



ISMAIL
INDUSTRIES
LIMITED



FORWARD
AND SUCCEED

HALF YEARLY REPORT
DECEMBER 31, 2022



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COMPANY PROFILE

Board of Directors

Mr. Muhammad M. Ismail	Chairman
Mr. Munsarim Saifullah	Chief Executive Officer
Mr. Ahmed Muhammad	Executive Director
Mr. Hamid Maqsood Ismail	Non-Executive Director
Mr. Maqsood Ismail Ahmed	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 Ahmed	Member

Registered Office

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

Factories

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

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

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

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

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

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

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

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

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

Human Resource & Remuneration Committee

Mr. M. Zubair Motiwala	Chairman
Mr. Maqsood Ismail Ahmed	Member
Mr. Hamid Maqsood Ismail	Member

Company Secretary

Mr. Ghulam Farooq

Chief Financial Officer

Mr. Ahmed Raza Parekh

Auditor

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.

Share Registrar

THK Associates (Pvt.) Limited

Bankers / Institutions

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





DIRECTORS' REVIEW REPORT

The Directors of the Company are pleased to present the brief performance review together with Standalone (reviewed by the Auditor) and Consolidated Condensed Interim Financial Statements of the Company for the half year ended December 31, 2022.

Description	Dec-2022	Dec-2021	Change in %
PKR in Million			
Gross Sales	46,805	31,446	49%
Gross Profit	8,535	4,818	77%
Operating Profit	4,566	1,800	154%
Profit After Tax	2,757	1,207	128%
EPS in PKR	41.55	18.19	128%

ECONOMIC & BUSINESS OUTLOOK

Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook.

Pakistan's economy also had a profound impact as economic growth slowed down considerably exaggerated by political uncertainty along with extensive damage and disruptions caused by catastrophic flood and an unfavorable global environment. The higher cost of commodities led to increase in import bills and unfavorable exchange rates forced government to restrict imports and tighter monetary policies which negatively impacted industrial sector across the nation.

The Company's business continued to face macroeconomic challenges, including demand contraction in downstream markets, cost push due to impact of higher oil prices, devaluation of PKR against the US\$, business specific import restrictions, tax regime changes and volatility in global commodities prices. Despite all these uncertainties and challenges, Directors and Management of Ismail Industries showed great composure & diligence to drive Company's growth. They continue to monitor these rapid developments and devise strategies to counter these uncertainties in order to continue smooth operations & maximize financial performance.

During the period under review, the Company showed a remarkable growth of **49%** in gross revenue resulting **77%** increase in gross profit and **128%** in profit after tax compared

to the corresponding period. The Company's revenue growth momentum is let by robust demand, price adjustments and favorable brand mix changes. The Company continues to accelerate business growth by focusing on cost-optimization initiatives, diversification, vertical and horizontal integration & technological advancement.

FUTURE OUTLOOK

Our Country continues to face challenging economic conditions on account of depleting foreign exchange reserves, increase in current account deficit, fiscal deficit, and high inflation. The continuing volatility of PKR against US\$, tighter fiscal and monetary measures, may continue to negatively impact on business sentiments in the upcoming periods. However, the management of your Company continues to closely monitor these developments and implement mitigating strategies to minimize their impact on its operations and financial performance.

ACKNOWLEDGEMENT

We would like to express our sincerest appreciation and acknowledge the continued and dedicated efforts of Company's employees, and all business partners, even during these challenging times and unprecedented circumstances.

On behalf of the Board of Directors

Munsarim Saifullah

Chief Executive Officer

Maqsood Ismail Ahmed

Director

Karachi: February 15, 2023

ڈائریکٹران کی جائزہ رپورٹ

کمپنی ڈائریکٹران انتہائی مسرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والے ششماہی میں کمپنی کے انفرادی (آڈیٹر کے نظریاتی شدہ) اور مشترکہ (غیر آڈٹ شدہ) مالیاتی نتائج کی کارکردگی کا جائزہ پیش کر رہے ہیں۔

تفصیل	دسمبر 2021	دسمبر 2022	تبدیلی %
مجموعی فروخت	31,446	46,805	49%
خام منافع	4,818	8,535	77%
کاروباری منافع	1,800	4,566	154%
منافع بعد از محصول	1,207	2,757	128%
نیٹ حصص نمائند (روپے میں)	18.19	41.55	128%

رہتے ہیں اور ان غیر یقینی صورتحال کا مقابلہ کرنے کے لیے حکمت عملی وضع کرتے ہیں تاکہ ہموار طریقے سے کام جاری رکھا جاسکے اور مالی کارکردگی کو زیادہ سے زیادہ بہتر بنایا جاسکے۔

زیر جائزہ مدت کے دوران، کمپنی نے مجموعی خام آمدنی میں پچھلے سال اسی مدت کے مقابلے میں 49% غیر معمولی نمو ظاہر کی جس کے نتیجے میں مجموعی خام منافع میں 77% اضافہ ہوا اور منافع بعد از محصول میں 128% اضافہ ہوا۔

مستقبل کی پیش بینی

ہمارے ملک کو غیر ملکی زرمبادلہ کے ذخائر میں کمی، کرنٹ اکاؤنٹ خسارے میں اضافہ، مالیاتی خسارے اور بلند افراط زر کی وجہ سے مشکل معاشی حالات کا سامنا ہے۔ امریکی ڈالر کے مقابلے میں روپے کی قدر کا مسلسل اتار چڑھاؤ، سخت مالی اور مالیاتی اقدامات، آنے والے ادوار میں کاروباری سرگرمیوں پر منفی اثرات مرتب کر سکتے ہیں۔ تاہم، آپ کی کمپنی کی انتظامیہ ان پیش رفتوں پر گہری نظر رکھے ہوئے ہے اور کمپنی کی مالی کارکردگی پر ان اثرات کی تخفیف کی حکمت عملیوں کو نافذ کرتی ہے۔

اعتراف

ہم اپنی مخلصانہ تعریف کا اظہار کرنا چاہتے ہیں اور ان مشکل وقتوں اور غیر معمولی حالات میں بھی کمپنی کے ملازمین اور تمام کاروباری شراکت داروں کی مسلسل اور سرشار کوششوں کو تسلیم کرتے ہیں۔

من جانب، بورڈ آف ڈائریکٹرز

مقصود اسماعیل احمد
ڈائریکٹر

منصور سیف اللہ
چیف ایگزیکٹو آفیسر

کرچی: 15 فروری، 2023

عالمی اقتصادی سرگرمی ایک وسیع اہنیا داور توقع سے زیادہ تیز رفتار سست روی کا سامنا کر رہی ہے، افراط زر کی شرح کئی دہائیوں سے زیادہ ہے۔ زندگی گزارنے کی لاگت کا بحران، زیادہ تر خطوں میں مالی حالات کو سخت کرنا، پوکرین پروس کا حملہ، اور طویل عرصے سے جاری COVID-19 وبائی بیماری نے تمام تر نقطہ نظر پر بہت زیادہ اثر ڈالا ہے۔

پاکستان کی معیشت پر بھی گہرے اثرات مرتب ہوئے کیونکہ تباہ کن سیلاب اور ناموافق عالمی ماحول کی وجہ سے بڑے پیمانے پر نقصانات اور رکاوٹوں کے ساتھ ساتھ غیر یقینی سیاسی صورتحال کی وجہ سے بھی معاشی ترقی میں کافی حد تک کمی آئی۔ اشیاء کی بڑھتی ہوئی قیمتوں نے درآمدی بلوں میں اضافہ کیا اور شرح مبادلہ کے نامناسب نرخوں نے حکومت کو درآمدات کو محدود کرنے اور سخت مالیاتی پالیسیوں کے نفاذ پر مجبور کیا جس سے ملک بھر کے صنعتی شعبے پر منفی اثرات مرتب ہوئے۔ کمپنی کے کاروبار کو بھی معاشی چیلنجز کا سامنا کرنا پڑتا ہے بشمول ڈاؤن اسٹریم مارکیٹوں میں مانگ میں کمی، تیل کی اونچی قیمتوں کے اثر کی وجہ سے لاگت میں اضافہ، امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی، کاروباری مخصوص درآمدی پابندیاں، ٹیکس کے نظام میں تبدیلیاں اور اشیاء کی عالمی قیمتوں میں اتار چڑھاؤ۔ ان تمام غیر یقینی صورتحال اور چیلنجوں کے باوجود، اسماعیل انڈسٹریز کے ڈائریکٹران اور انتظامیہ نے کمپنی کی ترقی کو مزید آگے بڑھانے کے لیے انتہائی ہمت اور تہجد کی مظاہرہ کیا۔ وہ ان تیز رفتار پیش رفتوں کی نگرانی کرتے





INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Ismail Industries Limited** as at **December 31, 2022** and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matter

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three-months period ended December 31, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2022.

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

Chartered Accountants

Karachi

Date: February 20, 2023

UDIN: RR202210154ewoDOJMGt

**UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2022**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	8	27,453,864,643	25,100,648,537
Right-of-use assets	8.1	8,477,533	26,661,774
Intangible assets		4,111,072	5,995,440
Long term investments	9	7,159,905,266	7,145,568,786
Long term deposits		25,548,568	23,550,568
Total non-current assets		34,651,907,082	32,302,425,105
Current assets			
Stores and spares		588,886,204	509,098,029
Stock-in-trade	10	10,910,793,701	8,337,857,789
Trade debts	11	10,334,529,267	5,746,087,378
Loans and advances		2,612,788,174	1,963,345,154
Trade deposits and short-term prepayments	12	466,972,971	37,312,320
Short term investments		1,118,831,232	965,120,059
Other receivables		124,922,586	117,740,491
Taxation - net		1,089,475,118	1,122,685,139
Cash and bank balances	13	827,272,164	242,333,100
Total current assets		28,074,471,417	19,041,579,459
Total assets		62,726,378,499	51,344,004,564
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (June 30, 2022: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital		663,569,400	663,569,400
Reserves		14,444,600,212	11,916,011,853
Total shareholders' equity		15,108,169,612	12,579,581,253
Non-current liabilities			
Long term finances - secured	14	24,047,370,776	19,689,292,674
Lease liabilities		-	2,657,700
Deferred liabilities	15	2,360,297,665	2,358,751,602
Total non-current liabilities		26,407,668,441	22,050,701,976
Current liabilities			
Trade and other payables	16	4,064,852,815	3,474,859,492
Accrued mark-up		615,306,683	374,333,248
Short term finances - secured	17	13,131,205,795	9,088,758,920
Current portion of:			
- long term finances - secured	14	3,064,784,555	3,380,756,599
- lease liabilities		341,226	4,829,319
Unclaimed dividend		4,387,970	4,044,553
Advances from customers - unsecured		329,661,402	386,139,204
Total current liabilities		21,210,540,446	16,713,721,335
Total liabilities		47,618,208,887	38,764,423,311
Total equity and liabilities		62,726,378,499	51,344,004,564
Contingencies and commitments			
	18		

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



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Note	Six-months Period Ended		Three-months Period Ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		-----Rupees-----		-----Rupees-----	
Sales - gross	20.1	46,805,330,834	31,446,043,018	24,458,986,099	16,361,407,857
Sales returns and discounts		(1,106,440,677)	(1,139,369,623)	(562,956,877)	(539,441,793)
Export rebate		7,366,570	20,976,330	3,533,556	1,534,372
		(1,099,074,107)	(1,118,393,293)	(559,423,321)	(537,907,421)
		45,706,256,727	30,327,649,725	23,899,562,778	15,823,500,436
Sales tax		(4,606,472,425)	(3,824,588,385)	(2,313,548,928)	(1,942,169,054)
Sales - net		41,099,784,302	26,503,061,340	21,586,013,850	13,881,331,382
Cost of sales	20.1	(32,564,691,529)	(21,685,100,304)	(17,230,224,928)	(11,321,884,498)
Gross profit		8,535,092,773	4,817,961,036	4,355,788,922	2,559,446,884
Selling and distribution expenses		(3,463,881,976)	(2,615,009,244)	(1,787,665,946)	(1,436,610,661)
Administrative expenses		(505,076,311)	(402,667,746)	(269,820,899)	(209,921,303)
Operating profit		4,566,134,486	1,800,284,046	2,298,302,077	912,914,920
Other operating expenses		(355,921,893)	(247,285,413)	(174,710,225)	(63,144,957)
		4,210,212,593	1,552,998,633	2,123,591,852	849,769,963
Other income		449,849,494	488,137,912	262,354,019	119,942,397
		4,660,062,087	2,041,136,545	2,385,945,871	969,712,360
Finance cost		(1,497,758,718)	(584,564,048)	(802,999,791)	(298,028,955)
		3,162,303,369	1,456,572,497	1,582,946,080	671,683,405
Share of (loss) / profit from associated company		(27,216,350)	41,655,893	(27,216,350)	41,655,893
Profit before taxation		3,135,087,019	1,498,228,390	1,555,729,730	713,339,298
Taxation		(378,119,705)	(291,307,171)	(121,908,545)	(67,455,810)
Profit after taxation		2,756,967,314	1,206,921,219	1,433,821,185	645,883,488
Other Comprehensive income / (loss)					
<i>Item that will not be reclassified to consolidated statement of profit or loss in subsequent periods</i>					
Share of other comprehensive income / (loss) from associated company - net of tax		35,319,905	(45,806,265)	35,319,905	(45,806,265)
Unrealized gain on remeasurement of investment classified as fair value through OCI - net of tax		1,728,900	-	1,728,900	-
Other comprehensive income / (loss) for the period - net of tax		37,048,805	(45,806,265)	37,048,805	(45,806,265)
Total comprehensive income for the period		2,794,016,119	1,161,114,954	1,470,869,990	600,077,223
Earnings per share - basic & diluted	21	41.55	18.19	21.61	9.73

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


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Raza Parekh
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

Issued, subscribed and paid-up share capital	Total Reserves					Total shareholders' equity
	Capital reserve		Revenue reserve			
	Share premium	Amalgamation reserves	Remeasurement of investment in associated company	Remeasurement of investments at fair value through OCI	Unappropriated profit	
663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	8,417,555,738	10,611,167,244
-	-	-	-	-	1,206,921,219	1,206,921,219
-	-	-	(45,806,265)	-	-	(45,806,265)
-	-	-	(45,806,265)	-	1,206,921,219	1,161,114,954
-	-	-	-	-	(99,535,409)	(99,535,409)
663,569,400	1,472,531,500	916,862,067	(237,730,710)	(3,857,616)	8,629,122,858	10,776,928,099
663,569,400	1,472,531,500	916,862,067	(406,125,879)	(7,645,000)	9,940,389,165	11,916,011,853
-	-	-	-	-	2,756,967,314	2,756,967,314
-	-	-	-	1,728,900	-	1,728,900
-	-	-	35,319,905	-	-	35,319,905
-	-	-	35,319,905	1,728,900	2,756,967,314	2,794,016,119
-	-	-	-	-	(265,427,760)	(265,427,760)
663,569,400	1,472,531,500	916,862,067	(370,805,974)	(5,916,100)	12,431,928,719	14,444,600,212

Balance as at July 01, 2021 - audited

Total comprehensive income for the period

Profit for the six-months period ended December 31, 2021

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

Total comprehensive income for the period

Final cash dividend for the year ended June 30, 2021 @ Rs. 15 per share

Balance as at December 31, 2021

Balance as at July 01, 2022 - audited

Total comprehensive income for the period

Profit for the six-months period ended December 31, 2022

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

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

Total comprehensive income for the period

Final cash dividend for the year ended June 30, 2022 @ Rs. 4 per share

Balance as at December 31, 2022

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



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

		December 31, 2022	December 31, 2021
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations after working capital changes	19	(725,686,448)	2,925,893,819
Gratuity paid		(25,420,779)	(22,084,426)
Income tax paid - net		(426,400,663)	(275,168,043)
Long-term deposits - net		(1,998,000)	4,755,048
Net cash (used in) / generated from operating activities		(1,179,505,890)	2,633,396,398
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(3,493,840,382)	(2,628,309,220)
Investment in subsidiary companies - unquoted shares		-	(633,262,500)
Short term investments		(148,555,925)	(261,989,378)
Proceeds from disposal of property, plant and equipment		29,905,947	485,888,145
Net cash used in investing activities		(3,612,490,360)	(3,037,672,953)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from long term finances - secured		4,101,389,795	1,605,563,520
Lease repayments		(7,145,793)	(35,673,911)
Interest / mark-up paid		(1,256,785,283)	(543,802,677)
Dividends paid		(265,084,343)	(994,059,429)
Net cash generated from financing activities		2,572,374,376	32,027,503
Net decrease in cash and cash equivalents		(2,219,621,874)	(372,249,052)
Cash and cash equivalents at the beginning of the period		(915,742,282)	(1,065,726,882)
Cash and cash equivalents at the end of the period		(3,135,364,156)	(1,437,975,934)
Cash and bank balances	13	827,272,164	594,327,883
Running finances utilized under mark-up arrangement	17.5	(3,962,636,320)	(2,032,303,817)
		(3,135,364,156)	(1,437,975,934)

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


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Raza Parekh
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND OPERATIONS

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

2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the six-months period, no significant event occurred.

3 STATEMENT OF COMPLIANCE

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

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

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

4 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements of the Company does not include all of the information and disclosure required in the unconsolidated annual financial statements and should be read in conjunction with the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2022. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The figures in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with the relevant notes to the unconsolidated condensed interim financial statements for the six-months period ended December 31, 2022 have been subject to the limited scope review by the statutory auditors of the Company. However, the figures for the three-months period ended December 31, 2022 and 2021 in the unconsolidated condensed interim statement of profit or loss and other comprehensive income and notes forming part thereof have not been reviewed by auditors.

4.1 Functional and presentation currency

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

4.2 Standards, amendments and interpretations to approved accounting standards

4.2.1 Standards, amendments and interpretations to the published standards that may be relevant to the company and adopted in the current period

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
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
Sale and leaseback transactions (Amendments to IFRS 16)	January 1, 2023

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





4.2.2 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

There are certain standards and other amendments to accounting and reporting standards that may be relevant but are not yet effective. These are considered not to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements..

5 RECLASSIFICATION FOR BETTER PRESENTATION

Prior year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. There is no material reclassification.

6 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2022.

7 USE OF JUDGEMENTS / ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgements and associated assumptions used in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2022.

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----			
8 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	8.2	21,995,925,211	21,337,873,957
Capital work in progress - at cost	8.3	5,457,939,432	3,762,774,580
		<u>27,453,864,643</u>	<u>25,100,648,537</u>
8.1 Right-of-use assets	8.2	<u>8,477,533</u>	<u>26,661,774</u>
8.2 Detail of additions and disposals to operating assets and right-of-use assets during the six-months period are as follows:			

		(Un-audited)			
		Additions/(Transfers)		Disposals	
		-----At cost-----		-----At net book value-----	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
----- Rupees -----					
Owned assets					
Building on leasehold land		116,590,652	344,726,536	-	-
Leasehold land		498,886,221	17,818,190	-	119,676,555
Plant and machinery		1,004,599,849	759,651,384	47,909	-
Furniture and fittings		11,871,340	9,635,724	56,625	-
Equipment		16,826,222	5,859,618	66,100	-
Computers		5,667,851	18,230,517	1,032,022	224,480
Vehicles		177,837,290	235,355,248	24,185,987	32,018,592
		<u>1,832,279,425</u>	<u>1,391,277,217</u>	<u>25,388,643</u>	<u>151,919,627</u>
Right-of-use assets					
Vehicles		(33,603,895)	(44,243,138)	-	-
		<u>(33,603,895)</u>	<u>(44,243,138)</u>	<u>-</u>	<u>-</u>
		<u>1,798,675,530</u>	<u>1,347,034,079</u>	<u>25,388,643</u>	<u>151,919,627</u>

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	-----Rupees-----			
	Civil works	699,142,777	317,977,946	116,590,661
Plant and machinery	2,024,119,027	2,067,675,115	1,004,599,849	759,651,384
Equipment and Computers	112,244,049	-	19,150,491	-
	2,835,505,853	2,385,653,061	1,140,341,001	1,104,377,920

9 LONG TERM INVESTMENTS

(Un-audited) (Audited)
December 31, June 30,
2022 2022

Investment in subsidiary companies - unquoted shares

Hudson Pharma (Private) Limited	2,125,984,000	2,125,984,000
Ismail Resin (Private) Limited	1,875,000,000	1,875,000,000
	4,000,984,000	4,000,984,000

Investment in associated undertakings

The Bank of Khyber - quoted shares	9.1	3,158,921,266	3,144,584,786
		7,159,905,266	7,145,568,786

9.1 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 269,383,781 (June 30, 2022: 269,383,781) shares which represents 24.43% of paid-up capital of the Bank (June 2022: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these unconsolidated condensed interim financial statements have been taken from unaudited financial statements of the Bank for the nine-months period ended September 30, 2022. Adjustment to conform to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on December 31, 2022 was Rs. 3,501.98 million (June 30, 2022: Rs. 4,040.756 million).

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

	The Bank of Khyber	
	(Un-audited)	(Audited)
	December 31, 2022	June 30, 2022
	-----Rupees-----	
Carrying value at beginning of the period	3,144,584,786	3,180,003,578
Share of (loss) / profit from associate	(27,216,350)	216,582,895
Share of other comprehensive income / (loss)	41,552,830	(252,001,687)
	3,158,921,266	3,144,584,786

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associated company. During the period, no bonus shares and cash dividend has been received from the Bank (June 30, 2022: 5% and Rs. nil per share) respectively.

10 STOCK-IN-TRADE

(Un-audited) (Audited)
December 31, June 30,
2022 2022

	Note	-----Rupees-----	
		(Un-audited)	(Audited)
		December 31, 2022	June 30, 2022
		-----Rupees-----	
Raw materials	10.1	4,591,977,909	4,073,577,604
Packing materials		1,935,467,954	1,393,150,814
Work-in-process		612,318,787	414,667,383
Finished goods		3,771,029,051	2,456,461,988
		10,910,793,701	8,337,857,789

10.1 This includes raw materials in transit amounting to Rs. 810,167,176/- (June 2022: Rs. Nil)





11 TRADE DEBTS

Considered good
- export - secured
- local - unsecured

Allowance for expected credit loss

(Un-audited)
December 31,
2022

(Audited)
June 30,
2022

-----Rupees-----	
4,511,851,477	1,430,204,301
5,930,648,430	4,423,853,717
10,442,499,907	5,854,058,018
(107,970,640)	(107,970,640)
10,334,529,267	5,746,087,378

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - unsecured
Short term prepayments
Current maturity of lease deposits- Islamic
Current maturity of lease deposits- Conventional

440,762,254	24,043,579
25,949,117	10,611,041
261,600	2,221,600
-	436,100
466,972,971	37,312,320

13 CASH AND BANK BALANCES

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

23,956,873	4,583,253
542,606,798	87,507,426
260,708,493	150,242,421
827,272,164	242,333,100

14 LONG TERM FINANCES - SECURED

	(Un-audited)			(Audited)		
	December 31, 2022			June 30, 2022		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	15,415,662,067	7,654,387,206	23,070,049,273	13,197,885,437	3,364,966,447	16,562,851,884
Obtained during the period / year	5,767,474,016	76,830,629	5,844,304,645	4,895,199,965	5,377,603,698	10,272,803,663
Repaid during the period / year	(1,483,782,928)	(318,415,659)	(1,802,198,587)	(2,677,423,335)	(1,088,182,939)	(3,765,606,274)
	19,699,353,155	7,412,802,176	27,112,155,331	15,415,662,067	7,654,387,206	23,070,049,273
Less: Current maturity	(2,383,767,318)	(681,017,237)	(3,064,784,555)	(2,697,752,499)	(683,004,100)	(3,380,756,599)
	17,315,585,837	6,731,784,939	24,047,370,776	12,717,909,568	6,971,383,106	19,689,292,674

14.1 These represent financing for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of directors. Further terms and conditions are consistent with financial information as presented in the unconsolidated financial statements of the Company for the year ended June 30, 2022.

14.2 The Company's total limit for long term finances - secured is Rs. 34,162 million. (June 2022: Rs. 29,310 million)

(Un-audited)
December 31,
2022

(Audited)
June 30,
2022

15 DEFERRED LIABILITIES

Provision for staff gratuity scheme - unfunded
Deferred tax liability

648,534,706	565,497,677
1,711,762,959	1,793,253,925
2,360,297,665	2,358,751,602

16 TRADE AND OTHER PAYABLES

Trade creditors
Other liabilities

1,735,371,553	1,665,882,890
2,329,481,262	1,808,976,602
4,064,852,815	3,474,859,492

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees-----	
17 SHORT TERM FINANCES - SECURED			
Term finances - conventional	17.1	1,064,956,649	530,000,000
Term finances - islamic	17.2	499,761,560	286,170,800
Export refinances	17.3	6,215,500,000	6,215,496,502
Finance against discounting of export bills / receivables	17.4	1,388,351,266	899,016,236
Running finance utilized under mark-up arrangement	17.5	3,962,636,320	1,158,075,382
		13,131,205,795	9,088,758,920

- 17.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,565 million (June 2022: Rs. 1,565 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of directors. These carry mark-up at the rates ranging from 16.20% to 17.26% per annum (June 2022: 7.18% to 15% per annum).
- 17.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (June 2022: Rs. 800 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of directors. These carry mark-up at the rates ranging from 12.64% to 16.27% per annum (June 2022: 8.70% to 13.94% per annum).
- 17.3 These represent facilities for export refinance arranged from various banks aggregating to Rs. 6,265 million (June 2022: Rs. 6,265 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of directors. These carry mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2022: 0.25% to 1% above SBP rate per annum).
- 17.4 These represent facilities for finances against discounting of export bills / receivables arranged from various banks aggregating to Rs. 1,400 million (June 2022: Rs. 900 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of directors. These carry mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (June 2022: 1% above SBP rate per annum).
- 17.5 These facilities for running finances are available from various banks aggregated to Rs. 9,155 million (June 2022: Rs. 4,355 million). These are secured against pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of directors. These carry mark-up at the rates ranging from 14.50% to 17.08% per annum (June 2022: 7.61% to 14.81% per annum).

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no material changes in status of contingencies as reported in note no. 27 to the unconsolidated financial statements of the Company for the year ended June 30, 2022.

With reference to the contingency of associated company, The Bank of Khyber (BOK), please refer the note 22 of condensed interim financial statement for the nine month ended September 30, 2022.

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
18.2 Commitments		
18.2.1 Outstanding letter of guarantees	2,266,391,575	2,509,325,740
18.2.2 Cross Corporate guarantees issued by the Company on behalf of subsidiaries / associated company	4,163,811,644	4,163,811,644
18.2.3 Outstanding letter of credit for:		
- capital expenditures	702,031,086	671,049,690
- raw materials	5,126,639,830	1,529,969,416

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

- 18.2.5 The Company's share of commitments of associated company is based on the latest available financial information.





	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
- Guarantees	7,340,130	5,582,584
- Commitments	15,878,246	22,336,415

19 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Note

	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
	-----Rupees-----	
Profit before taxation	3,135,087,019	1,498,228,390
Adjustments for non-cash and other items:		
Depreciation	1,133,419,874	1,033,572,214
Amortization charge	1,884,367	16,797,667
Gain on disposal of property, plant and equipment - net	(4,517,304)	(333,968,518)
Provision for staff retirement gratuity	98,798,535	56,754,087
Provision for slow moving - stock in trade	54,859,177	(8,027,220)
Share of loss from associated undertaking	27,216,350	(41,655,893)
Unrealized exchange (gain) - net	(81,028,265)	(7,955,546)
Finance cost	1,497,758,718	584,564,048
Net (increase) / decrease in working capital	(6,589,164,919)	127,584,590
Cash (used in) / generated from operations after working capital changes	(725,686,448)	2,925,893,819

19.1 Working capital changes

Current assets

Decrease / (Increase) in current assets

Stores and spares	(79,788,175)	4,076,583
Stock-in-trade	(2,627,795,089)	(55,255,180)
Trade debts	(4,566,697,361)	(2,610,467,391)
Loans and advances	(649,443,020)	(1,354,799,378)
Trade deposits and short-term prepayments	(429,660,651)	(26,067,984)
Other receivables	(7,182,095)	2,416,164
	(8,360,566,391)	(4,040,097,186)

Current liabilities

(Decrease) / Increase in current liabilities

Trade and other payables	589,993,337	2,321,238,651
Short term finances - secured	1,237,885,937	2,040,665,271
Advances from customers - unsecured	(56,477,802)	(194,222,146)
	1,771,401,472	4,167,681,776
Net (increase) / decrease in working capital	(6,589,164,919)	127,584,590

20 SEGMENT INFORMATION

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

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

Fond processing

Plastic film

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

(Un-audited)											
Three-months Period Ended						Six-months Period Ended					
Food Segment		Plastic Segment		Total		Food Segment		Plastic Segment		Total	
December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Operating income (loss) from continuing operations											
Operating income (loss) from discontinued operations											
Operating income (loss)											
Other income (expense)											
Income tax expense											
Income before non-recurring items											
Non-recurring items											
Income (loss) from operations											
Interest income											
Interest expense											
Other income (expense)											
Income (loss) before income taxes											
Income tax expense											
Income (loss) from continuing operations											
Income (loss) from discontinued operations											
Income (loss)											
Net income (loss) available to common shareholders											
Dividends paid											
Other comprehensive income (loss)											
Comprehensive income (loss)											

20.1

Disaggregation of revenue

	2019/2020	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009	2007/2008	2006/2007	2005/2006	2004/2005	2003/2004	2002/2003	2001/2002	2000/2001	1999/2000	1998/1999	1997/1998	1996/1997	1995/1996	1994/1995	1993/1994	1992/1993	1991/1992	1990/1991	1989/1990	1988/1989	1987/1988	1986/1987	1985/1986	1984/1985	1983/1984	1982/1983	1981/1982	1980/1981	1979/1980	1978/1979	1977/1978	1976/1977	1975/1976	1974/1975	1973/1974	1972/1973	1971/1972	1970/1971	1969/1970	1968/1969	1967/1968	1966/1967	1965/1966	1964/1965	1963/1964	1962/1963	1961/1962	1960/1961	1959/1960	1958/1959	1957/1958	1956/1957	1955/1956	1954/1955	1953/1954	1952/1953	1951/1952	1950/1951	1949/1950	1948/1949	1947/1948	1946/1947	1945/1946	1944/1945	1943/1944	1942/1943	1941/1942	1940/1941	1939/1940	1938/1939	1937/1938	1936/1937	1935/1936	1934/1935	1933/1934	1932/1933	1931/1932	1930/1931	1929/1930	1928/1929	1927/1928	1926/1927	1925/1926	1924/1925	1923/1924	1922/1923	1921/1922	1920/1921	1919/1920	1918/1919	1917/1918	1916/1917	1915/1916	1914/1915	1913/1914	1912/1913	1911/1912	1910/1911	1909/1910	1908/1909	1907/1908	1906/1907	1905/1906	1904/1905	1903/1904	1902/1903	1901/1902	1900/1901	1899/1900	1898/1899	1897/1898	1896/1897	1895/1896	1894/1895	1893/1894	1892/1893	1891/1892	1890/1891	1889/1890	1888/1889	1887/1888	1886/1887	1885/1886	1884/1885	1883/1884	1882/1883	1881/1882	1880/1881	1879/1880	1878/1879	1877/1878	1876/1877	1875/1876	1874/1875	1873/1874	1872/1873	1871/1872	1870/1871	1869/1870	1868/1869	1867/1868	1866/1867	1865/1866	1864/1865	1863/1864	1862/1863	1861/1862	1860/1861	1859/1860	1858/1859	1857/1858	1856/1857	1855/1856	1854/1855	1853/1854	1852/1853	1851/1852	1850/1851	1849/1850	1848/1849	1847/1848	1846/1847	1845/1846	1844/1845	1843/1844	1842/1843	1841/1842	1840/1841	1839/1840	1838/1839	1837/1838	1836/1837	1835/1836	1834/1835	1833/1834	1832/1833	1831/1832	1830/1831	1829/1830	1828/1829	1827/1828	1826/1827	1825/1826	1824/1825	1823/1824	1822/1823	1821/1822	1820/1821	1819/1820	1818/1819	1817/1818	1816/1817	1815/1816	1814/1815	1813/1814	1812/1813	1811/1812	1810/1811	1809/1810	1808/1809	1807/1808	1806/1807	1805/1806	1804/1805	1803/1804	1802/1803	1801/1802	1800/1801	1799/1800	1798/1799	1797/1798	1796/1797	1795/1796	1794/1795	1793/1794	1792/1793	1791/1792	1790/1791	1789/1790	1788/1789	1787/1788	1786/1787	1785/1786	1784/1785	1783/1784	1782/1783	1781/1782	1780/1781	1779/1780	1778/1779	1777/1778	1776/1777	1775/1776	1774/1775	1773/1774	1772/1773	1771/1772	1770/1771	1769/1770	1768/1769	1767/1768	1766/1767	1765/1766	1764/1765	1763/1764	1762/1763	1761/1762	1760/1761	1759/1760	1758/1759	1757/1758	1756/1757	1755/1756	1754/1755	1753/1754	1752/1753	1751/1752	1750/1751	1749/1750	1748/1749	1747/1748	1746/1747	1745/1746	1744/1745	1743/1744	1742/1743	1741/1742	1740/1741	1739/1740	1738/1739	1737/1738	1736/1737	1735/1736	1734/1735	1733/1734	1732/1733	1731/1732	1730/1731	1729/1730	1728
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Unallocated income and expenses

Other operating income	449,849,494	488,137,912
Finance cost	(1,497,382,718)	(584,564,048)
Other operating expenses	(35,921,809)	(24,283,413)
Share of (loss) / profit from associated companies-net	(27,216,350)	41,653,693
Profit before taxation	313,067,009	1,498,228,390
Income tax expense	(738,119,705)	(291,301,711)
Profit after taxation	2,756,967,344	1,266,921,219

	(Un-audited) Food Segment	(Audited)	(Un-audited) Plastic Segment	(Audited)	Total
December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022	December 31, 2022	June 30, 2022

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	60
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20.6 There were no inter-segment transaction of the Company during the period (June 2022: nil)

20.7 The Company's export sales have been primarily made to Asia, Africa, Europe, North America and Australia,

20.8 World food program is the major customer of the Company which consisted 10 percent or more of the Company's revenue.



20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

Assets

Total assets for reportable segments	
Administrative capital assets	
Long term investments	
Short term investments	
Total assets	

Liabilities

Total liabilities for reportable segments	
Deferred tax liabilities	
Long term finance - secured	
Lease liabilities	
Total liabilities	

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
Note	-----Rupees-----	

20.2	52,602,854,831	41,896,526,842
	1,844,787,170	1,336,788,877
9	7,159,905,266	7,145,568,786
	1,118,831,232	965,120,059
	62,726,378,499	51,344,004,564
20.4	18,793,949,371	13,893,633,094
	1,711,762,959	1,793,253,925
14	27,112,155,331	23,070,049,273
	341,226	7,487,019
	47,618,208,887	38,764,423,311

21 EARNINGS PER SHARE - Basic and Diluted

Basic earnings per share

Profit for the period

Weighted average number of ordinary shares during the period

Basic earnings per share

There is no dilutive potential ordinary shares outstanding as at December 31

22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Transactions

Plastiflex Films (Private) Limited

Common Directorship

- Purchase of raw & packing Materials
- Metallization service
- Recovery against sales
- Payment against purchases

Ismail Resin (Private) Limited

Sale of land

Others

Remuneration to directors and other key management personnel:

Chief Executive Officer

Director

Executives

	(Un-audited) December 31, 2022	December 31, 2021
	-----Rupees-----	
	41,422,648	26,106,828
	(3,306,414)	(14,401,412)
	2,776,175	16,372,937
	(41,420,742)	(22,459,733)
	-	446,500,000
	9,150,000	8,266,668
	7,825,002	7,566,668
	438,829,429	303,879,599
	455,804,431	319,712,935

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

Balances

Plastiflex Films (Private) Limited

-Payable to associate - net

(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----	
5,182,128	5,710,461

23 FAIR VALUE MEASUREMENT

The Company's policies with the regards to fair value measurement are consistent with those disclosed in the annual financial statements for the year ended June 30, 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2022.

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

The different levels have been defined as follows:

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

The Company held the following financial assets at fair value;

	December 31, 2022			Total	June 30, 2022
	(Level 1)	(Level 2)	(Level 3)		
-----Rupees-----					
Investment in associated company	3,158,921,266	-	-	3,158,921,266	3,144,584,786
Short term investments	192,260,000	-	-	192,260,000	190,000,000
	3,158,921,266	-	-	3,158,921,266	3,334,584,786

24 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended June 30, 2022.

25 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 15, 2023 by the Board of Directors of the Company.



Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail Ahmed
Director

Ahmed Raza Parekh
Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2022**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	8	35,300,591,317	29,570,611,863
Right-of-use assets	8.1	31,234,133	26,661,774
Intangible assets		4,111,072	5,995,440
Goodwill		12,173,553	12,173,553
Long term investments	9	3,158,921,266	3,144,584,786
Long term deposits		33,557,688	27,390,426
Total non-current assets		38,540,589,029	32,787,417,842
Current assets			
Stores and spares		618,995,271	536,173,317
Stock-in-trade	10	11,141,433,412	8,501,109,463
Trade debts	11	10,474,033,847	5,827,408,364
Loans and advances		2,659,155,339	1,994,072,521
Trade deposits and short-term prepayments	12	525,463,852	50,442,888
Short term investment		1,515,632,137	1,318,192,640
Other receivables		124,922,586	117,740,491
Taxation - net		1,173,887,240	1,166,745,442
Cash and bank balances	13	850,350,722	373,050,231
Total current assets		29,083,874,406	19,884,935,357
Total assets		67,624,463,435	52,672,353,199
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (June 30, 2022: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital		663,569,400	663,569,400
Reserves		13,156,774,666	10,790,536,824
Non-controlling interest		767,592,971	812,707,126
Total shareholders' equity		14,587,937,037	12,266,813,350
Non-current liabilities			
Long-term finances - secured	14	28,403,669,250	21,115,340,979
Lease liabilities		18,764,725	11,329,635
Deferred liabilities	15	2,399,937,686	2,392,609,675
Total non-current liabilities		30,822,371,661	23,519,280,289
Current liabilities			
Trade and other payables	16	4,879,813,531	3,504,621,771
Accrued mark-up		697,357,959	387,140,074
Short-term finances - secured	17	13,131,205,795	9,088,758,920
Current portion of:			
- long-term finances - secured	14	3,164,125,992	3,507,663,033
- lease liabilities		7,602,088	7,892,005
Unclaimed dividend		4,387,970	4,044,553
Advances from customers - unsecured		329,661,402	386,139,204
Total current liabilities		22,214,154,737	16,886,259,560
Total liabilities		53,036,526,398	40,405,539,849
Total equity and liabilities		67,624,463,435	52,672,353,199
Contingencies and commitments			
	18		

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



Munsarim Saifullah
Chief Executive Officer



Maqsood Ismail Ahmed
Director



Ahmed Raza Parekh
Chief Financial Officer



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

	Note	Six-months Period Ended		Three-months Period Ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees	Rupees	Rupees	Rupees
Sales - gross	20.1	47,199,174,171	31,653,766,265	24,685,675,522	16,488,923,042
Sales returns and discounts		(1,194,329,307)	(1,168,983,472)	(618,226,993)	(556,168,581)
Export rebate		7,366,570	20,976,330	3,533,556	1,534,372
		(1,186,962,737)	(1,148,007,142)	(614,693,437)	(554,634,209)
		46,012,211,434	30,505,759,123	24,070,982,085	15,934,288,833
Sales tax		(4,606,472,425)	(3,824,588,385)	(2,313,548,928)	(1,942,169,054)
Sales - net		41,405,739,009	26,681,170,738	21,757,433,157	13,992,119,779
Cost of sales	20.1	(32,809,806,759)	(21,846,927,686)	(17,353,177,894)	(11,420,339,091)
Gross profit		8,595,932,250	4,834,243,052	4,404,255,263	2,571,780,688
Selling and distribution expenses		(3,595,764,970)	(2,677,756,872)	(1,858,768,943)	(1,461,549,777)
Administrative expenses		(634,296,104)	(473,495,554)	(332,951,199)	(247,027,098)
Operating profit		4,365,871,176	1,682,990,626	2,212,535,121	863,203,813
Other operating expenses		(359,818,134)	(247,828,392)	(173,656,317)	(65,355,208)
		4,006,053,042	1,435,162,234	2,038,878,804	797,848,605
Other income		476,034,791	501,129,333	267,082,051	132,624,390
		4,482,087,833	1,936,291,567	2,305,960,855	930,472,995
Finance cost		(1,527,249,136)	(604,504,335)	(817,503,180)	(307,879,281)
		2,954,838,697	1,331,787,232	1,488,457,675	622,593,714
Share of (loss) / profit from associated company		(27,216,350)	41,655,893	(27,216,350)	41,655,893
Profit before taxation		2,927,622,347	1,373,443,125	1,461,241,325	664,249,607
Taxation		(378,119,705)	(294,378,985)	(121,908,545)	(70,527,624)
Profit after taxation		2,549,502,642	1,079,064,140	1,339,332,780	593,721,983
Profit for the period attributable to:					
Shareholders of the Holding Company		2,594,616,797	1,107,351,560	1,359,779,281	605,140,350
Non-controlling interest		(45,114,155)	(28,287,420)	(20,446,501)	(11,418,367)
		2,549,502,642	1,079,064,140	1,339,332,780	593,721,983
Other Comprehensive income / (loss)					
<i>Item that will not be reclassified to consolidated statement of profit or loss in subsequent periods</i>					
Share of other comprehensive income / (loss) from associated company - net of tax		35,319,905	(45,806,265)	35,319,905	(45,806,265)
Unrealized gain on remeasurement of investment classified as fair value through OCI - net of tax		1,728,900	-	1,728,900	-
Other comprehensive income / (loss) for the period - net of tax		37,048,805	(45,806,265)	37,048,805	(45,806,265)
Total comprehensive income for the period		2,586,551,447	1,033,257,875	1,376,381,585	547,915,718
Total comprehensive income for the period attributable to:					
Shareholders of the Holding Company		2,631,665,602	1,061,545,295	1,396,828,086	559,334,085
Non-controlling interest		(45,114,155)	(28,287,420)	(20,446,501)	(11,418,367)
		2,586,551,447	1,033,257,875	1,376,381,585	547,915,718
Earnings per share - basic & diluted	21	39.10	16.69	20.49	9.12

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


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Raza Parekh
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

Issued, subscribed and paid-up share capital	Capital reserve		Total Reserves				Non-Controlling Interest	Total shareholders' equity
	Share premium	Amalgamation reserves	Remeasurement of investment in associated company	Revenue reserve		Total reserves		
				Remeasurement of investments at fair value through OCI	Unappropriated profit			
663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	7,492,756,577	9,686,368,883	11,046,574,421	
-	-	-	-	-	1,107,351,560	1,107,351,560	1,079,664,140	
-	-	-	(45,806,265)	-	(45,806,265)	-	(45,806,265)	
-	-	-	(45,806,265)	-	1,107,351,560	1,061,545,295	1,033,257,875	
-	-	-	-	-	-	375,000,000	375,000,000	
-	-	-	-	-	(995,354,099)	(995,354,099)	(995,354,099)	
663,569,400	1,472,531,500	916,862,067	(237,730,710)	(3,857,616)	7,604,754,038	9,752,533,279	10,878,878,097	
663,569,400	1,472,531,500	916,862,067	(406,125,879)	(7,645,000)	8,814,914,136	10,790,536,824	12,266,813,350	
-	-	-	-	-	2,594,616,797	2,594,616,797	2,549,502,642	
-	-	-	-	1,728,900	-	1,728,900	-	
-	-	-	35,319,905	-	-	35,319,905	-	
-	-	-	-	1,728,900	-	1,728,900	-	
-	-	-	-	-	2,594,616,797	2,631,665,602	2,886,551,447	
-	-	-	-	-	(265,427,760)	(265,427,760)	(265,427,760)	
663,569,400	1,472,531,500	916,862,067	(370,805,974)	(5,916,100)	11,144,103,173	13,156,774,666	14,587,937,037	

Balance as at July 01, 2021 - audited
Total comprehensive income / (loss) for the period
Profit for the six months period ended December 31, 2021
Share of other comprehensive loss from associated company - net of tax
Total comprehensive income for the period
Increase in OCI investment
Final cash dividend for the year ended June 30, 2021 @ Rs. 15 per share
Balance as at December 31, 2021
Balance as at July 01, 2022 - audited
Total comprehensive income / (loss) for the period
Profit / (loss) for the six months period ended December 31, 2022
Unrealized gain on re-measurement of investment classified as fair value through OCI - net of tax
Share of other comprehensive income from associated company - net of tax
Total comprehensive income / (loss) for the period
Final cash dividend for the year ended June 30, 2022 @ Rs. 4 per share
Balance as at December 31, 2022

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



Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail Ahmed
Director

Ahmed Raza Parekh
Chief Financial Officer



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022**

		December 31, 2022	December 31, 2021
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	19	(101,365,498)	3,547,225,144
Gratuity paid		(27,816,623)	(27,500,567)
Income tax paid		(466,752,471)	(281,516,756)
Long-term deposits - net		(6,167,262)	4,760,248
Net cash (decrease) / increase from operating activities		(602,101,854)	3,242,968,069
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(7,138,452,922)	(3,275,148,633)
Short term investment		(192,284,249)	(313,843,948)
Acquisition of subsidiary		-	(450,641,224)
Proceeds from disposal of property, plant and equipment		190,795,539	487,028,145
Net cash used in investing activities		(7,139,941,632)	(3,552,605,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net receipts from long term finances - secured		7,004,074,967	1,640,386,532
Lease repayments		7,145,173	(35,673,911)
Interest / mark-up paid		(1,331,352,772)	(561,318,613)
Dividends paid		(265,084,329)	(994,059,429)
Net cash generated from financing activities		5,414,783,039	49,334,579
Net decrease in cash and cash equivalents		(2,327,260,447)	(260,303,013)
Cash and cash equivalents at the beginning of the period		(785,025,151)	(1,050,744,701)
Cash and cash equivalents at the end of the period		(3,112,285,598)	(1,311,047,714)
Cash and bank balances	13	850,350,722	721,256,103
Running finances under mark-up arrangement	17.5	(3,962,636,320)	(2,032,303,817)
		(3,112,285,598)	(1,311,047,714)

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


Munsarim Saifullah
Chief Executive Officer


Maqsood Ismail Ahmed
Director


Ahmed Raza Parekh
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2022

1 LEGAL STATUS AND OPERATIONS

The Group consist of:

Holding Company: Ismail Industries Limited

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

a) Ismail Industries Limited

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

b) Hudson Pharma (Private) Limited

Hudson Pharma (Private) Limited (HPPL) was incorporated in Pakistan as a private limited company on May 5, 2010. The registered office of the HPPL is located at 17, Bangalore Town, Main Shahrah-e-Faisal, Karachi. Principal activities of HPPL 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, medicines and derma products.

c) Ismail Resin (Private) Limited

Ismail Resin (Private) Limited (IRPL) was incorporated in Karachi, Pakistan on January 13, 2021. The registered office of IRPL is situated at 17-Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of IRPL are manufacturing and selling of Polyester Resin.

2 SIGNIFICANT EVENTS & TRANSACTIONS

During the six-months period, there was no significant event occurred.

3 STATEMENT OF COMPLIANCE

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

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

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

4 BASIS OF PREPARATION

These consolidated condensed interim financial statements of the Group does not include all of the information and disclosure required in the consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended June 30, 2022. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

4.1 Functional and presentation currency

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

4.2 Standards, amendments and interpretations to approved accounting standards

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

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





Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 01, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 01, 2023
Disclosure Initiative—Accounting Policies	January 01, 2023
Sale and leaseback transactions (Amendments to IFRS 16)	January 01, 2023
The Group is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Group.	

4.2.2 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
There are certain standards and other amendments to accounting and reporting standards that may be relevant but are not yet effective. These are considered not to have any significant impact on the Group's financial statements and operations and, therefore, have not been disclosed in these consolidated condensed interim financial statements..	

5 RECLASSIFICATION FOR BETTER PRESENTATION

Prior year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. There is no material reclassification.

6 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2022.

7 USE OF JUDGEMENTS / ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgements and associated assumptions used in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's consolidated annual audited financial statements for the year ended June 30, 2022.

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees-----	
8 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating assets	8.2	24,403,527,332	23,875,831,327
Capital work in progress - at cost	8.3	10,897,063,985	5,694,780,536
		35,300,591,317	29,570,611,863
8.1 Right-of-use assets	8.2	31,234,133	26,661,774

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

	(Un-audited)			
	Additions/Transfers		Disposals	
	-----At cost-----		-----At net book value-----	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Owned assets				
Building on leasehold land	154,224,013	344,726,536	-	-
Leasehold land	498,886,221	17,818,190	-	119,676,555
Plant and machinery	1,051,658,920	759,720,088	157,497,340	-
Furniture and fittings	14,891,460	9,906,224	56,625	-
Equipment	23,414,777	5,912,768	66,100	-
Computers	10,460,174	19,813,049	1,032,022	224,480
Vehicles	192,289,802	240,123,070	27,189,891	32,967,841
	1,945,825,367	1,398,019,925	185,841,978	152,868,876
Right-of-use assets				
Vehicles	(9,655,895)	(44,243,138)	-	-
	1,936,169,472	1,353,776,787	185,841,978	152,868,876

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	----- Rupees -----			
Civil works	873,787,192	710,049,807	116,590,661	344,726,536
Freehold Land	-	880,872,500	-	-
Plant and machinery	5,329,389,947	2,618,671,444	1,004,599,849	759,651,384
Equipments and computers	139,447,312	79,203,861	19,150,491	-
	6,342,624,451	4,288,797,612	1,140,341,001	1,104,377,920

9 LONG-TERM INVESTMENTS

Investment in associated undertakings

The Bank of Khyber - quoted shares

Note

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	----- Rupees -----	
9.1	3,158,921,266	3,144,584,786
	3,158,921,266	3,144,584,786

9.1 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 269,383,781 (June 30, 2022: 269,383,781) shares which represents 24.43% of paid-up capital of the Bank (June 2022: 24.43%). In addition to this, the Holding Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these consolidated condensed interim financial statements have been taken from unaudited financial statements of the Bank for the nine-months period ended September 30, 2022. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on December 31, 2022 was Rs. 3,501.98 million (June 30, 2022: Rs. 4,040.756 million).





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

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
Carrying value at beginning of the period	3,144,584,786	3,180,003,578
Share of (loss) / profit from associate	(27,216,350)	216,582,895
Share of other comprehensive income / (loss)	41,552,830	(252,001,687)
	<u>3,158,921,266</u>	<u>3,144,584,786</u>

All transfers of funds to the Group, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associated company. During the period, no bonus shares and cash dividend has been received from the Bank (June 30, 2022: 5% and Rs. nil per share respectively).

		(Un-audited) December 31, 2022	(Audited) June 30, 2022
		-----Rupees-----	
10 STOCK-IN-TRADE	Note		
Raw materials	10.1	4,696,069,423	4,137,933,253
Packing materials		1,969,452,837	1,419,657,519
Work-in-process		619,817,221	416,878,374
Finished goods		3,856,093,931	2,526,640,317
		<u>11,141,433,412</u>	<u>8,501,109,463</u>

10.1 This includes raw materials in transit amounting to Rs. 810,167,176/- (June 2022: Rs. Nil)

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
11 TRADE DEBTS		
Considered goods		
- Export debtors - secured	4,511,851,477	1,430,204,301
- Local debtors - unsecured	6,070,153,010	4,505,174,703
	<u>10,582,004,487</u>	<u>5,935,379,004</u>
Allowance for expected credit loss	(107,970,640)	(107,970,640)
	<u>10,474,033,847</u>	<u>5,827,408,364</u>

12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - unsecured	488,259,921	36,442,097
Short term prepayments	36,942,331	11,343,091
Current maturity of lease deposits- Islamic	261,600	2,221,600
Current maturity of lease deposits- Conventional	-	436,100
	<u>525,463,852</u>	<u>50,442,888</u>

13 CASH AND BANK BALANCES

Cash in hand	24,427,694	4,896,610
Cash with banks in:		
- current accounts- conventional	561,867,396	217,301,926
- current accounts- islamic	264,055,633	150,851,695
	<u>850,350,722</u>	<u>373,050,231</u>

14 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	December 31, 2022			June 30, 2022		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	16,698,616,806	7,924,387,206	24,623,004,012	13,468,937,853	3,524,966,447	16,993,904,300
Obtained during the period / year	8,748,428,172	76,830,629	8,825,258,801	6,073,640,265	5,527,603,698	11,601,243,963
Repaid during the period / year	(1,542,051,912)	(338,415,659)	(1,880,467,571)	(2,843,961,312)	(1,128,182,939)	(3,972,144,251)
	23,904,993,066	7,662,802,176	31,567,795,242	16,698,616,806	7,924,387,206	24,623,004,012
Less: Current maturity	(2,428,108,755)	(736,017,237)	(3,164,125,992)	(2,784,658,932)	(723,004,101)	(3,507,663,033)
	21,476,884,311	6,926,784,939	28,403,669,250	13,913,957,874	7,201,383,105	21,115,340,979

14.1 These represent financings for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and pari-passu / ranking charge over present and future fixed assets of the Group and personal guarantees of directors. Further terms and conditions are consistent with financial information as presented in the consolidated financial statements of the Group for the year ended June 30, 2022.

14.2 The Group's total limit for long term loan amounting to Rs. 39,374 million. (June 2022: Rs. 34,187 million)

	(Un-audited)	(Audited)
	December 31, 2022	June 30, 2022
	Rupees-----	
15 DEFERRED LIABILITIES		
Provision for staff gratuity scheme - unfunded	688,174,729	599,355,750
Deferred tax liability	1,711,762,957	1,793,253,925
	2,399,937,686	2,392,609,675

16 TRADE AND OTHER PAYABLES		
Trade creditors	3,240,180,206	1,817,476,508
Other liabilities	1,639,633,325	1,687,145,263
	4,879,813,531	3,504,621,771

17	SHORT TERM FINANCES - SECURED			
	Term finances-conventional	17.1	1,064,956,649	530,000,000
	Term finances-islamic	17.2	499,761,560	286,170,800
	Export refinances	17.3	6,215,500,000	6,215,496,502
	Finance against discounting of export bills / receivable	17.4	1,388,351,266	899,016,236
	Running finance utilized under mark-up arrangement	17.5	3,962,636,320	1,158,075,382
			13,131,205,795	9,088,758,920

17.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,565 million (June 2022: Rs. 1,565 million). These are secured against pari-passu hypothecation over stocks and book debts of the Group along with the personal guarantees of directors. These carry mark-up at the rates ranging from 16.20% to 17.26% per annum (June 2022: 7.18% to 15% per annum).

17.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (June 2022: Rs. 800 million). These are secured against pari-passu hypothecation over stocks and book debts of the Group along with the personal guarantees of directors. These carry mark-up at the rates ranging from 12.64% to 16.27% per annum (June 2022: 8.70% to 13.94% per annum).

17.3 These represent facilities for export refinance arranged from various banks aggregating to Rs. 6,265 million (June 2022: Rs. 6,265 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of directors. These carry mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2022: 0.25% to 1% above SBP rate per annum).

17.4 These represent facilities for finances against discounting of export bills / receivables arranged from various banks aggregating to Rs. 1,400 million (June 2022: Rs. 900 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of directors. These carry mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (June 2022: 1% above SBP rate per annum).

17.5 These facilities for running finances are available from various banks aggregated to Rs. 9,155 million (June 2022: Rs. 4,355 million). These are secured against pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of directors. These carry mark-up at the rates ranging from 14.50% to 17.08% per annum (June 2022: 7.61% to 14.81% per annum).





18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

There are no material changes in the status of contingencies as reported in note no. 28 to the consolidated financial statements of the Group for the year ended June 30, 2022.

With reference to the contingency of associated company, The Bank of Khyber (BOK), please refer the note 22 of condensed interim financial statement for the nine month ended September 30, 2022.

18.2 Commitments

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
18.2.1 Outstanding letter of guarantees	2,306,391,575	2,531,442,605
18.2.2 Cross Corporate guarantees issued	4,163,811,644	4,163,811,644
18.2.3 Outstanding letters of credit for:		
- capital expenditures	993,695,639	4,143,155,291
- raw material	5,126,639,830	1,529,969,416
18.2.4 The Holding 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.		
18.2.5 The Group's share of commitments of associated company is based on the latest available financial information.		

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	-----Rupees-----	
- Guarantees	7,340,130	5,582,584
- Commitments	15,878,246	22,336,415

19 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Profit before taxation

Adjustments for non-cash and other items:

Depreciation	2,927,622,347	1,373,443,125
Amortization charge	1,218,059,131	1,087,853,711
Gain on disposal of property, plant and equipment - net	1,884,367	16,797,667
Provision for staff retirement gratuity	(4,953,561)	(334,159,269)
Provision for slow moving - stock in trade	106,976,329	59,152,186
Share of loss / (gain) from associated undertaking	54,859,177	(8,027,220)
Unrealized exchange gain	27,216,350	(41,655,893)
Finance cost	(81,028,279)	(7,955,546)
Net (increase) / decrease in working capital	1,641,570,657	604,504,335
Cash generated from operations after working capital changes	(5,993,572,016)	797,272,048

Note

19.1 Working capital changes

Current assets

Decrease / (Increase) in current assets

Stores and spares	(82,821,954)	(81,279)
Stock-in-trade	(2,695,183,126)	(47,266,387)
Trade debts	(4,624,880,941)	(2,641,591,412)
Loan and advances	(665,082,818)	(1,371,594,421)
Trade deposits and short-term prepayments	(475,020,964)	(39,420,426)
Other receivables	(7,182,095)	(24,337,667)
	(8,550,171,898)	(4,124,291,592)

Current liabilities

(Decrease) / Increase in current liabilities

Trade and other payables	1,375,191,760	3,032,519,312
Short term finances - secured	1,237,885,937	2,085,665,270
Advances from customers - unsecured	(56,477,815)	(196,620,942)
	2,556,599,882	4,921,563,640
Net (increase) / decrease in working capital	(5,993,572,016)	797,272,048



20 SEGMENT INFORMATION

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

- Food segment
- Plastic segment
- Pharmaceutical segment

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

[illegible]

20.6 There was no inter-segment transaction of the Company during the period (June 2022: nil)

20.7 The Group's export sales have been primarily made to Asia, Africa, Europe, North America and Australia. There were no major segment concentrations in the Company during the period. (Units: \$m, m)

20.8 World food program is the major component of the Group which consisted 80 percent or more of the Group's revenue.



		(Un-audited) December 31, 2022	(Audited) June 30, 2022
20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES	Note	-----Rupees-----	
Assets			
Total assets for reportable segments	20.2	61,105,122,862	46,872,786,896
Administrative capital assets		1,844,787,170	1,336,788,877
Long term investment	9	3,158,921,266	3,144,584,786
Short term investment		1,515,632,137	1,318,192,640
Total assets		67,624,463,435	52,672,353,199
Liabilities			
Total liabilities for reportable segments	20.4	19,730,601,386	13,970,060,272
Deferred liabilities		1,711,762,957	1,793,253,925
Long term finance - secured	14	31,567,795,242	24,623,004,012
Lease liabilities		26,366,813	19,221,640
Total liabilities		53,036,526,398	40,405,539,849

		(Un-audited) December 31, 2022	(Un-audited) December 31, 2021
21 EARNINGS PER SHARE - Basic and Diluted		----- (Rupees) -----	

Basic earnings per share

Profit for the period attributable to Shareholders of Holding Company	2,594,616,797	1,107,351,560
	----- (Number of shares) -----	
Weighted average number of ordinary shares at December 31	66,356,940	66,356,940

	----- (Rupees) -----	
Basic and diluted earnings per share	39.10	16.69

As at December 31, 2022 there is no diluted effect on the basic earnings per share of the Holding Company.

22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited) December 31, 2022	December 31, 2021
Transactions	-----Rupees-----	
Plastiflex Films (Private) Limited		
Common Directorship	41,422,648	26,106,828
- Purchase of raw and packing materials	(3,306,414)	(14,401,412)
- Metallization service	2,776,175	16,372,937
- Recovery against sales	(41,420,742)	(22,459,733)
- Payment against purchases		
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	24,300,000	22,666,668
Directors	15,650,004	14,766,668
Executives	469,716,071	327,980,919
	509,666,075	365,414,255

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

Balances

Plastiflex Films (Private) Limited

-Payable to associate - net

(Un-audited) December 31, 2022	(Audited) June 30, 2022
-----Rupees-----	
5,182,128	5,710,461

23 FAIR VALUE MEASUREMENT

The Group's policies with the regards to fair value measurement are consistent with those disclosed in the annual financial statements for the year ended June 30, 2022. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Group for the year ended June 30, 2022.

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

The different levels have been defined as follows:

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

The Group held the following financial assets at fair value;

	Decemeber 31, 2022				June 30, 2022
	(Level 1)	(Level 2)	(Level 3)	Total	
	-----Rupees-----				
Investment in associated undertaking	3,158,921,266	-	-	3,158,921,266	3,144,584,786
Short-term investments	192,260,000	-	-	192,260,000	190,000,000
	3,351,181,266	-	-	3,351,181,266	3,334,584,786

24 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended June 30, 2022.

25 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on February 15, 2023 by the Board of Directors of the Group.



Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail Ahmed
Director

Ahmed Raza Parekh
Chief Financial Officer



ISMAIL INDUSTRIES LIMITED

HEAD OFFICE

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FACTORIES

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UNIT 3 : G-1, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
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UNIT 4 : G-22, 23, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.
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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 : E154-157, 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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