other comprehensive income	-	-	-	-	898,309,964	83,859	898,393,823
Right shares issue	-	-	-	22,091,237	893,266,500	-	915,357,737
Changes in unclaimed dividend	-	-	-	-	(306,285)	-	(306,285)
	-	24,759,031	1,186,771,260	22,091,237	2,360,521,640	(145,472,284)	3,448,670,885
Balance as at June 30, 2020	14,917,808,778	168,526,917	199,737,582	663,569,400	8,589,399,383	195,749,872	24,734,791,932



		2021	2020
		----- Rupees -----	
45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES	Note		
45.1 Financial instruments by category			
Financial assets			
At amortised cost			
Long term deposits	10	31,458,748	40,690,439
Trade debts	13	3,494,493,181	3,466,583,062
Loans and advances	14	137,526,630	112,691,504
Trade deposits - unsecured	15	26,165,635	22,517,610
Other receivables	17	185,029	113,575
Cash and bank balances	19	158,547,846	358,884,421
At fair value through OCI			
Short term investment	16	318,381,590	200,000,000
Total financial assets		4,166,758,659	4,201,480,611
Financial liabilities			
At amortised cost			
Long term finances	23	16,993,904,300	14,917,808,778
Lease liabilities	24	62,166,882	168,526,917
Trade and other payables	26	3,696,633,444	3,110,575,972
Accrued mark-up	27	166,153,705	199,737,582
Short term finances	28	6,168,068,547	6,789,925,030
Unclaimed Dividend		2,902,597	2,644,785
Total financial liabilities		27,089,829,475	25,189,219,064

45.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

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

There is a transfer of level 3 short term investment to level 1 as it become listed during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on market value of shares at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Group's financial assets (by class) measured at fair value at June 30, 2021:

Financial assets

Financial investments: fair value through OCI

2021			
Level 1	Level 2	Level 3	Total
-----Rupees-----			
194,840,000	123,541,590	-	318,381,590

Financial assets

Financial investments: fair value through OCI

2020			
Level 1	Level 2	Level 3	Total
-----Rupees-----			
-	-	200,000,000	200,000,000

Investment in Associate

Investment in associate

2021			
Level 1	Level 2	Level 3	Total
-----Rupees-----			
3,180,003,578	-	-	3,180,003,578

Investment in associate

2020			
Level 1	Level 2	Level 3	Total
-----Rupees-----			
3,441,616,096	228,703,777	-	3,670,319,873

45.3 Financial risk management

The board of directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

45.3.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on evaluation of customer profile and payment history. Outstanding customer receivables are regularly monitored.

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

Trade debts

The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the group for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

The Group limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.



The bank balances along with the credit ratings are tabulated below:

	Short- term Ratings	2021 ----- Rupees -----	2020
Al Baraka Bank Pakistan Ltd	A1	-	40,944
Allied Bank Limited	A1+	10,590,468	-
Bank Al Falah	A1+	620,699	-
Bank Al Habib	A1+	1,157,497	382,735
Bank Islami Pakistan Ltd	A1	691,127	915,170
Dubai Islamic Bank Pakistan Limited	A1+	1,304,747	929,224
Faysal Bank Limited	A1+	3,649,739	399,656
Habib Bank Limited	A1+	7,021,207	105,401,511
Habib Metropolitan Bank Limited	A1+	28,218,198	5,282,390
JS Bank Limited	A1+	21,079,458	104,128,669
MCB Bank Limited	A1+	477,498	81,408
MCB Islamic Bank Limited	A1	176,591	758,452
Meezan Bank Limited	A1+	65,473,623	116,740,709
National Bank Of Pakistan	A1+	1,350,942	4,138,874
Samba Bank Ltd	A1	14,185	13,185
Soneri Bank Ltd	A1+	10,188,530	1,128,484
Summit Bank Limited	Suspended	296,771	59,335
Standard Chartered Bank Limited	A1+	630,097	-
Askari Bank Limited	A1+	88,205	-
		153,029,582	340,400,746

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2021 ----- Rupees -----	2020
Long term deposit	10	31,458,748	40,690,439
Trade debts	13	3,494,493,181	3,466,583,062
Loans and advances	14	137,526,630	900,523,125
Trade deposits - unsecured	15	26,165,635	22,517,610
Bank balances	19	153,029,582	340,400,746
		3,842,673,776	4,770,714,982

To reduce the exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

Advances recoverable from employees are secured against their retirement benefits.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Group has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

	2021 ----- Rupees -----	2020
More than 45 days but not more than 3 months	505,371,718	359,316,255
More than 3 months but not more than 6 months	514,939,516	303,067,564
More than 6 months but not more than 1 year	328,912,781	177,365,639
More than 1 year	64,845,543	65,613,396
	1,414,069,558	905,362,854

In respect of trade debts, the Group is not exposed to any significant credit risk exposure to any single counter party or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.



45.3.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Based on the above, management believes the liquidity risk is insignificant.

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

Effective rates of return/mark-up on financial liabilities are as follows:

		2021			
		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
Note		-----Rupees-----			
Financial liabilities					
Interest bearing					
Long term finances - secured (Conventional)	23	1.5% to 8.76%	13,468,937,853	2,742,120,024	10,726,817,829
Long term finances - secured (Islamic)		6.30% to 8.13%	3,524,966,447	1,136,516,272	2,388,450,175
Lease liabilities-conventional	24	7.76% to 7.96%	9,502,404	5,089,363	4,413,041
Lease liabilities-Islamic		7.28% to 8.48%	52,664,478	37,676,339	14,988,139
Short term finances - secured - conventional	28	8.43% to 14.86%	6,063,068,547	6,063,068,547	-
Short term finances - secured- Islamic	28	7.93% to 7.97%	105,000,000	105,000,000	-
Non - interest bearing					
Trade and other payables	26	-	3,696,633,444	3,696,633,444	-
Accrued mark-up	27	-	166,153,705	166,153,705	-
			27,086,926,878	13,952,257,694	13,134,669,184
		2020			
Note		Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
		-----Rupees-----			
Financial liabilities					
Interest bearing					
Long term finances - secured - conventional	23	5%	11,787,468,392	838,037,772	10,949,430,620
Long term finances - secured - Islamic		9%	3,130,340,386	198,462,996	2,931,877,390
Lease liabilities-conventional	24	8.78% to 14.73%	37,001,101	18,654,879	18,346,222
Lease liabilities-Islamic		8.39% to 14.68%	131,525,816	58,626,957	72,898,859
Short term finances - secured-conventional	28	8.43% to 14.86%	5,817,993,688	5,817,993,688	-
Short term finances - secured-Islamic	28	8.09% to 14.38%	971,931,342	971,931,342	-
Non - interest bearing					
Trade and other payables	26	-	3,110,575,972	3,110,575,972	-
Accrued mark-up	27	-	199,737,582	199,737,582	-
			25,186,574,279	11,214,021,188	13,972,553,091

**Fair value sensitivity analysis for fixed rate instruments**

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at financial position would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2021, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 165.12 million (2020: Rs. 144.99 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2021, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 60.63 million (2020: Rs. 68.01 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

45.3.3 Market risk

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

a) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of financial asset or a liability will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group primarily has foreign currency exposures in US Dollars.

Exposure to Foreign currency risk

The Group is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2021	2020
	----- Amount in USD -----	
Trade debts	3,437,685	6,282,408
Cash and bank balances	142,838	3,652
Trade and other payables	(5,044,483)	(3,291,629)
Loans and advances	871,525	363,263
Advances from customers	(449,586)	(54,044)
	(1,042,021)	3,303,650
Off balance sheet exposures		
Letter of credit	(22,935,137)	(9,150,522)
Net Exposure	(23,977,158)	(5,846,872)

The following significant exchange rates were applied during the year.

	2021	2020
	Rupee per USD	
Average rate	162.97	164.10
Reporting date rate	157.80	168.14

Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2020 would have effect on the equity and profit and loss of the Group as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2021

	2021	2020
	----- Rupees -----	
Strengthening of PKR against respective currencies	378,359,554	98,309,014
Weakening of PKR against respective currencies	(378,359,554)	(98,309,014)

As at 30 June 2021, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 378.36 million (2020: Rs. 98.31 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.

The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

	Note	2021 ----- Rupees -----	2020
Export debtors	13	542,466,672	1,056,320,953
Import creditors		796,019,344	553,452,905
		<u>1,338,486,016</u>	<u>1,609,773,858</u>

b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks, running finance facilities and finance leases. At the reporting date the interest rate profile of the Group's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2021	2020
	----- Rupees -----	
Variable rate instruments		
Financial assets	194,840,000	200,000,000
Financial liabilities	6,709,714,224	6,382,327,235
	<u>6,904,554,224</u>	<u>6,582,327,235</u>

As at 30 June 2021, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 69.05 million. (2020: Rs. 216.76 million) mainly because of higher/lower interest expense on variable rate instruments.

c) Equity risk

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

46 CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

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

	2021 ----- Rupees -----	2020
Share capital	663,569,400	663,569,400
Reserves	9,685,273,884	8,589,399,383
	<u>10,348,843,284</u>	<u>9,252,968,783</u>

The Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Group's capital signifies equity as reported in statement of financial position and includes share capital and accumulated losses.

During 2021 the Group's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2021 and 2020 were as follows:



	Note	2021	2020
		----- Rupees -----	
Total borrowings		23,161,972,847	14,917,808,778
Less: Cash and bank balances		(158,547,846)	(358,884,421)
Net debt		23,003,425,001	14,558,924,357
Total equity		10,348,843,284	9,252,968,783
Total equity and debt		33,352,268,285	23,811,893,140
Net Gearing ratio (%)		69.0%	61.1%

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

47 PLANT CAPACITY AND ACTUAL PRODUCTION

	2021		2020	
	Metric Ton		Metric Ton	
	Rated Capacity	Actual Production	Rated Capacity	Actual Production
Food processing	166,562	88,363	162,462	98,331
Plastic film	63,000	29,608	33,000	24,824
Pharmaceuticals				
Blow fill seal	18,000	10,010	18,000	9,625
Ophthalmic	2,500	1,079	2,500	997

47.1 During the year, rated installed capacity of Food Division is increased by 4,100 tons. Enhanced capacities in production lines were fully operative in fourth quarter of the financial year, due to COVID-19 Pandemic and high inflation, the demand of products was under pressure.

47.2 In Plastic Division, new BOPET Film production line was commissioned in delay of around 6 months due to COVID-19 Pandemic and become fully operational in fourth quarter of the financial year.

48 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Group and key management personnel. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements, are as follows:

Key Management Personnel (KMP)

Name	Direct shareholding %
Mr. Ahmed Muhammad	15.22
Mr. Munsarim Saif	0.000009
Mr. Ghulam Farooq	Nil
Mr. Abdul Qadir	Nil

	2021	2020
	----- Rupees -----	
Bank of Khyber Limited (Associated Company - 24.43% shareholding)		
Investment made during the year	-	16,284,035
Ismail Resin (Pvt) Ltd. (Associated Company - common directorship)		
Balance as at June 30	491,737,500	-
Salaries & Benefits to KMP	52,143,332	45,736,571
Post employment benefit to KMP	1,386,863	1,269,994
Loan balance to KMP	-	2,000,000



2021 2020
----- Rupees -----

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

- Purchase of raw & packing Materials
- Metallization of raw material
- Sales of raw and packing material
- Recovery against Sales
- Payment against purchases

70,392,521	81,113,035
(31,759,987)	(27,305,781)
-	(4,595,597)
26,597,506	31,667,166
(94,017,364)	(64,718,196)
1,960,087	30,747,411

Balances

Plastiflex Films (Private) Limited

- Payable to associate

49 NON - ADJUSTING EVENT AFTER THE REPORTING DATE

- 49.1** Referring to the note 9.2 of these consolidated financial statement, subsequent the Holding Company has made further investment in its Ismail Resin (Private) Limited amounting to Rs. 633,811,644. The requisite regulatory compliances has been completed and 112,500,000 shares amounting to Rs. 1,125,000,000 has been allotted to the Holding Company subsequent to year end.
- 49.2** The board of directors in its meeting held on September 17, 2021 has proposed dividend in respect of the year ended June 30, 2021 of Rs. 15/- per share (2020: Rs. 3/- per share) for approval of the members at the annual general meeting. The consolidated financial statements for the year ended June 30, 2021 do not include the effect of proposed dividend, which will be accounted for in the consolidated financial statements for the year ending June 30, 2022.

50 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on September 17, 2021 by the board of directors of the Holding Company.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail
Director

Abdul Qadir
Chief Financial Officer



PATTERN OF SHAREHOLDING SHAREHOLDERS STATISTICS

AS AT JUNE 30, 2021

Number of Shareholders	Shareholdings			Total Number of Shares Held
	From		To	
1300	1	-	100	17,448
124	101	-	500	35,031
34	501	-	1000	27,651
46	1001	-	5000	101,644
5	5001	-	10000	39,061
3	10001	-	15000	39,916
1	20001	-	25000	20,876
1	30001	-	35000	34,500
1	435001	-	440000	435,400
1	475001	-	480000	480,000
1	560001	-	565000	562,155
1	1270001	-	1275000	1,271,650
1	1380001	-	1385000	1,380,450
1	1510001	-	1515000	1,510,090
1	3595001	-	3600000	3,600,000
1	6500001	-	6505000	6,500,090
1	10395001	-	10400000	10,395,798
1	19310001	-	19315000	19,312,293
1	20590001	-	20595000	20,592,887
Total	1525			66,356,940

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
CEO, Sponsor, Directors their Spouses & Children	13	65,607,066	98.87%
Associated Company	1	435,400	0.66%
Foreign Companies	1	3,300	0.00%
General Public			
(a) Foreign	12	4,846	0.01%
(b) Local	1498	306,328	0.46%
Total	1525	66,356,940	100.00%



PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

Shareholder's Category	Number of Folios	Number of Shares Held	Percentage
Associated Company:			
Uniron Industries (Private) Limited	1	435,400	0.66
Directors:			
Mr. Maqsood Ismail Ahmed	1	562,155	0.85
Mr. Ahmed Muhammad	2	10,100,090	15.22
Mr. Hamid Maqsood	1	1,510,090	2.28
Mr. Muhammad Zubair Motiwala (Independent)	1	520	0.00
Ms. Tasneem Yusuf (Independent Director)	1	520	0.00
Chief Executive Officer:			
Mr. Munsarim Saifullah	1	613	0.00
Chairman:			
Mr. Muhammad M. Ismail	1	10,395,798	15.67
CEO, Directors their Spouses & Children:			
Ms. Farzana Muhammad	1	1,380,450	2.08
Ms. Almas Maqsood	2	19,792,293	29.83
Sponsor, his Spouse & Children:			
Mr. Miftah Ismail Ahmed	1	20,592,887	31.03
Ms. Reema Ismail Ahmed	1	1,271,650	1.92
Others	1511	314,474	0.47
Total	1525	66,356,940	100.00

Shareholders holding 10% or more voting interest

Mr. Muhammad M. Ismail	1	10,395,798	15.67
Mr. Miftah Ismail	1	20,592,887	31.03
Ms. Almas Maqsood	2	19,792,293	29.83
Mr. Ahmed Muhammad	2	10,100,090	15.22



STATEMENT SHOWING SHARES PURCHASE,
SALE AND GIFT BY DIRECTORS,
EXECUTIVES THEIR SPOUSES & CHILDREN
FROM JULY 01, 2020 TO JUNE 30, 2021

S.no.	Name	Designation	Shares Traded		Shares Gifted	
			Purchase	Sale	Received	Given
1	Mr. Muhammad M. Ismail	Director	11,800	-	-	-
2	Mr. Hamid Maqsood Ismail	Director	-	-	1,000,000	-
3	Ms. Almas Maqsood	Spouse of Director Mr. Maqsood Ismail Ahmed	-	-	-	1,000,000



PROXY FORM

The Secretary/ Registrar

I/We _____ son/ daughter/ wife of _____, shareholder of **Ismail Industries Limited**, holding _____ ordinary shares as per register under Folio No _____ and/or CDC Participant ID _____ and Sub- Account No. _____ hereby appoint _____ (holding _____ ordinary shares in the Company as per register under Folio No _____ and/or CDC Participant ID _____ and Sub- Account No. _____) or failing him/her _____, (holding _____ ordinary shares in the Company as per register under Folio No _____ and/or CDC Participant ID _____ and Sub- Account No. _____) as my/ our proxy, to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on October 25, 2021 and/ or any adjournment thereof. Signed this _____ day of _____ 2021.

(Signature should agree with the specimen signature registered with the Company)

Sign across Rs.5/-
Revenue Stamp

Signature of Member(s)

Witness 1:

Signature _____

Name _____

CNIC # _____

Witness 2:

Signature _____

Name _____

CNIC # _____

Notes:

1. A proxy need be a member of the Company
2. In order to be valid, this Proxy must be received to our Registrar/Transfer Agents, M/s. THK Associates (Pvt) Ltd. Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi 75500 Pakistan at least 48 hours before the time fixed for the Meeting, duly completed in all respects.
3. CDC Shareholders or their Proxies should bring their original Computerized National Identity Card (CNIC) or Original Passport along with the Participant's ID Number and their Account Number to facilitate their identification.

پراکسی فارم (فارم برائے نامزدگی نمائندہ مختار)

سکریٹری / رجسٹرار

میں / ہم _____ ولد / بنت / زوجہ _____، اسماعیل انڈسٹریز لمیٹڈ کا / کے شیئر ہولڈر، فو لیو نمبر _____ اور / یا سی ڈی سی _____ کے شراکت دار کی آئی ڈی _____ اور ذیلی اکاؤنٹ نمبر _____ کے تحت رجسٹر ہونے کے مطابق _____ عام شیئر رکھتا ہوں / رکھتی ہوں / رکھتے ہیں۔ _____ کو مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں (جو فو لیو نمبر _____ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی _____ اور ذیلی اکاؤنٹ نمبر _____ کے تحت رجسٹر ہونے کے مطابق _____ کمپنی میں عام شیئر رکھتا ہے / رکھتی ہے / رکھتے ہیں) یا اس کو _____ پیش کرتا ہوں / کرتی ہوں / کرتے ہیں (جو فو لیو نمبر _____ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی _____ اور ذیلی اکاؤنٹ نمبر _____ کے تحت رجسٹر ہونے کے مطابق _____ کمپنی میں عام شیئر رکھتا ہوں / رکھتی ہوں / رکھتے ہیں) بطور میرا / ہمارا پراکسی (نمائندہ مختار) جو 25 اکتوبر 2021 کو منعقد ہونے والے غیر معمولی اجلاس عام میں اور / یا ملتوی ہونے پر میری / ہماری طرف سے شرکت کرنے، ووٹ ڈالنے کا حق رکھتا ہے / رکھتے ہیں۔

دستخط _____ تاریخ _____ 2021

(دستخط کا کمپنی میں موجود رجسٹر شدہ دستخط کے نمونے سے مطابقت رکھنا ضروری ہے)

5 روپے کے رینیومہر پر دستخط

ممبر (ممبران) کے دستخط:

گواہ 1	گواہ 2
دستخط _____	دستخط _____
نام _____	نام _____
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____

نوٹس:

- 1- پراکسی (نامزد نمائندہ) کو کمپنی کا ممبر ہونا لازمی ہے۔
- 2- درست ہونے کے لئے پراکسی جو کہ ہر لحاظ سے باقاعدہ مکمل ہو، کا ہمارے رجسٹرار / ٹرانسفر ایجنٹس میسرز ڈی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ 2، DHA، فیئر VII، کراچی 75500، پاکستان کو اجلاس سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔
- 3- سی ڈی سی شیئر ہولڈرز (حصص یافتگان) یا ان کے پراکسی اپنی شناختی کارڈ یا اصل پاسپورٹ بمعہ شراکت دار کا آئی ڈی نمبر اور ان کا اکاؤنٹ نمبر اپنے ہمراہ لائیں۔



ISMAIL INDUSTRIES LIMITED

HEAD OFFICE

17-BANGALORE TOWN, SHAHRAH-E-FAISAL, KARACHI-75350, PAKISTAN.
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FACTORIES

UNIT 1: C-230, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
TEL: (92-853) 302526-302392

UNIT 2: B-140, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
TEL: (92-853) 302589, FAX: (92-853) 302408

UNIT 3: G-1, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
TEL: (92-853) 302611, FAX: (92-853) 302611, 303817

UNIT 4: G-22, 23, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
TEL: (92-853) 303193, 303177, FAX: (92-853) 302527

UNIT 5: 38-C, 39, 39-A, 42-C, SUNDAR INDUSTRIAL ESTATE,
RAIWIND ROAD, LAHORE, PAKISTAN. TEL: (92-42) 36140972

UNIT 6: D-91, D-92 & D-94, NORTH WESTERN INDUSTRIAL ZONE,
PORT QASIM AUTHORITY, KARACHI. TEL: (92-21) 34154169-70, FAX: (92-21) 34154176

UNIT 7: E-164 TO E-168, NORTH WESTERN INDUSTRIAL ZONE,
PORT QASIM AUTHORITY, KARACHI. TEL: (92-21) 34154171-73, FAX: (92-21) 34154176

UNIT 8: E-154 TO E-157, NORTH WESTERN INDUSTRIAL ZONE,
PORT QASIM AUTHORITY, KARACHI. TEL: (92-21) 34154174-75, FAX: (92-21) 34154176

UNIT 9: G-1A, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
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