



ISMAIL  
INDUSTRIES  
LIMITED

QUARTERLY REPORT  
MARCH 2021

**Persistent  
Growth**



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## COMPANY PROFILE

### Board of Directors

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

### Audit Committee Members

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

### Registered Office

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

### Factories

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

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

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

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

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

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

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

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

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

### Human Resource & Remuneration Committee

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

### Company Secretary

Mr. Ghulam Farooq

### Chief Financial Officer

Mr. Abdul Qadir

### Auditor

Grant Thornton Anjum Rahman  
Chartered Accountants

### Legal Advisor

Mohsin Tayebaly & Co.

### Share Registrar

THK Associates (Pvt.) Limited

### Bankers / Institutions

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

## DIRECTOR'S REVIEW REPORT ON COMPANY'S AFFAIRS

The Board of Directors of the Company is pleased to present the stand alone and consolidated un-audited condensed interim financial statements of the Company for the quarter and nine months period ended March 31, 2021. The overview on Company's performance briefly during the period under review is as under:

Description	Mar-21 Rs. in Million	Mar-20
Gross Sales	35,276	31,711
Gross Profit	5,920	5,458
Operating Profit	1,933	1,611
Profit After Tax	1,501	690
EPS in Rs.	22.62	10.82

The pandemic shrank the global economy quite considerably, now regain of economic activity mainly depends on how soon we see the end of the pandemic. Hopefully, vaccination of large segment of population against COVID-19 may gradually restore, resulting improvement in demand and stability in prices. The economic activities during the nine months period were adversely impacted by COVID-19 pandemic. This calamity was in addition to already persisting challenging economic and social environment for the business in Pakistan from the beginning of the period in addition to the recent pandemic third wave.

Though, the period under review was challenging for the country however, the company has successfully ended the quarter results with excellent financial performance of its both food and plastic segments based on strong growth in sales and earnings. The growth momentum continued as the Company registered 11% in the topline of the business through an aggressive and multi-dimensional focus on brand building and brand activation together with customer satisfaction combined with continuous efforts, prudent and timely decision making.

To minimize the financial and non-financial impacts of the challenges being faced by the Company, the management under the guidance of the Board shall continue to take various measure to reduce cost of doing business and generate maximum returns and get the benefits of synergy in operation. In line with the strategic objectives, 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 recently incorporated associated / subsidiary company M/s. Ismail Resin (Private) Limited (IRL) which having the intention of setting-up a Polyester Resin (PET Resin) manufacturing plant. The Company will issue Cross Corporate Guarantee up to Rs. 4.70 billion and Sponsor Support Agreement to the lenders of IRL. The Company will also issue a Cross Corporate Guarantee up to Rs. 600 million to the lender of its subsidiary company M/s. Hudson Pharma (Private) Limited which investing in its core business activities.

### FUTURE OUTLOOK

The management acknowledges the uncertainty emanating from Covid 19 and its impact on economy, high inflation is taking its toll on the disposable incomes and consumer spending is expected to remain in check during the periods ahead. Further, supply chain management and extended smart lockdowns can affect the cost and capability to serve the market effectively. However, the management of the Company remains committed to drive business fundamentals and maintain its market leadership position in all major categories through contingency planning and are geared to deliver its social and economic responsibilities.

### ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

**Munsarim Saifullah**  
Chief Executive Officer

**Karachi: April 22, 2021**

## ڈائریکٹران کی جائزہ رپورٹ

کی منظوری دی ہے۔ کمپنی اسماعیل ریزن (پرائیویٹ) لمیٹڈ کی خاطر 4.70 بلین روپے کی کراس کارپوریٹ گارنٹی جاری کرے گی اور قارض کے لیے معاہدے میں مددگار رہے گا۔ قارض کو کمپنی 600 ملین روپے کی ایک اور کراس کارپوریٹ گارنٹی جاری کرے گا اپنی ماتحت بڈن فارما (پرائیویٹ) لمیٹڈ کے اپنے اہم کاروباری سرگرمیوں میں سرمایہ کاری کی خاطر۔

### مستقبل کی پیش بینی

انتظامیہ کو کووڈ کے نتیجہ میں غیر یقینی معاشی اثرات، افراط زر کے باعث ممکنہ دستیاب آمدن و صارف کی قوت خرید کا ادراک ہے۔ مزید یہ کہ سپلائی چین مینجمنٹ اور لاک ڈاؤن کی وسعت مارکیٹ میں مصنوعات کی لاگت و فراہمی پر اثر انداز رہے گی۔ البتہ کمپنی کی انتظامیہ پر عزم ہے کہ بنیادی کاروباری ضوابط کو جاری رکھے گی اور ہنگامی منصوبہ بندی کے ذریعہ مارکیٹ میں اپنی برتری تمام بڑی اقسام کی مصنوعات میں بنانے رکھنے کے ساتھ ساتھ اپنی معاشرتی و معاشی ذمہ داریاں بھی نبھائے گا۔

### اعتراف

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

من جانب بورڈ آف ڈائریکٹرز

منصبر سیف اللہ

چیف ایگزیکٹو آفیسر

کراچی: اپریل 22، 2021

کمپنی ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کے مارچ 31، 2021 تک کے انفرادی و مشترکہ تیسری سہ ماہی و نو ماہ کے مالیاتی نتائج (غیر آڈٹ شدہ) پیش کر رہے ہیں۔

تفصیل	مارچ 2021	مارچ 2020
مجموعی فروخت	35,276	31,711
خام منافع	5,920	5,458
کاروباری منافع	1,933	1,611
منافع بعد از محصول	1,501	690
فی حصص آمدن	22.62	10.82

وبا نے عالمی معیشت کو کافی حد تک سکیڑ دیا ہے، معاشی سرگرمیوں کی دوبارہ واپسی وبا کے جلد خاتمے پر منحصر ہے۔ امید کی جاتی ہے کہ کووڈ 19 کے سدباب کے لیے بڑے پیمانے پر حفاظتی ٹیکوں کے استعمال سے بتدریج بحالی ہو پائے گی، جس کے نتیجے میں طلب میں اضافہ ہوگا اور قیمتوں میں بھی استحکام آئے گا۔ گزشتہ نو ماہ میں کووڈ 19 کی وبا کے باعث معاشی سرگرمیوں پر منفی رجحان رہا ہے۔ یہ آفت پاکستانی کاروبار کے معاشی و معاشرتی ماحول کے مشکل معاملات میں ایک اضافہ تھا جبکہ موجودہ مدت میں وبا کی تیسری لہر ایک اور اضافہ ہے۔

اگرچہ زیر جائزہ دورانیہ ملک کے لیے انتہائی دشوار تھا، البتہ کمپنی نے غذائی و پلاسٹک دونوں ہی شعبوں میں بہترین نمو، فروخت و آمدن کی بنیاد پر بہترین مالی نتائج کی صورت میں اس سہ ماہی کا خاتمہ کیا ہے۔ ترقی کی رفتار جاری رہی اور کمپنی نے 11 فیصد کی بلند کاروباری سطح کو اپنے نام کیا بذریعہ مستعد و گنیر الجہنی توجہ برائے برانڈ کی تعمیر و تحریک بشمول صارفین کے اطمینان، جہد مسلسل، محتاط اور بروقت فیصلہ سازی۔

کمپنی کے ممکنہ مالی و غیر مالی اثرات کو محدود کرنے کی خاطر انتظامیہ نے بورڈ کی رہنمائی میں کاروباری لاگت کو کم کرنے اور زیادہ نتائج کے حصول کے لیے بے شمار اقدامات کیے ہیں۔ حکمت عملی کے اصول پر کاربند رہتے ہوئے کمپنی نے 12 اپریل 2021 کو غیر معمولی اجلاس میں حال ہی میں رجسٹر ماتحت کمپنی اسماعیل ریزن (پرائیویٹ) لمیٹڈ جس کا ارادہ ہے کہ پولیسٹریزن کا پیداواری منصوبہ قائم کیا جائے میں 1.50 بلین روپے کی سرمایہ کاری

UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD  
ENDED MARCH 31, 2021

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

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
		-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	19,917,215,844	19,266,848,674
Right-of-use assets	6.1	107,379,811	306,955,475
Intangible assets		42,469,554	55,293,210
Long term investments	7	4,967,917,900	5,276,303,873
Long term deposits		34,099,381	37,005,581
<b>Total non-current assets</b>		25,069,082,490	24,942,406,813
<b>Current assets</b>			
Stores and spares	8	431,116,874	351,847,225
Stock-in-trade	9	6,157,029,307	6,251,658,329
Trade debts	10	4,405,884,291	3,344,985,089
Loans and advances		1,500,399,088	936,777,070
Trade deposits and short-term prepayments		28,951,226	36,060,055
Short term investment		320,258,766	200,000,000
Other receivables	11	429,787,974	119,919,336
Taxation - net		1,126,452,663	1,273,085,745
Cash and bank balances	12	45,719,298	51,195,200
<b>Total current assets</b>		14,445,599,487	12,565,528,049
<b>Total assets</b>		39,514,681,977	37,507,934,862
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Authorised share capital			
250,000,000 (June 30, 2020: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
66,356,940 (June 30, 2020: 66,356,940) ordinary shares of Rs.10 each		663,569,400	663,569,400
Reserves		10,341,081,806	9,236,215,197
<b>Total shareholders' equity</b>		11,004,651,206	9,899,784,597
<b>Non-current liabilities</b>			
Long term finances - secured	13	11,955,068,071	13,513,452,828
Lease liabilities		28,588,952	91,245,081
Deferred liabilities		2,101,036,872	2,069,506,039
<b>Total non-current liabilities</b>		14,084,693,895	15,674,203,948
<b>Current liabilities</b>			
Trade and other payables	14	4,190,031,514	3,436,484,784
Accrued mark-up		153,907,750	195,966,471
Short term finance - secured	15	6,070,730,180	6,789,925,030
Current portion of:			
- long term finances - secured	13	3,577,936,876	985,228,903
- Lease liabilities		53,352,274	77,281,836
Unclaimed dividend		2,902,597	2,644,785
Advances from customers - unsecured		376,475,685	446,414,508
<b>Total current liabilities</b>		14,425,336,876	11,933,946,317
<b>Total liabilities</b>		28,510,030,771	27,608,150,265
<b>Total equity and liabilities</b>		39,514,681,977	37,507,934,862
<b>Contingencies and commitments</b>	16		

The annexed selected notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

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

	Note	Nine-months Period Ended		Three-months Period Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		-----Rupees-----		-----Rupees-----	
<b>Sales - gross</b>	19.1	35,276,338,183	31,711,426,262	12,001,029,935	10,270,620,497
Sales returns and discounts		(1,504,439,193)	(1,563,466,817)	(519,599,347)	(699,422,898)
Export Rebate		13,691,682	8,130,997	2,895,813	2,321,453
		(1,490,747,511)	(1,555,335,820)	(516,703,534)	(697,101,445)
		33,785,590,672	30,156,090,442	11,484,326,401	9,573,519,052
Sales tax		(4,475,120,186)	(4,417,008,963)	(1,493,034,099)	(1,438,395,005)
Sales - net		29,310,470,486	25,739,081,479	9,991,292,302	8,135,124,047
Cost of sales	19.1	(23,390,919,540)	(20,281,564,076)	(7,816,552,192)	(6,460,252,495)
<b>Gross profit</b>		5,919,550,946	5,457,517,403	2,174,740,110	1,674,871,552
Selling and distribution expenses		(3,466,554,502)	(3,399,241,118)	(1,328,565,301)	(1,127,843,125)
Administrative expenses		(520,489,714)	(447,079,343)	(228,599,169)	(166,867,884)
<b>Operating profit</b>		1,932,506,730	1,611,196,942	617,575,640	380,160,543
Other operating expenses		(233,890,384)	(125,850,815)	(72,883,569)	(32,222,628)
		1,698,616,346	1,485,346,127	544,692,071	347,937,915
Other income		331,733,746	200,713,933	23,262,636	58,857,382
		2,030,350,092	1,686,060,060	567,954,707	406,795,297
Finance cost		(561,075,182)	(984,630,523)	(160,425,441)	(394,129,168)
		1,469,274,910	701,429,537	407,529,266	12,666,129
Share of profit from associated companies - net		230,991,373	197,345,585	122,012,640	173,273,298
<b>Profit before taxation</b>		1,700,266,283	898,775,122	529,541,906	185,939,427
Taxation		(198,996,935)	(208,494,155)	65,434,303	(107,426,696)
<b>Profit after taxation</b>		1,501,269,348	690,280,967	594,976,209	78,512,731
<b>Earnings per share - basic &amp; diluted</b>	20	22.62	10.82	8.97	1.23
<b>Other Comprehensive Income</b>					
<i>Item that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods</i>					
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(3,663,600)	-	-	-
Share of other comprehensive (loss) / income from associated undertaking - net of tax		(193,668,319)	304,102,102	(20,472,472)	131,579,202
Other comprehensive (loss) / income for the period - net of tax		(197,331,919)	304,102,102	(20,472,472)	131,579,202
<b>Total comprehensive income for the period</b>		1,303,937,429	994,383,069	574,503,737	210,091,933

The annexed selected notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer



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

Issued, subscribed and paid-up share capital	Capital reserve		Total Reserve Revenue reserve			Advance against issue of right shares	Total shareholders' equity
	Share premium	Amalgamation reserves	Remeasurement of investment in associated companies	Remeasurement of investments at fair value through OCI	Unappropriated profit		
638,047,500	579,265,000	916,862,067	(854,605,234)	-	6,094,677,327	6,736,199,160	7,374,246,660
-	-	-	-	-	690,280,967	690,280,967	690,280,967
-	-	-	304,102,102	-	304,102,102	304,102,102	304,102,102
-	-	-	304,102,102	-	690,280,967	994,383,069	994,383,069
638,047,500	579,265,000	916,862,067	(350,803,132)	-	6,561,687,329	7,507,311,264	8,054,924,034
663,569,400	1,472,531,500	916,862,067	41,535,172	-	6,805,286,438	9,236,215,197	9,899,784,937
-	-	-	-	-	1,501,269,348	1,501,269,348	1,501,269,348
-	-	-	-	(3,663,600)	-	(3,663,600)	(3,663,600)
-	-	-	(93,668,309)	(93,668,309)	1,501,269,348	(93,668,309)	(93,668,309)
-	-	-	-	-	1,303,937,429	1,303,937,429	1,303,937,429
663,569,400	1,472,531,500	916,862,067	(152,133,147)	-	(99,070,820)	(99,070,820)	(99,070,820)
663,569,400	1,472,531,500	916,862,067	(152,133,147)	(3,663,600)	8,107,484,986	10,341,081,800	11,004,651,206

Balance as at July 01, 2019 - audited

**Total comprehensive income/(loss) for the period**

Profit for the nine months period ended March 31, 2020

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

**Total comprehensive income for the period**

**Transaction with owners, recognised directly in equity**

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

Cash dividend paid for the year ended December 31, 2019 @ Rs. 0.30 per share

Advance against issue of right shares

Balance as at March 31, 2020

**Balance as at July 01, 2020**

**Total comprehensive income/(loss) for the period**

Profit for the nine months period ended March 31, 2021

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

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

**Total comprehensive (loss) / income for the period**

**Transaction with owners, recognised directly in equity**

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

Balance as at March 31, 2021

The annexed selected notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations after working capital changes	17	795,407,995	4,777,713,218
Gratuity paid		(53,686,689)	(20,165,104)
Income tax paid - net		(50,165,293)	(245,240,992)
Long-term deposits refund		2,906,200	6,699,910
<b>Net cash generated from operating activities</b>		<b>694,462,213</b>	<b>4,519,007,032</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)		(1,996,471,795)	(7,221,946,531)
Capital expenditure - intangibles		(10,306,200)	-
Investment in associated undertakings		-	(16,294,565)
Advance against shares of subsidiary		-	(455,378,000)
Short term investment		(125,418,766)	(200,000,000)
Proceeds from disposal of property, plant and equipment		562,616,552	39,625,367
<b>Net cash used in investing activities</b>		<b>(1,569,580,209)</b>	<b>(7,853,993,729)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from long-term financing - secured		1,034,323,216	4,528,865,680
Advance against issue of right shares		-	908,665,920
Sponsors' loan - subordinated		-	(902,151,770)
Lease repayment		(87,403,683)	(38,021,390)
Interest/ mark-up paid		(603,133,903)	(863,196,017)
Dividends paid		(198,813,008)	(223,011,299)
<b>Net cash generated from financing activities</b>		<b>144,972,622</b>	<b>3,411,151,124</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(730,145,374)</b>	<b>76,164,427</b>
Cash and cash equivalents at the beginning of the period		(1,663,611,508)	(3,267,596,157)
<b>Cash and cash equivalents at the end of the period</b>	18	<b>(2,393,756,882)</b>	<b>(3,191,431,730)</b>

The annexed selected notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

### 1 LEGAL STATUS AND OPERATIONS

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

### 2 SIGNIFICANT EVENTS AND TRANSACTIONS

The company in its Extra Ordinary General Meeting held on April 12, 2021 has approved the following.

- An equity investment up to Rs. 1.50 billion to be made in its recently incorporated associated / subsidiary company M/s. Ismail Resin (Private) Limited (IRL) which having the intention of setting-up a Polyester Resin (PET Resin) manufacturing plant.
- The Company will issue Cross Corporate Guarantee up to Rs. 4.7 billion and sponsor support agreement to the lenders of IRL.
- The Company will Issue a Corporate Guarantee up to Rs. 600 million to the lender of its subsidiary company M/s. Hudson Pharma (Private) Limited.

### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

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

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

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

#### 3.2 These unconsolidated condensed interim financial statements of the Company do not include all of the information and disclosure required in the unconsolidated annual audited financial statements and should be read in conjunction with the unconsolidated annual audited financial statements of the company as at and for the year ended June 30, 2020. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The figures in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with the relevant notes to the unconsolidated condensed interim financial statements for the nine-months period ended March 31, 2021 are not audited. Further, the figures for the three-months period ended March 31, 2021 and 2020 have not been reviewed by the auditors.

#### 3.3 Functional and presentation currency

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

#### 3.4 Standards, amendments and interpretations to approved accounting standards

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

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

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

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

June 1, 2020

Adoption of the above standard have no significant effect on the amounts for the period ended March 31, 2021.

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

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

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

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

January 1, 2022

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

January 1, 2022

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

January 1, 2022

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

January 1, 2022

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

January 1, 2022

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

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

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

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

IFRS 17 'Insurance Contracts'

January 1, 2023

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

July 1, 2009

**4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES**

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

**5 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT**

The estimates / 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, 2020.

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, 2020.

**6 PROPERTY, PLANT AND EQUIPMENT****Note**

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees-----	
Operating fixed assets	14,897,852,966	13,423,796,292
Capital work in progress - at cost	5,019,362,878	5,843,052,382
	<u>19,917,215,844</u>	<u>19,266,848,674</u>
6.1 Right-of-use assets	107,379,811	306,955,475

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

	(Un-audited)			
	Additions/Transfers		Disposals	
	-----At cost-----		-----At net book value-----	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
<b>Owned assets</b>				
Building on leasehold land	783,956,044	188,401,942	-	-
Leasehold land	-	-	293,378,615	-
Plant and machinery	1,769,205,882	1,183,831,689	46,084	4,738,957
Furniture and fittings	18,516,330	16,262,510	-	8,963
Equipment	42,534,827	12,135,804	-	-
Computers	21,930,985	4,226,850	366,005	8,016
Vehicles	143,017,230	41,427,734	42,241,936	2,337,479
	2,779,161,298	1,446,286,529	336,032,640	7,093,415
<b>Right-of-use assets</b>				
Vehicles	817,992	72,664,923	-	20,518,586
	817,992	72,664,923	-	20,518,586
	2,779,979,290	1,518,951,452	336,032,640	27,612,001

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

		(Un-audited)			
		Additions		Transfers	
		-----At cost-----			
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		----- Rupees -----			
Civil works	6.4	548,232,349	973,196,196	783,956,044	188,401,942
Plant and machinery		1,191,140,720	6,102,032,512	1,729,689,876	1,183,831,689
Electric installation		37,399,154	-	38,647,506	-
Equipment and Computer		-	-	7,168,300	-
		1,776,772,223	7,075,228,708	2,559,461,726	1,372,233,631

6.4 It includes trial production cost amounting to Rs. 159.34 million. The Company has completed its trial production phase of BOPET line II till the completion of this quarter. Therefore the related sales and expenses have been capitalised as trial production cost.

Note	(Un-audited)	(Audited)
	March 31, 2021	June 30, 2020
	----- Rupees -----	

## 7 LONG-TERM INVESTMENTS

### Investment in subsidiary Company- unquoted shares

Hudson Pharma (Private) Limited	7.1	1,605,984,000	605,984,000
Add: Advance against shares			
- opening balance		-	376,115,000
- increase during the year		-	623,885,000
		-	1,000,000,000
		1,605,984,000	1,605,984,000

### Investment in associated undertakings

Novelty Enterprises (Private) Limited - unquoted shares	7.2	228,703,777	228,703,777
The Bank of Khyber - quoted shares	7.3	3,133,230,123	3,441,616,096
		4,967,917,900	5,276,303,873

### 7.1 Hudson Pharma (Private) Limited

The Company holds 160,598,400 (June 2020: 160,598,400) shares of Hudson Pharma (Private) Limited (subsidiary), which is equivalent to 77.71% of total paid up share capital (June 2020: 77.71%). The subsidiary is incorporated under Companies Act, 2017 as a private company, limited by shares. The registered office of the company is located at 17 Bangalore town, main Shahrah-e-Faisal Karachi. Principal activities of the subsidiary are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical drugs and medicines. The shares of subsidiary are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of subsidiary is June 30.

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

### 7.2 Novelty Enterprises (Private) Limited

The Company holds 33% (June 2020: 33%) voting and equity interest in Novelty Enterprises (Private) Limited (NEL). The shares of NEL are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of NEL is June 30.

Total equity / net assets of NEL as at June 30, 2020 based on financial statements amounted to Rs. 561.386 million (2019: Rs. 561.422 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated December 15, 2019 fair value of fixed assets of NEL amounted to Rs. 1,079.840 million resulting in surplus on fixed assets of Rs. 518.454 million. Revised net assets after the revaluation surplus amounted to Rs. 1,079.840 million (2019: Rs. 1,045.063 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

NEL has not commenced operations as of the reporting date.

### 7.3 The Bank of Khyber

The total shareholding of the Company including the recently bonus entitlement of 5% announced by the Bank of Khyber (the Bank) is 256,555,983 (June 30, 2020: 244,339,031) shares which represents 24.43% of paid-up capital of the Bank (June 2020: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these unconsolidated condensed interim financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2020 and unaudited interim financial statements for the six-months period ended June 30, 2020. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on March 31, 2021 was Rs. 4,274.22 million (June 30, 2020: Rs. 3,467.17 million).

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020
Carrying value at beginning of the period	3,441,616,096	2,001,232,631	228,703,777	228,717,751
Investment made during the period	-	16,284,035	-	-
Share of profit or (loss)	230,991,373	491,986,115	-	(13,974)
Dividend received/receivable	(311,532,265)	(122,169,516)	-	-
Share of other comprehensive (loss) / income	(227,845,081)	1,054,282,831	-	-
	3,133,230,123	3,441,616,096	228,703,777	228,703,777

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associated companies. During the period, the Bank has announced the cash dividend of Rs. 1.5 per share and 5% bonus shares.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	-----Rupees-----	
<b>8 STORES AND SPARES</b>			
Stores and spare parts - gross		439,708,294	360,438,645
Provision for slow moving stores and spares		(8,591,420)	(8,591,420)
Store and spares - net		431,116,874	351,847,225
<b>9 STOCK-IN-TRADE</b>			
Raw materials	9.1	2,881,434,914	2,752,429,006
Packing materials	9.1	948,677,952	661,948,508
Work-in-process		192,164,017	175,501,874
Finished goods		2,134,752,424	2,661,778,941
		6,157,029,307	6,251,658,329

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

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
		-----Rupees-----	
<b>10 TRADE DEBTS</b>			
Considered good			
- secured (export debtors)		1,551,187,733	1,056,320,953
- unsecured		2,955,667,198	2,384,634,776
		4,506,854,931	3,440,955,729
Allowance for expected credit loss		(100,970,640)	(95,970,640)
<b>Trade debts - net</b>		4,405,884,291	3,344,985,089

# 11 SHORT TERM INVESTMENT

Term Finance Certificates	194,840,000	200,000,000
Pakistan Investment Bonds	125,418,766	-
	320,258,766	200,000,000

# 12 CASH AND BANK BALANCES

Cash in hand	12,425,649	17,840,930
Cash with banks in:		
- current accounts- <i>conventional</i>	23,863,017	12,680,687
- current accounts- <i>islamic</i>	9,430,632	20,673,583
	45,719,298	51,195,200

# 13 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	March 31, 2021			June 30, 2020		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	11,538,341,345	2,960,340,386	14,498,681,731	6,018,572,286	2,047,270,107	8,065,842,393
Obtained during the period / year	1,376,633,969	2,307,000	1,378,940,969	6,405,325,391	1,692,653,700	8,097,979,091
Repaid during the period / year	(344,617,753)	-	(344,617,753)	(885,556,332)	(779,583,421)	(1,665,139,753)
	12,570,357,561	2,962,647,386	15,533,004,947	11,538,341,345	2,960,340,386	14,498,681,731
Less: Current maturity	(2,516,749,671)	(1,061,187,205)	(3,577,936,876)	(796,765,907)	(188,462,996)	(985,228,903)
	10,053,607,890	1,901,460,181	11,955,068,071	10,741,575,438	2,771,877,390	13,513,452,828

- 13.1 These represent financings for property, plant and equipment. The above-mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of sponsors. During the period, the Company has also availed long term loan under SBP Temporary Economic Refinance Facility (TERF) for the import of new plant and machinery.
- 13.2 The Company's total limit for long term loan amounting to Rs. 23,405 million. (June 2020 Rs. 19,207 million)
- 13.3 The Company has also availed Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. These long term financing facilities is secured by way of first pari-passu charge over present and future fixed assets of the Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 0%) plus bank's spread ranges from 1.5% to 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

14	TRADE AND OTHER PAYABLES	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
			-----Rupees-----	
	Trade creditors		2,485,829,135	2,225,495,468
	Other liabilities		1,704,202,379	1,210,989,316
			<b>4,190,031,514</b>	<b>3,436,484,784</b>
15	SHORT TERM FINANCES - SECURED			
	Term finances-conventional	15.1	-	855,000,000
	Term finances-islamic	15.2	-	971,931,342
	Export refinances	15.3	3,631,254,000	3,248,186,980
	Running finance utilized under mark-up arrangement	15.4	2,439,476,180	1,714,806,708
			<b>6,070,730,180</b>	<b>6,789,925,030</b>

- 15.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 1,005 million (June 2020: Rs. 1,005 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 7.18% to 8.96% per annum (June 2020: 8.43% to 14.29% per annum).
- 15.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 300 million (June 2020: Rs. 1,000 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.81% to 8.63% per annum (June 2020: 8.09% to 14.38% per annum).
- 15.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 4,550.70 million (June 2020: Rs. 3,650.70 million). These are secured against pari-passu / ranking / hypothecation charge of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2020: 0.25% to 1% above SBP rate per annum).
- 15.4 These facilities for running finances available from various banks aggregated to Rs. 4,489.30 million (June 2020: Rs. 4,039.30 million). These are secured against pari-passu hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.35% to 8.23% per annum (June 2020: 8.43% to 14.86% per annum).



## 16 CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

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

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

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

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
16.2 Commitments	Note	-----Rupees-----	
Outstanding letter of guarantees		2,186,292,712	2,136,440,528
Bank guarantees issued by the Company on behalf of			
Ismail Resin (Private) Limited	Subsidiary / Associate	1,200,000,000	-
Hudson Pharma (Private) Limited	Subsidiary Company	578,811,644	-
Outstanding letter of credit for:			
- capital expenditures		3,107,422,301	592,832,875
- others		1,575,220,891	945,731,340

The Company has executed sponsors support agreement with 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.

**17 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES**

	(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
	-----Rupees-----	
Profit before income tax	1,700,266,283	898,775,122
<b>Adjustments for non-cash and other items:</b>		
Depreciation	1,210,465,642	928,932,640
Amortization charge	23,129,857	22,619,950
Gain on disposal of property, plant and equipment - net	(226,583,912)	(12,013,366)
Provision for staff retirement gratuity	118,692,122	53,985,999
Provision for doubtful debts	5,000,000	10,000,000
Share of profit from associated undertaking	(230,991,373)	(197,345,585)
Unrealized exchange loss / (gain)	(9,038,171)	-
Finance cost	561,075,182	984,630,523
Net changes in working capital	(2,356,607,635)	2,088,127,935
Cash generated from operations after working capital changes	795,407,995	4,777,713,218

**17.1 Working capital changes**

Note

	(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
	-----Rupees-----	
<b>Current assets</b>		
<b>Decrease / (Increase) in current assets</b>		
Stores and spares	(79,269,649)	(65,164,930)
Stock-in-trade	94,629,022	(1,368,414,264)
Trade debts	(1,056,861,031)	(1,064,625,945)
Loans and advances	(563,622,018)	774,580,152
Trade deposits and short-term prepayments	7,108,829	(37,068,938)
Other receivables	1,663,627	(26,410,301)
	(1,596,351,220)	(1,787,104,226)
<b>Current liabilities</b>		
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	753,546,730	1,345,998,252
Short term finance - secured	(1,443,864,322)	2,423,745,636
Advances from customers - unsecured	(69,938,823)	105,488,273
	(760,256,415)	3,875,232,161
<b>Net changes in working capital</b>	(2,356,607,635)	2,088,127,935

**18 CASH AND CASH EQUIVALENTS**

Cash and bank balances	12	45,719,298	57,294,509
Running finances under mark-up arrangement	15	(2,439,476,180)	(3,248,726,239)
		(2,393,756,882)	(3,191,431,730)

## 19 SEGMENT INFORMATION

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

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

- Food processing
- Plastic film

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

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

	(Un-audited)									
	Three-months Period Ended				Nine-months Period Ended					
	Food Processing		Plastic Film		Food Processing		Plastic Film		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	Rupees									
Sales										
Local	7,871,694,242	7,351,700,918	2,024,632,390	1,625,705,212	9,896,326,632	9,177,406,130	23,640,386,183	23,097,174,814	6,481,918,131	5,359,627,457
Export	1,708,108,614	902,587,157	396,594,689	190,707,210	2,104,703,303	1,093,214,367	4,420,442,921	733,590,948	585,409,232	5,154,033,869
Export rebates	2,651,947	2,321,453	243,866	-	2,895,813	2,321,453	13,063,099	8,130,997	628,583	-
	9,582,454,803	8,456,329,528	2,421,470,945	1,816,412,422	12,003,925,748	10,272,941,950	28,073,892,203	23,574,310,700	7,216,137,662	6,145,126,689
Less:										
Sales return and discounts	(518,584,658)	(693,536,092)	(1,014,689)	(5,886,206)	(519,599,347)	(699,422,898)	(1,499,472,719)	(1,541,323,240)	(4,966,474)	(21,634,577)
Sales tax	(1,174,834,623)	(1,194,471,630)	(318,199,476)	(243,923,375)	(1,493,034,099)	(1,439,970,005)	(3,486,487,580)	(988,662,006)	(835,258,276)	(4,417,120,186)
	(1,695,419,281)	(1,888,008,322)	(332,214,165)	(249,809,581)	(2,012,633,346)	(2,131,841,700)	(5,185,969,299)	(5,123,042,927)	(956,872,853)	(3,970,438,063)
Net sales	7,887,035,522	6,563,321,206	2,109,256,769	1,566,602,841	9,991,292,392	8,141,120,407	23,087,961,004	20,450,927,643	6,222,308,582	5,284,253,836
Cost of sales	(6,207,140,973)	(5,023,014,205)	(1,609,411,239)	(1,436,638,290)	(7,816,552,192)	(6,460,224,925)	(13,482,491,887)	(13,482,491,887)	(7,799,271,819)	(6,209,241,564)
Selling and distribution	(1,141,283,725)	(1,066,599,767)	(187,281,576)	(61,243,358)	(1,328,565,501)	(1,127,843,125)	(3,151,275,967)	(315,278,535)	(192,681,574)	(30,281,116)
Administrative expenses	(216,972,029)	(121,796,691)	(1,627,140)	(45,070,892)	(228,599,469)	(166,867,884)	(446,555,180)	(73,934,534)	(47,147,427)	(447,179,343)
	(7,565,396,727)	(6,212,010,963)	(1,808,319,063)	(1,542,952,540)	(9,733,716,662)	(7,754,963,304)	(19,958,716,646)	(16,471,627,356)	(5,068,967,890)	(24,174,884,537)
Segment result	321,638,795	356,310,243	293,936,445	23,650,301	617,575,640	386,167,093	1,185,632,438	1,391,910,997	746,673,892	219,285,946
Unallocated income and expenses										
Other operating income										
Finance cost										
Other operating expenses										
Share of profit from associated companies-net										
Profit before taxation										
Income tax expense										
Profit for the period										
	(Un-audited)	(Audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020	March 31, 2021	June 30, 2020
	Rupees									
19.2 Segment assets	20,956,042,183	20,272,065,197	12,899,036,632	11,024,025,516	33,835,078,815	31,296,090,513			33,835,078,815	31,296,090,513
19.3 Unallocated assets	-	-	-	-	567,603,162	6,210,444,349			5,679,603,162	6,210,444,349
19.4 Segment liabilities	20,956,042,183	20,272,065,197	12,899,036,632	11,024,025,516	39,514,681,977	37,507,934,862			39,514,681,977	37,507,934,862
19.5 Unallocated liabilities	985,212,478	2,529,351,720	9,808,835,248	8,778,993,873	10,794,047,726	11,308,345,593			10,794,047,726	11,308,345,593
	985,212,478	2,529,351,720	9,808,835,248	8,778,993,873	10,794,047,726	11,308,345,593			16,299,804,672	16,299,804,672
	985,212,478	2,529,351,720	9,808,835,248	8,778,993,873	28,510,030,771	27,608,150,265			28,510,030,771	27,608,150,265

Transactions among the business segments are recorded at estimated cost.

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

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

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
<b>19.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES</b>	<b>Note</b>	-----Rupees-----	
<b>Assets</b>			
Total assets for reportable segments	19.2	33,835,078,815	31,296,990,513
Unallocated capital assets		711,685,262	934,640,476
Long term investment	7	4,967,917,900	5,276,303,873
Total assets		39,514,681,977	37,507,934,862
<b>Liabilities</b>			
Total liabilities for reportable segments	19.4	10,794,047,726	11,308,345,593
Deferred liabilities		2,101,036,872	1,632,596,024
Long term finance - secured	13	15,533,004,947	14,498,681,731
Liabilities against assets subject to finance lease		81,941,226	168,526,917
Total liabilities		28,510,030,771	27,608,150,265

## 20 EARNINGS PER SHARE - Basic and Diluted

	(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
	-----Rupees-----	
<b>Earnings per share</b>		
Profit for the period	1,501,269,348	690,280,967
	----- (Number) -----	
Weighted average number of ordinary shares during the period	66,356,940	63,804,750
	----- (Rupees) -----	
Basic & Diluted earnings per share	22.62	10.82

## 21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited) March 31, 2021	March 31, 2020
	-----Rupees-----	
<b>Transactions</b>		
<b>Plastiflex Films (Private) Limited</b>		
<i>Common Directorship</i>		
- Purchase of raw and packing materials	65,958,338	58,975,763
- Metallization service	(21,024,890)	(21,154,461)
- Sale of raw and packing materials	-	(5,452,058)
- Recovery against sales	20,821,943	23,765,553
- Payment against purchases	(75,225,245)	(45,286,358)
<b>Ismail Resin (Private) Limited</b>		
<i>Common Directorship</i>		
- Bank Guarantee issued	1,200,000,000	-
<b>Hudson Pharma (Private) Limited</b>		
<i>Subsidiary Company</i>		
- Bank Guarantee issued	578,811,644	-

## Others

	(Un-audited)	
	March 31, 2021	March 31, 2020
	-----Rupees-----	
<b>Remuneration to directors and other key management personnel:</b>		
Chief Executive Officer	8,400,000	7,950,000
Directors	7,200,000	13,725,000
Executives	208,590,030	204,854,715
	<u>224,190,030</u>	<u>226,529,715</u>

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

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees-----	
<b>Balances</b>		
<b>Plastiflex Films (Private) Limited</b>		
-Payable to associate - net	<u>21,277,557</u>	<u>30,747,411</u>

## 22 FAIR VALUE MEASUREMENT

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

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

The different levels have been defined as follows:

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

The Company held the following financial assets at fair value;

	March 31, 2021			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
	-----Rupees-----				
Investment in associated companies	4,070,688,256	228,703,777	-	4,299,392,033	3,695,874,777
Short term investment	-	320,258,766	-	320,258,766	200,000,000
	4,070,688,256	548,962,543	-	4,619,650,799	3,895,874,777

## 23 FINANCIAL RISK MANAGEMENT

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

## 24 DATE OF AUTHORIZATION FOR ISSUE

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD  
ENDED MARCH 31, 2021

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

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
	Note	Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	21,001,740,968	20,350,123,183
Right-of-use assets	6.1	107,379,811	306,955,475
Intangible assets		42,469,554	55,293,210
Goodwill		11,959,187	11,959,187
Long term investments	7	3,361,933,900	3,670,319,873
Long term deposits		38,719,239	40,690,439
<b>Total non-current assets</b>		24,564,202,659	24,435,341,367
<b>Current assets</b>			
Stores and spares	8	445,836,631	367,944,563
Stock-in-trade	9	6,309,300,121	6,412,002,447
Trade debts	10	4,468,729,183	3,370,612,422
Loans and advances		1,538,807,694	952,135,742
Trade deposits and short-term prepayments		38,983,643	43,815,508
Short term investment	11	320,258,766	200,000,000
Other receivables		431,341,696	119,919,336
Taxation - net		1,145,408,444	1,296,310,915
Cash and bank balances	12	97,739,708	358,884,421
<b>Total current assets</b>		14,796,405,886	13,121,625,354
<b>Total assets</b>		39,360,608,545	37,556,966,721
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Authorized share capital			
250,000,000 (June 30, 2020: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
66,356,940 (June 30, 2020: 66,356,940) ordinary shares of Rs.10 each		663,569,400	663,569,400
Non-controlling interest		133,124,037	195,749,872
Reserves		9,475,870,852	8,589,399,383
<b>Total shareholders' equity</b>		10,272,564,289	9,448,718,655
<b>Non-current liabilities</b>			
Long-term finances - secured	13	12,213,608,992	13,881,308,010
- Lease liabilities		28,588,951	91,245,081
Deferred liabilities		2,124,245,326	2,091,252,475
<b>Total non-current liabilities</b>		14,366,443,269	16,063,805,566
<b>Current liabilities</b>			
Trade and other payables	14	4,277,119,778	3,491,937,991
Accrued mark-up		156,545,603	199,737,582
Short-term finances - secured	15	6,070,730,180	6,789,925,030
Current portion of:			
- long-term finances - secured	13	3,784,474,868	1,036,500,768
- Lease liabilities		53,352,274	77,281,836
Unclaimed Dividend		2,902,597	2,644,785
Advances from customers - unsecured		376,475,687	446,414,508
<b>Total current liabilities</b>		14,721,600,987	12,044,442,500
<b>Total liabilities</b>		29,088,044,256	28,108,248,066
<b>Total equity and liabilities</b>		39,360,608,545	37,556,966,721
<b>Contingencies and commitments</b>			
	16		

16

The annexed selected notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

Note	Nine-months Period Ended		Three-months Period Ended		
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	
	Rupees	Rupees	Rupees	Rupees	
Sales - gross	20.1	35,463,716,373	31,912,027,169	12,078,382,634	10,372,319,244
Sales returns and discounts		(1,531,737,626)	(1,578,541,932)	(527,497,363)	(705,165,557)
Export Rebate		13,691,682	8,130,997	2,895,813	2,321,453
		(1,518,045,944)	(1,570,410,935)	(524,601,550)	(702,844,104)
		33,945,670,429	30,341,616,234	11,553,781,084	9,669,475,140
Sales tax		(4,475,120,186)	(4,417,008,963)	(1,493,034,099)	(1,438,395,005)
Sales - net		29,470,550,243	25,924,607,271	10,060,746,985	8,231,080,135
Cost of sales	20.1	(23,567,731,462)	(20,512,425,543)	(7,872,387,654)	(6,562,437,323)
Gross profit		5,902,818,781	5,412,181,728	2,188,359,331	1,668,642,812
Selling and distribution expenses		(3,630,829,934)	(3,635,032,814)	(1,376,184,987)	(1,231,095,765)
Administrative expenses		(607,426,775)	(517,424,236)	(258,239,205)	(200,806,585)
Operating profit		1,664,562,072	1,259,724,678	553,935,139	236,740,462
Other operating expenses		(234,602,454)	(125,850,815)	(73,244,239)	(32,222,628)
		1,429,959,618	1,133,873,863	480,690,900	204,517,834
Other income		343,226,626	202,811,040	26,101,636	59,840,753
		1,773,186,244	1,336,684,903	506,792,536	264,358,587
Finance cost		(584,932,309)	(1,029,488,110)	(167,964,246)	(407,612,831)
		1,188,253,935	307,196,793	338,828,290	(143,254,244)
Share of profit from associated companies - net		230,991,373	197,345,585	122,012,640	173,273,298
Profit before taxation		1,419,245,308	504,542,378	460,840,930	30,019,054
Taxation		(198,996,935)	(208,494,155)	65,434,303	(107,426,696)
Profit after taxation		1,220,248,373	296,048,223	526,275,233	(77,407,642)
Profit for the period attributable to:					
Shareholders of the Holding Company		1,282,874,208	409,223,631	541,585,322	(32,646,389)
Non-controlling interest		(62,625,835)	(113,175,408)	(15,310,089)	(44,761,253)
		1,220,248,373	296,048,223	526,275,233	(77,407,642)
Earnings per share - basic & diluted	17	19.33	6.41	8.16	(0.51)

The annexed selected notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

Munsarim Saifullah  
Chief Executive Officer

Maqsood Ismail  
Director

Abdul Qadir  
Chief Financial Officer



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Note	Nine-months Period Ended		Three-months Period Ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		Rupees	Rupees	Rupees	Rupees
<b>Profit for the period</b>		<b>1,220,248,373</b>	296,048,223	<b>526,275,233</b>	(77,407,642)
<i>Item that will not be reclassified to statement of profit or loss in subsequent periods</i>					
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(3,663,600)	-	-	-
Share of other comprehensive (loss) / income from associated companies - net of tax	7.3	(193,668,319)	304,102,102	(20,472,472)	131,579,202
Other comprehensive (loss) / income for the period - net of tax		(197,331,919)	304,102,102	(20,472,472)	131,579,202
<b>Total comprehensive income for the period</b>		<b>1,022,916,454</b>	600,150,325	<b>505,802,761</b>	54,171,560
<b>Total Comprehensive Income for the period attributable to :</b>					
Shareholders of the Holding Company		1,085,542,289	713,325,733	521,112,850	98,932,813
Non-controlling interest		(62,625,835)	(113,175,408)	(15,310,089)	(44,761,253)
		<b>1,022,916,454</b>	600,150,325	<b>505,802,761</b>	54,171,560

The annexed selected notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

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

Issued, subscribed and paid-up share capital	Total Reserves					Non-Controlling Interest	Total shareholders' equity
	Capital reserve		Revenue reserve				
	Share premium	Amalgamation reserves	Reinvestment of investment in associated companies	Reinvestment of investments at fair value through OCI	Unappropriated profit		
638,047,500	579,265,000	916,862,067	(854,605,234)	-	5,810,366,250	6,451,888,083	7,269,650,273
-	-	-	-	-	409,223,631	409,223,631	296,048,223
-	-	-	304,102,102	-	-	304,102,102	304,102,102
-	-	-	304,102,102	-	409,223,631	713,325,733	600,150,325
-	-	-	-	-	-	-	-
-	-	-	-	-	(191,414,250)	(191,414,250)	(191,414,250)
-	-	-	-	-	(31,856,715)	(31,856,715)	(31,856,715)
-	-	-	-	-	-	-	908,605,920
638,047,500	579,265,000	916,862,067	(590,503,132)	-	5,996,318,916	6,941,942,851	8,535,195,353
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
-	-	-	-	-	1,282,874,208	1,282,874,208	1,230,248,373
-	-	-	-	(3,663,600)	-	(3,663,600)	(3,663,600)
-	-	-	(193,668,319)	-	-	(193,668,319)	(193,668,319)
-	-	-	(193,668,319)	(3,663,600)	1,282,874,208	1,085,542,289	1,022,916,454
-	-	-	-	-	(199,070,820)	(199,070,820)	(199,070,820)
663,569,400	1,472,531,500	916,862,067	(152,133,147)	(3,663,600)	7,242,274,032	9,475,870,852	10,272,564,289

**Balance as at July 01, 2019 - audited**  
**Total comprehensive income / (loss) for the period**  
Profit for the nine months period ended March 31, 2020  
Share of other comprehensive income from associated company - net of tax  
Total comprehensive income for the period  
**Transaction with owners, recognised directly in equity**  
Final cash dividend for the year ended June 30, 2019 @ Rs. 3 per share  
Interim cash dividend for the period ended December 31, 2019 @ 0.5 per share  
Advance against issue of right shares  
**Balance as at March 31, 2020**  
**Balance as at July 01, 2020 - audited**  
**Total comprehensive income / (loss) for the period**  
Profit / (loss) for the nine months period ended March 31, 2021  
Unrealised loss on re-measurement of investment classified as fair value through OCI - net of tax  
Share of other comprehensive loss from associated company - net of tax  
Total comprehensive income for the period  
**Transaction with owners, recognised directly in equity**  
Final cash dividend paid for the year ended June 30, 2020 @ Rs. 3 per share  
**Balance as at March 31, 2021**

The annexed selected notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

Munsarim Saifullah  
Chief Executive Officer

Maqsood Ismail  
Director

Abdul Qadir  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

		March 31, 2021 Rupees	March 31, 2020 Rupees
Note			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	18	603,724,246	4,520,461,549
Cash generated from operations after working capital changes			
Gratuity paid		(58,266,776)	(21,163,947)
Income taxes paid - net		(45,895,905)	(249,846,433)
Long-term deposits refund		1,971,201	4,947,409
<b>Net cash generated from operating activities</b>		<b>501,532,766</b>	<b>4,254,398,578</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		(2,087,776,452)	(7,240,462,543)
Capital expenditure (including CWIP)		(10,306,200)	-
Capital expenditure - intangibles		-	(16,294,565)
Investment in associated undertakings		(125,418,766)	(200,000,000)
Short term investment		570,220,369	41,295,167
Proceeds from disposal of property, plant and equipment		(1,653,281,049)	(7,415,461,941)
<b>Net cash used in investing activities</b>		<b>(1,653,281,049)</b>	<b>(7,415,461,941)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		1,080,275,081	4,411,365,680
Net receipts from long-term financing - secured		-	908,665,920
Advance against issue of right shares		-	(902,151,770)
Sponsors' loan - subordinated		(87,403,684)	(38,021,392)
Lease repayment		(628,124,288)	(908,857,287)
Interest / mark-up paid		(198,813,009)	(218,227,964)
Dividends paid		165,934,100	3,252,773,187
<b>Net cash generated from financing activities</b>		<b>(985,814,183)</b>	<b>91,709,824</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(1,355,922,289)</b>	<b>(3,263,388,199)</b>
Cash and cash equivalents at the beginning of the period		(2,341,736,472)	(3,171,678,375)
<b>Cash and cash equivalents at the end of the period</b>	19	<b>(2,341,736,472)</b>	<b>(3,171,678,375)</b>

The annexed selected notes from 1 to 24 form an integral part of these consolidated condensed interim financial statements.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

### 1 LEGAL STATUS AND OPERATIONS

The Group consist of:

**Holding Company:** Ismail Industries Limited

**Subsidiary Company:** Hudson Pharma (Private) Limited

#### a) Ismail Industries Limited

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

#### b) Hudson Pharma (Private) Limited

The Subsidiary Company was incorporated in Pakistan as a private limited company on May 5, 2010, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Subsidiary Company is located at 17, Bangalore Town, Main Shahra-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.

### 2 SIGNIFICANT EVENTS & TRANSACTIONS

The company in its Extra Ordinary General Meeting held on April 12, 2021 has approved the following.

- An equity investment up to Rs. 1.50 billion to be made in its recently incorporated associated / subsidiary company M/s. Ismail Resin (Private) Limited (IRL) which having the intention of setting-up a Polyester Resin (PET Resin) manufacturing plant.
- The Company will issue Cross Corporate Guarantee up to Rs. 4.7 billion and sponsor support agreement to the lenders of IRL.
- The Company will Issue a Corporate Guarantee up to Rs. 600 million to the lender of its subsidiary company M/s. Hudson Pharma (Private) Limited.

### 3 BASIS OF PREPARATION

#### 3.1 Statement of compliance

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

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

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

#### 3.2 These consolidated condensed interim financial statements of the Group do not include all of the information and disclosure required in the consolidated annual audited financial statements and should be read in conjunction with the consolidated annual audited financial statements of the Group as at and for the year ended June 30, 2020. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The figures in the consolidated condensed interim statement of financial position, consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of other comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows together with the relevant notes to the consolidated condensed interim financial statements for the nine-months period ended March 31, 2021 are not audited. Further, the figures for the three-months period ended March 31, 2021 and 2020 have not been reviewed by the auditors.

**3.3 Functional and presentation currency**

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

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

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

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

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

June 1, 2020

Adoption of the above standard have no significant effect on the amounts for the period ended March 31, 2021.

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

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

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

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

January 1, 2022

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

January 1, 2022

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

January 1, 2022

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

January 1, 2022

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

January 1, 2022

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

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

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

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

IFRS 17 'Insurance Contracts'

January 1, 2023

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

July 1, 2009

**4 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES**

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

**5 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT**

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

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

**6 PROPERTY, PLANT AND EQUIPMENT**

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
-----Rupees-----			
Operating fixed assets	6.2	15,923,533,892	14,507,070,801
Capital work in progress - at cost	6.3	5,078,207,076	5,843,052,382
		<u>21,001,740,968</u>	<u>20,350,123,183</u>
6.1 Right-of-use assets	6.2	<u>107,379,811</u>	<u>306,955,475</u>

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

	(Un-audited)			
	Additions/Transfers		Disposals	
	-----At cost-----		-----At net book value-----	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
----- Rupees -----				
<b>Owned assets</b>				
Free-hold land	-	-	-	-
Building on leasehold land	789,897,532	188,401,942	293,378,615	-
Plant and machinery	1,784,885,190	1,184,855,299	46,084	4,738,957
Furniture and fittings	18,560,750	19,523,527	-	8,963
Equipment	44,253,297	12,641,791	-	-
Computers	22,640,257	8,562,050	366,005	8,016
Vehicles	151,384,730	50,817,934	42,241,936	3,673,568
	<u>2,811,621,756</u>	<u>1,464,802,543</u>	<u>336,032,640</u>	<u>8,429,504</u>
<b>Right-of-use assets</b>				
Vehicles	817,992	72,664,923	-	20,518,586
	<u>817,992</u>	<u>72,664,923</u>	<u>-</u>	<u>20,518,586</u>
	<u>2,812,439,748</u>	<u>1,537,467,466</u>	<u>336,032,640</u>	<u>28,948,090</u>

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees -----			
Civil works	599,640,974	973,196,196	783,956,044	188,401,942
Plant and machinery	1,034,677,866	6,102,032,512	1,729,689,876	1,183,831,689
Electric installation	37,399,154	-	38,647,506	-
Equipment and fixtures	4,554,943	-	7,168,300	-
Capitalization of trail production	159,343,484	-	-	-
	1,835,616,421	7,075,228,708	2,559,461,726	1,372,233,631

- 6.4 It includes trial production cost amounting to Rs. 159.34 million. The Hodling Company has completed its trial production phase of BOPET line II till the completion of this quarter. Therefore the related sales and expenses have been capitalized as trial production cost.

**7 LONG-TERM INVESTMENTS**

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
-----Rupees-----			
<b>Investment in associated undertakings</b>			
Novelty Enterprises (Private) Limited- unquoted shares	7.1	228,703,777	228,703,777
The Bank of Khyber-quoted shares	7.2	3,133,230,123	3,441,616,096
		<u>3,361,933,900</u>	<u>3,670,319,873</u>

## 7.1 Novelty Enterprises (Private) Limited

The Holding Company holds 33% (June 2020: 33%) voting and equity interest in Novelty Enterprises (Private) Limited (NEL). The shares of NEL are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of NEL is June 30.

Total equity / net assets of NEL as at June 30, 2020 based on financial statements amounted to Rs. 561.386 million (2019: Rs. 561.386 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated December 15, 2019 fair value of fixed assets of NEL amounted to Rs. 1,079.840 million resulting in surplus on fixed assets of Rs. 518.454 million. Revised net assets after the revaluation surplus amounted to Rs. 1,079.840 million (2019: Rs. 1,045.063 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

## 7.2 The Bank of Khyber

The total shareholding of the Company including the recently bonus entitlement of 5% announced by the Bank of Khyber (the Bank) is 256,555,983 (June 30, 2020: 244,339,031) shares which represents 24.43% of paid-up capital of the Bank (June 2020: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these unconsolidated condensed interim financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2020 and unaudited interim financial statements for the six-months period ended June 30, 2020. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on March 31, 2021 was Rs.4,274.22 million (June 30, 2020: Rs. 3,467.171 million).

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31,	June 30,	March 31,	June 30,
	2021	2020	2021	2020
Carrying value at beginning of the period	3,441,616,096	2,001,232,631	228,703,777	228,717,751
Investment made during the period	-	16,284,035	-	-
Share of profit or (loss)	230,991,373	491,986,115	-	(13,974)
Dividend received/receivable	(311,532,265)	(122,169,516)	-	-
Share of other comprehensive (loss) / income	(227,845,081)	1,054,282,831	-	-
	<b>3,133,230,123</b>	<b>3,441,616,096</b>	<b>228,703,777</b>	<b>228,703,777</b>

All transfers of funds to the Holding Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associated companies. During the period, the Bank has announced the cash dividend of Rs. 1.5 per share and 5% bonus shares.

## 8 STORES AND SPARES

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Stores and spare parts - gross		454,428,051	376,535,983
Provision for slow moving spare parts		(8,591,420)	(8,591,420)
Stores and spares - net		<b>445,836,631</b>	<b>367,944,563</b>

## 9 STOCK-IN-TRADE

	Note	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Raw materials	9.1	2,944,361,981	2,819,975,284
Packing materials	9.1	966,441,058	674,934,704
Work-in-process		192,164,017	175,501,874
Finished goods		2,206,333,065	2,741,590,585
		<b>6,309,300,121</b>	<b>6,412,002,447</b>

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

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees-----	
<b>10 TRADE DEBTS</b>		
Considered good	1,551,187,733	1,056,320,953
- secured (export debtors)	3,018,512,090	2,410,262,109
- unsecured	4,569,699,823	3,466,583,062
Allowance for expected credit loss	(100,970,640)	(95,970,640)
<b>Trade debts - net</b>	<b>4,468,729,183</b>	<b>3,370,612,422</b>
<b>11 SHORT TERM INVESTMENT</b>		
Term Finance Certificates	194,840,000	200,000,000
Pakistan Investment bonds	125,418,766	-
	<b>320,258,766</b>	<b>200,000,000</b>
<b>12 CASH AND BANK BALANCES</b>		
Cash in hand	13,100,279	18,483,676
Cash with banks in:		
- current accounts- conventional	71,267,742	220,956,910
- current accounts- islamic	13,371,687	119,443,835
	<b>97,739,708</b>	<b>358,884,421</b>
<b>13 LONG TERM FINANCES - secured</b>		

	(Un-audited)			(Audited)		
	March 31, 2021			June 30, 2020		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	11,787,468,392	3,130,340,386	14,917,808,778	6,307,461,175	2,247,270,107	8,554,731,282
Obtained during the period / year	1,428,638,434	2,307,000	1,430,945,434	6,453,063,549	1,692,653,700	8,145,717,249
Repaid during the period / year	(350,670,353)		(350,670,353)	(973,056,332)	(809,583,421)	(1,782,639,753)
	12,865,436,473	3,132,647,386	15,998,083,859	11,787,468,392	3,130,340,386	14,917,808,778
Less: Current maturity	(2,683,287,663)	(1,101,187,205)	(3,784,474,868)	(838,037,772)	(198,462,996)	(1,036,500,768)
	10,182,148,811	2,031,460,181	12,213,608,992	10,949,430,620	2,931,877,390	13,881,308,010

- 13.1 These represent financings for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Holding Company and personal guarantees of sponsors. During the period, the Group has also availed long term loan under SBP Temporary Economic Refinance Facility (TERF) for the import of new plant and machinery.
- 13.2 The Group's total limit for long term loan amounting to Rs. 24,072 million.(June 2020 Rs.19,815 million)
- 13.4 The Holding Company has also availed Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. These long term financing facilities is secured by way of first pari-passu charge over present and future fixed assets of the Holding Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 0%) plus bank's spread ranges from 1.5% to 3% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

#### 14 TRADE AND OTHER PAYABLES

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
Trade creditors	2,526,259,242	2,256,405,358
Other liabilities	1,750,860,536	1,235,532,633
	<b>4,277,119,778</b>	<b>3,491,937,991</b>



**15 SHORT TERM FINANCES - SECURED**

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
Term finances-conventional	15.1	-	855,000,000
Term finances-islamic	15.2	-	971,931,342
Export refinances	15.3	3,631,254,000	3,248,186,980
Running finance utilized under mark-up arrangement	15.4	2,439,476,180	1,714,806,708
		<b>6,070,730,180</b>	<b>6,789,925,030</b>

- 15.1** These represent facilities for term finances arranged from various banks aggregating to Rs. 1,005 million (June 2020: Rs. 1,005 million). These are secured against pari-passu hypothecation over stocks and book debts of the Holding Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 7.18% to 8.96% per annum (June 2020: 8.43% to 14.29% per annum).
- 15.2** These represent facilities for term finances arranged from various banks aggregating to Rs. 300 million (June 2020: Rs. 1,000 million). These are secured against pari-passu hypothecation over stocks and book debts of the Holding Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.81% to 8.63% per annum (June 2020: 8.09% to 14.38% per annum).
- 15.3** These represented facilities for export refinance arranged from various banks aggregating to Rs. 4,550.70 million (June 2020: Rs. 3,650.70 million). These are secured against pari-passu / ranking / hypothecation charge of stocks, book debts and lien on export letters of credits of the Holding Company along with the personal guarantees of the directors. These carried mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2020: 0.25% to 1% above SBP rate per annum).
- 15.4** These facilities for running finances available from various banks aggregated to Rs. 4,489.30 million (June 2020: Rs. 4,039.30 million). These are secured against pari-passu hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.35% to 8.23% per annum (June 2020: 8.43% to 14.86% per annum).

**16 CONTINGENCIES AND COMMITMENTS****16.1 Contingencies**

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

- 16.1.1** OGRA through its notification bearing No. OGRA-10-3(8)/2020, dated: October 23, 2020 has raised the prices of Natural Gas and specified the different prices for both categories that is captive and industrial gas connections. The Holding Company has challenged the notification including category differentiation in the Honorable High Court of Sindh. The Honorable Court has passed an interim order and suspended the afore-mentioned notification on November 30, 2020 and issued directions to submit the disputed amount with the Nazir of the Court. The matter is still pending and the Holding Company is legal counsel is confident that the decision will be in favour of the Holding Company.
- 16.1.2** In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had upheld that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA, SSGC and SNGPL in different Honorable High Courts of Pakistan by Industry at large. In May 2015, the Government passed the GIDC Act, 2015 and the Holding Company has challenged the GIDC Act 2015 and filed writ petition in the Sindh High Court (SHC) including retrospective treatment of the provisions of the GIDC Act, 2015. On October 2015, SHC decided this suit in favor of Holding Company with the instructions to refund the GIDC collected so far by the Federation. However, the Government filed an appeal in SHC, where the Holding Company was not party to such litigation. The Honorable Supreme Court of Pakistan (SCP), has disposed off the case on 13 August, 2020 and instruct the gas distribution companies to recover the outstanding amount in 24 equal installments only from those customer who have already passed the burden to their respective customers. Based on the judgement of SCP, the Holding Company has obtained the stay order from SHC on September 16, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. Last proceeding has been carried out on December 24, 2020 and the case is still pending. The legal counsel of the Holding Company is confident that decision of the case will be in favor of the Holding Company.

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
-----Rupees-----			
<b>16.2 Commitments</b>			
Outstanding letter of guarantees		2,186,292,712	2,136,440,528
Bank guarantees issued by Holding Company on behalf of			
Ismail Resin (Private) Limited	Subsidiary / Associate	1,200,000,000	
Hudson Pharma (Private) Limited	Subsidiary Company	578,811,644	
Outstanding letter of credit for:			
- capital expenditures		3,107,422,301	592,832,875
- others		1,575,220,891	946,531,340

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.

## 17 EARNINGS PER SHARE - Basic and Diluted

	(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
	-----Rupees-----	
<b>Earnings per share</b>		
Profit for the period	1,282,874,208	409,223,631
	----- (Number) -----	
Weighted average number of ordinary shares during the period	66,356,940	63,804,750
	-----Rupees-----	
Basic & Diluted earnings per share	19.33	6.41

## 18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

	Note	(Un-audited) March 31, 2021	(Un-audited) March 31, 2020
		-----Rupees-----	
Profit before income tax		1,419,245,308	504,542,378
<b>Adjustments for non-cash and other items:</b>			
Depreciation		1,295,892,252	1,023,231,288
Ammortization charge		23,129,857	22,619,950
Gain on disposal of property, plant and equipment - net		(229,560,292)	(12,347,077)
Gain on disposal of available for sale investment		-	-
Provision for staff retirement gratuity		124,734,227	60,733,857
Provision for doubtful debts		5,000,000	10,000,000
Share of profit from associated undertaking		(230,991,373)	(197,345,585)
Unrealized exchange gain		(9,038,171)	-
Finance cost		584,932,309	1,029,488,110
Net changes in working capital	18.1	(2,379,619,871)	2,079,538,628
Cash generated from operations after working capital changes		603,724,246	4,520,461,549

### 18.1 Working capital changes

<b>Current assets</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores and spares		(77,892,069)	(68,624,826)
Stock-in-trade		102,702,326	(1,372,998,749)
Trade debts		(1,094,078,590)	(1,091,086,681)
Loan and advances		(586,671,952)	794,211,467
Trade deposits and short-term prepayments		4,831,865	(38,215,159)
Other receivables		109,905	(26,410,300)
		(1,650,998,515)	(1,803,124,249)
<b>Current liabilities</b>			
<b>(Decrease) / Increase in current liabilities</b>			
Trade and other payables		785,181,787	1,353,428,970
Short term finances - secured		(1,443,864,322)	2,423,745,635
Advances from customers - unsecured		(69,938,821)	105,488,272
		(728,621,356)	3,882,662,877
<b>Net changes in working capital</b>		(2,379,619,871)	2,079,538,628

## 19 CASH AND CASH EQUIVALENTS

Cash and bank balances	12	97,739,708	77,047,864
Running finances under mark-up arrangement	15.4	(2,439,476,180)	(3,248,726,239)
		(2,341,736,472)	(3,171,678,375)

20 SEGMENT INFORMATION

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

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

- Food processing
- Pharmaceutical segment
- Chemical segment

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

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

	(Unaudited)									
	Food Processing			Pharmaceutical Segment			Chemical Segment			Total
	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2021	March 31, 2020	March 31, 2019	
Sales	7,551,002,418	7,551,002,418	1,655,935,513	22,097,174,841	22,097,174,841	6,481,918,135	53,972,455	187,378,590	30,090,682,564	26,457,481,178
Export	1,798,086,614	9,925,071,157	396,554,689	19,972,124,567	2,460,124,759	733,990,948	585,499,232	-	515,013,849	3,054,022,991
Export rebates	2,618,947	2,321,453	219,866	13,964,099	8,133,977	629,483	629,483	-	15,091,685	8,133,977
Less:	3,624,474,003	4,656,229,228	2,424,470,945	2,607,892,203	253,440,033	7,210,177,602	6,461,266,690	187,378,590	36,477,480,685	31,220,138,166
Sales return and discounts	(63,824,618)	(69,133,092)	(5,896,200)	(1,499,472,719)	(1,347,852,284)	(4,966,474)	(21,634,377)	(27,298,433)	(1,531,737,262)	(1,778,341,932)
Sales tax	(4,074,380)	(1,838,328)	(2,407,861)	(8,089,979,290)	(5,133,402,977)	(99,426,108)	(8,568,333,568)	(27,298,433)	(6,486,357,093)	(5,757,507,293)
Net sales	7,889,035,522	6,568,921,296	2,032,256,790	23,087,967,904	24,849,862,643	6,222,804,542	5,308,852,856	160,079,357	29,470,556,243	25,929,607,271
Cost of sales	(6,207,489,973)	(5,022,614,235)	(1,699,414,219)	(14,864,382,298)	(15,482,497,387)	(5,688,282,621)	(4,799,072,189)	(176,114,021)	(23,567,731,462)	(20,312,425,543)
Manufacturing expenses	(2,657,266,691)	(12,726,091)	(1,662,691)	(44,655,196)	(39,865,215)	(17,034,539)	(8,724,126)	(86,537,861)	(6,079,567,731)	(5,317,424,262)
Administrative expenses	(32,538,795)	(62,120,063)	(1,808,319,935)	(1,342,923,441)	(1,391,919,977)	(5,473,634,600)	(3,068,567,891)	(28,024,415)	(27,466,988,171)	(24,664,882,964)
Segment result	33,538,795	356,110,241	27,549,390	1,185,632,838	1,391,919,977	746,873,892	212,853,545	(26,744,658)	1,664,562,071	1,239,724,678
Unallocated income and expenses									343,226,626	202,811,060
Finance cost									(84,932,309)	(1,022,688,110)
Other operating expenses									(234,602,484)	(12,859,813)
Profit before taxation									1,479,233,367	304,422,798
Income tax expense									(198,969,939)	(298,494,151)
Profit for the period									1,280,263,428	26,928,647
(Unaudited)										
Pharmaceutical Segment										
Food Segment										
Chemical Segment										
Total										
March 31, 2021	June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021	June 30, 2021	March 31, 2021
20,749,037,431	20,749,037,431	12,879,046,632	11,026,677,466	1,481,010,570	1,655,013,843	38,079,844,433	4,280,620,013	32,932,066,710	4,604,960,348	32,932,066,710
20,749,037,431	20,749,037,431	12,879,046,632	11,026,677,466	1,481,010,570	1,655,013,843	38,079,844,433	4,280,620,013	32,932,066,710	4,604,960,348	32,932,066,710
7,551,000,242	7,551,000,242	3,041,091,232	8,789,035,522	578,013,483	80,070,147	11,278,564,482	11,278,564,482	11,278,564,482	11,278,564,482	11,278,564,482
7,551,000,242	7,551,000,242	3,041,091,232	8,789,035,522	578,013,483	80,070,147	11,278,564,482	11,278,564,482	11,278,564,482	11,278,564,482	11,278,564,482
20,749,037,431	20,749,037,431	12,879,046,632	11,026,677,466	1,481,010,570	1,655,013,843	38,079,844,433	4,280,620,013	32,932,066,710	4,604,960,348	32,932,066,710

Transactions among the business segments are recorded at estimated cost.

The Holding Company's export sales have been primarily to countries in the Middle East, Africa and South Asia. However, no material amount of export sales have been made to any one or more particular countries.

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

## 20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

		(Un-audited) March 31, 2021	(Audited) June 30, 2020
RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES		-----Rupees-----	
<b>Assets</b>			
Total assets for reportable segments	20.2	35,079,984,532	32,952,006,370
Unallocated capital assets		918,690,113	934,640,478
Long term investment	7	3,361,933,900	3,670,319,873
Total assets		39,360,608,545	37,556,966,721
<b>Liabilities</b>			
Total liabilities for reportable segments	20.4	11,370,564,812	11,389,316,347
Sponsors' loan - subordinated		-	-
Deferred liabilities		2,102,533,272	1,632,596,024
Long term finance	13	15,533,004,947	14,917,808,778
Lease liabilities		81,941,225	168,526,917
Total liabilities		29,088,044,256	28,108,248,066

## 21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited)	
	March 31, 2021	March 31, 2020
Transactions	-----Rupees-----	
<b>Plasitflex Films (Private) Limited</b>		
<i>Common Directorship</i>		
- Purchase of raw and packing materials	65,958,338	58,975,763
- Metallization service	(21,024,890)	(21,154,461)
- Sale of raw and packing materials	-	(5,452,058)
- Recovery against sales	20,821,943	23,765,553
- Payment against purchases	(75,225,245)	(45,286,358)
<b>Ismail Resin (Private) Limited</b>		
<i>Common Directorship</i>		
- Bank Guarantee issued	1,200,000,000	-
<b>Others</b>		
<b>Remuneration to directors and other key management personnel:</b>		
Chief Executive Officer	14,700,000	14,250,000
Directors	7,200,000	13,725,000
Executives	252,815,409	244,959,715
	274,715,409	272,934,715

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

	(Un-audited) March 31, 2021	(Audited) June 30, 2020
<b>Balances</b>	-----Rupees-----	
<b>Plasitflex Films (Private) Limited</b>		
-Payable to associate - net	<b>21,277,557</b>	<b>30,747,411</b>

## 22 FAIR VALUE MEASUREMENT

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

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

The different levels have been defined as follows:

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

The Group held the following financial assets at fair value;

	March 31, 2021			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
	-----Rupees-----				
Investment in associated companies	3,660,198,000	228,703,777	-	3,888,901,777	3,695,874,777
Short term Investment	-	321,755,166	-	321,755,166	200,000,000
	<b>3,660,198,000</b>	<b>550,458,943</b>	<b>-</b>	<b>4,210,656,943</b>	<b>3,895,874,777</b>

## 23 FINANCIAL RISK MANAGEMENT

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

## 24 DATE OF AUTHORIZATION FOR ISSUE

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer



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