



TOA LEGACY & MORE...

HALF YEARLY REPORT DECEMBER 2019

TABLE OF CONTENTS

Company Profile
Director's Review Report on Company's Affairs (Eng & Urdu) 03-04
Independence Auditor's Review Report
Unconsolidated Condensed Interim Statement of Financial Position
Unconsolidated Condensed Interim Statement of Profit or Loss &
Other Comprehensive Income
Unconsolidated Condensed Interim Statement of Changes in Equity 10
Unconsolidated Condensed Interim Statement of Cash Flows 11
Notes to the Unconsolidated Condensed Interim Financial Statements 12-22
Consolidated Condensed Interim Statement of Financial Position
Consolidated Condensed Interim Statement of Profit or Loss
Consolidated Condensed Interim Statement of Comprehensive Income
Consolidated Condensed Interim Statement of Changes in Equity 27
Consolidated Condensed Interim Statement of Cash Flows
Notes to the Consolidated Condensed Interim Financial Statements

COMPANY PROFILE

Board of Directors

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

Audit Committee Members

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

Human Resource & Remuneration Committee

Mr. M. Zubair Motiwala Mr. Maqsood Ismail Ms. Farzana Muhammad Chairman Member Member

Company Secretary

Mr. Ghulam Farooq

Chief Financial Officer Mr. Abdul Oadir

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 IS Bank Limited Meezan Bank Limited MCB Bank Limited MCB Islamic Bank Limited National Bank of Pakistan Pak Brunei Investment Co Ltd Pak Oman Investment Co. Ltd Standard Chartered Bank (Pakistan) Limited Soneri Bank 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 half year ended December 31, 2019. Brief highlights of the Company's performance during the period under review are here under:

Description	Dec-19 Dec-18 Rs. in Million		Change in %	
Gross Sales	21,441	18,394	17%	
Gross Profit	3,783	3,412	11%	
Operating Profit	1,231	1,334	-8%	
Profit After Tax	612	707	-13%	
EPS in Rs.	9.59	11.08	-13%	

Though, the period under review was challenging for the country with volatile social, economic and business conditions. Despite all these circumstances, the overall performance of food & plastic segment was quite satisfactory. Our prime focus on innovations and improvements have enabled us to successfully execute strategic decisions. The company registered topline growth of 17% during the period under review which has come through an aggressive and multi-dimensional focus on brand building and brand activation together with customer satisfaction.

The company holds a strong position as market leader in a number of key categories in which we operate, and the strength of our value-added products gives us a strategic advantage. However, sharp economic headwinds particularly steep rise in prices of basic commodities, Pak Rupee devaluation, hike in prices of basic utilities and rising interest rates have put pressure on overall profitability of the company. This has resulted a slight dip in bottom line although we have continued our transformation journey by reinvigorating the business with effective mix of sales push in our quality flagship brands as well as agile and efficient utilization of resources to speed up our return to growth and secure our future ambitions. We concede that the success and growth in fast moving manufacturing industry always have stiff competition being at the heart of household consumers who not only recognized the developed family relationship with our products but are part of everyday lives for which we have always endeavored to develop brands beyond imaginations and expectations which has always kept us ahead of the competition.

FUTURE OUTLOOK

Despite challenging economic and operating environments which is expected to continue in periods ahead, the business will continue to deliver positive results. We aim to carry out the operations with efficient utilization of resources to achieve sustained and long-term growth and committed to deal with the challenges that lie ahead with our expertise, superior consumer understanding and powerful innovations. We believe that our dedicated and focused efforts will allow us to provide better value to meet consumers' everyday needs and deliver profitable growth for the benefit of all stakeholders.

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: February 21, 2020

ڈائریکٹران کی جائزہ رپورٹ

سمپنی کے بورڈ آف ڈائر کیٹرز 31 دسمبر 2019 کوختم ہونے والی سہابی و ششاہی کے لیئے سپنی کے انفرادی او راجتا می (بغیر آڈٹ) وسط مدتی مالیاتی گوشوارے پیش کرنے میں انتہائی خوشی محسوس کرتے ہیں۔ مذکورہ دوراندیے کم پنی کی مالیاتی کارکردگی مندجہذیل رہی:

تبدیلی نی <i>صد</i>	31 دسمبر 2018 ملین پاکستانی روپے	31 دسمبر 2019 ملین پاکستانی روپے	تفصيل
17%	18,394	21,441	مجموعى فروخت
11%	3,412	3,783	مجموعي منافع
-8%	1,334	1,231	خام منافع
-13%	707	612	بعداز محصول منافع
-13%	11.08	9.59	فی حص آمدن۔روپے

ہم جانتے ہیں گھریلو صارفین کے دل میں FMCG انڈسڑ کی کو کامیاب بنانا ہمیشہ ایک سخت مشکل امر ہوتا ہے، اس مشکل میں ہماری جیت ہمارے صارفین کاہماری مصنوعات سے ذاتی لگاؤ، پسند بدگی اور ہماری انتہائی محنت برائے ان کی تو فعات سے زیادہ بہتر مصنوعات تیار کرنا ہے۔

مستعمل کی پیش بنی تمام مشکل معاشی دا پریشنل حالات جو کدا تنده دوریس بھی جاری رہنے کے امکان میں، کاروبار مثبت نتائج مہیا کرے گا۔ ہم عزم کرتے میں کہ متحکم متائج کے حصول کی خاطر ہم اینے وسائل کے موثر استعال، صارفین کے فہم اور جدت کے اصولوں کو بروئے کارلا کمیں گے۔ہمیں یفین ہے کے ہماری لگن اور خصوصی توجہ کی مدد سے ہم نہ صرف صارفین کی روز مرہ ضروریات کو پورا کریں گے بلکہ تمام متعلقین کے لیے فوا کہ دیمی حاصل کریں گے۔

ا**عتراف** ہم اپنے قابل فندر صارفین، مالی اداروں اور حصص یافتیگان کے کمپنی پر اعتاد کے معتر ف ہیں۔ڈائر کیٹرز کمپنی کے تمام ملاز مین کی محنت ہگن اوراستفامت پران کی ستائش کرتے ہیں۔

كراچى: 21 فرورى 2020

اگرچہ زیر جائزہ مدت ملک کے لئے غیر متحکم معاشرتی، معاشی اور کاروباری حالات کی بنا پرایک مشکل دوررہا۔ مذکورہ تمام حالات کے باوجود غذائی و پلاسنک شعبہ کے نتائج اطمینان بخش رہے۔ جدت و بہتر ہے بہتر کی جانب بنیادی توجہ نے بمیں موثر حکت عملی کے فیصلوں پڑھل پیرا ہونے میں مدددی ہے۔ خریداروں کے اطمینان کے ساتھ برانڈ کے قیام ودوام پر کمپنی کے جارحانہ وکثیر جبتی توجہ کی بنا پر کمپنی نے زیر جائزہ مدت میں %17 کی اضافی فروخت کا بڑا ہدف حاصل کیا

کاردبار کے جن شعبوں میں ہم کام کررہے میں ان کے کئی حصوں میں ہم مارکیٹ لیڈر کے طور پر مضبوط دیثیت رکھتے ہیں ،اور ہماری غیر معمولی مصنوعات ہمیں غیر معمولی شعبہ جاتی فوائد مہیا کرتی ہیں۔ البتہ ، کمپنی کے چموعی فائدہ کو بنیا دی اشیا کے ضرور یہ پاکستانی رو پیر کی گراوٹ ، بنیا دی خدمات اور شرح سود کے اضافہ کی صورت میں معاثی جھکڑوں کا سامنا رہا ہے۔ اس کی وجہ سے ہمارے معاثی اشار یوں کی پٹی لائن میں کچھ گراوٹ رہی ہے کیکن ہم اپنے کوالٹی برانڈ کے بشمول اشار یوں کی پٹی لائن میں کچھ گراوٹ رہی ہے کیکن ہم اپنے کوالٹی برانڈ کے بشمول اپنے موثر فروخت کی حکمت عملی اپنی چا بکہ تی اور وسائل کے موثر استعال کی مدد سے اُپنے تبدیلی کے سفر کو جاری رکھے ہوئے میں تا کہ تر تی کے اہداف کو تیز کی

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

Report on review of Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Ismail Industries Limited** as at **December 31, 2019** and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the interim financial statements). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial statements based on our review.

Scope of Review

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

Conclusion

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

Other Matters

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three-months period ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2019.

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

Yours truly

Grant Thornton Anjum Rahman Chartered Accountants

Karachi Date: 21 February, 2020

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

		(Un-audited) December 31, 2019	(Audited) June 30, 2019
	Note	Ruj	pees
ASSETS			
Non-current assets			
Property, plant and equipment	8	17,345,332,405	12,758,702,112
Intangible assets		70,676,771	85,453,143
Long term investments	9	3,783,292,351	3,212,049,382
Long term deposits		40,009,210	44,303,491
Total non-current assets		21,239,310,737	16,100,508,128
Current assets			
Stores and spares	10	330,627,243	278,975,893
Stock-in-trade	11	6,375,128,140	5,111,616,128
Trade debts	12	3,583,523,307	2,746,331,968
Loans and advances		998,791,822	1,599,840,527
Trade deposits and short-term prepayments		56,213,255	33,409,696
Short term investment	13	200,000,000	-
Other receivables		245,459,294	131,962,803
Taxation - net		1,085,485,926	929,456,127
Cash and bank balances	14	26,469,798	32,394,264
Total current assets		12,901,698,785	10,863,987,406
Total assets		34,141,009,522	26,964,495,534
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2019: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
63,804,750 (June 30, 2019: 63,804,750) ordinary shares of Rs.10 each fully paid i	n		
cash		638,047,500	638,047,500
Reserves		7,329,076,045	6,736,199,160
Total shareholders' equity		7,967,123,545	7,374,246,660
Non-current liabilities			
Sponsors' loan - subordinated	15	902,151,770	902,151,770
Long term finances - secured	16	11,100,271,848	6,152,679,111
Lease liabilities	10	98,940,988	136,024,558
Deferred liabilities		1,721,670,186	1,632,662,558
Total non-current liabilities		13,823,034,792	8,823,517,997
Current liabilities			- , , , , ,
Trade and other payables	17	2,917,823,203	2,051,217,937
Accrued mark-up	1.0	262,219,349	205,692,929
Short term finance - secured	18	6,723,436,486	6,299,903,812
Current portion of:	16	1 000 570 702	1 012 1/2 202
- long term finances - secured - lease liabilities	16	1,999,572,703	1,913,163,282
- lease liabilities Unclaimed dividend		86,183,142 2,598,166	100,219,845 2,338,500
Advances from customers		359,018,136	2,558,500
Total current liabilities		12,350,851,185	10,766,730,877
Total liabilities		26,173,885,977	19,590,248,874
Contingencies and commitments	19	20,110,000,011	12,020,210,077
-		34 141 000 522	26,964,495,534
Total equity and liabilities		34,141,009,522	20,904,495,554

The annexed selected notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

Munsarim Saifullah	Maqsood Ismail	Abdul Qadir
Chief Executive Officer	Director	Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six-months I	Period Ended	Three-months	Period Ended
	December 31,	December 31,	December 31,	December 31,
No		2018	2019	2018
	Ru	ipees	Rupe	es
Sales - gross 22.	21,440,805,765	18,394,081,875	11,513,099,469	9,834,169,728
Sales returns and discounts	(864,043,919)	(694,810,418)	(368,856,374)	(165,192,023)
Export Rebate	5,809,544	3,467,354	3,648,352	923,152
	(858,234,375) 20,582,571,390	(691,343,064) 17,702,738,811	(365,208,022) 11,147,891,447	(164,268,871) 9,669,900,857
Sales tax	(2,978,613,958)	(2,591,761,246)	(1,564,309,524)	(1,379,477,139)
Sales - net	17,603,957,432	15,110,977,565	9,583,581,923	8,290,423,718
Cost of sales 22.	(13,821,311,581)	(11,698,510,726)	(7,486,855,234)	(6,453,997,005)
Gross profit	3,782,645,851	3,412,466,839	2,096,726,689	1,836,426,713
Selling and distribution expenses	(2,271,397,993)	(1,817,872,167)	(1,452,584,764)	(1,126,249,660)
Administrative expenses	(280,211,459)	(260,141,937)	(142,284,178)	(139,643,599)
Operating profit	1,231,036,399	1,334,452,735	501,857,747	570,533,454
Other operating expenses	(93,628,187)	(134,677,460)	(34,548,280)	(59,693,134)
	1,137,408,212	1,199,775,275	467,309,467	510,840,320
Other income	141,856,551	151,858,370	76,126,641	108,540,674
	1,279,264,763	1,351,633,645	543,436,108	619,380,994
Finance cost	(590,501,355)	(319,354,688)	(280,693,149)	(129,230,179)
	688,763,408	1,032,278,957	262,742,959	490,150,815
Share of profit from associated companies - net	24,072,287	36,564,047	-	
Profit before taxation	712,835,695	1,068,843,004	262,742,959	490,150,815
Taxation	(101,067,459)	(361,591,758)	156,473,239	(174,670,092)
Profit after taxation	611,768,236	707,251,246	419,216,198	315,480,723
Other Comprehensive Income / (Loss)				
Item that will not be reclassified to statement of profit or loss in subsequent period				
Unrealized appreciation during the period on sale o	f			
investment classified as fair value through other	r			
comprehensive income-net of tax	-	1,821,854	-	1,821,854
Share of other comprehensive income / (loss) from associated undertaking - net of tax	n 172,522,899	(163,510,659)	-	-
Other comprehensive income / (loss) for the period - net of tax	172,522,899	(161,688,805)	-	1,821,854
Total comprehensive income for the period	784,291,135	545,562,441	419,216,198	317,302,577
Earnings per share - basic 23	9.59	11.08	6.57	4.94
		(Restated)		(Restated)
Earnings per share - diluted 23	9.22	10.66	6.32	4.75

The annexed selected notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director Abdul Qadir Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

ns					Tatal	Total Baserson			
ari		Teened	Capita	Capital reserve	PHOT	Revenue reserve			
m Saifull		subscribed and paid-up share capital	Share premium	Amalgamation reserves	Remeasurement of investment in associate	Remeasurement of investments at fair value through OCI	Unappropriated profit	Total reserves	Total shareholders' equity
ah	Balance as at July 01, 2018 Total comprehensive income for the period	638,047,500	579,265,000	916,862,067		Rupees	5,425,785,968	6,581,983,812	7,220,031,312
	Profit for the six months period ended December 31, 2018						707,251,246	707,251,246	707,251,246
	Unrealized Appreciation on revaluation of investment - net of tax					1 821 854		1 821 854	1 821 854
	Share of other comprehensive loss from associate - net of tax				(163,510,659)			(163,510,659)	(163,510,659)
м	Total comprehensive income for the period				(163,510,659)	1,821,854	707,251,246	545,562,441	545,562,441
aqsoo	Reclassification due to disposal of investment - available for sale Transaction with owners, recognised directly in equity			,		(27,914,411)		(27,914,411)	(27,914,411)
l Ism	Cash dividend paid for the year ended June 30, 2018 @ Rs. 4.50 per share	0	,				(287,121,375)	(287,121,375)	(287,121,375)
ail	Balance as at December 31, 2018	638,047,500	579,265,000	916,862,067	(529, 532, 439)		5,845,915,839	6,812,510,467	7,450,557,967
l	Balance as at July 01, 2019 Total comprehensive income for the period	638,047,500	579,265,000	916,862,067	(854,605,234)		6,094,677,327	6,736,199,160	7,374,246,660
	Profit for the six months period ended December 31, 2019 Show of other commodiancies income from accordents of	1	1				611,768,236	611,768,236	611,768,236
	DIARC OF OTHER COMPACIFIES WE INCOME ROLL ASSOCIATED - THE OF		,		172,522,899	,		172,522,899	172,522,899
	Total comprehensive income for the period Transaction with owners, recognised directly in equity				172,522,899	1	611,768,236	784,291,135	784,291,135
Ab	Cash dividend paid for the year ended june 20, 2019 @ AS. 5 per share						(191,414,250)	(191,414,250)	(191,414,250)
du	Balance as at December 31, 2019	638,047,500	579,265,000	916,862,067	(682,082,335)		6,515,031,313	7,329,076,045	7,967,123,545
1 Q a	The annexed selected notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.	of these unconsoli	dated condense	d interim financial	l statements.				

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director

Abdul Qadir

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	December 31, 2019	December 31, 2018
Note		1pees
CASH FLOWS FROM OPERATING ACTIVITIES		1
Cash generated from operations after working capital changes 20	1,167,117,108	1,344,872,667
Gratuity paid	(16,994,735)	(2,798,322)
Income tax paid	(211,858,033)	(145,023,330)
Long-term deposits paid	4,294,281	(7,358,908)
Net cash generated from operating activities	942,558,621	1,189,692,107
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure (including CWIP)	(5,168,162,175)	(1,548,424,619)
Capital expenditure - intangibles	-	(29,900,000)
Investment in associated undertakings	(16,294,565)	-
Proceeds from sale of investment	-	197,251,008
Advance against shares of subsidiary	(327,908,000)	-
Short term investment	(200,000,000)	-
Proceeds from disposal of property, plant and equipment	16,423,071	11,047,389
Net cash used in investing activities	(5,695,941,670)	(1,370,026,222)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts from long-term financing -net	5,034,002,158	274,583,188
Lease repayment net of sale and lease back	(79,463,475)	
Interest/ mark-up paid	(533,974,935)	
Dividends paid	(191,154,584)	(286,462,498)
Net cash generated from / (used in) financing activities	4,229,409,164	(536,363,232)
Net decrease in cash and cash equivalents	(523,973,884)	(716,697,347)
Cash and cash equivalents at the beginning of the period	(3,267,596,157)	(1,916,243,707)
Cash and cash equivalents at the end of the period 21	(3,791,570,041)	(2,632,941,054)

The annexed selected notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director Abdul Qadir Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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', 'Snackeity' and 'Astro films' respectively.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

a) The Company has made Capex amounting to Rs. 5.148 billion during the period under review, which majorly includes the addition of another BOPET Line which will eventually results in increasing the production capacity of our BOPET Films by 200%.

b) Subsequent to the period end, the Company has started the process to convert Sponsors' loan into ordinary shares of the company by issuing right shares.

c) The Board has approved further investment in Hudson Pharma (Private) Limited amounting to Rs. 500 million in last Annual General Meeting for the Company for managing working capital requirement and the same will be convertible into the ordinary shares subject to the approval of the authorities.

3 STATEMENT OF COMPLIANCE

- 3.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

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

4 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements of the Company does not include all of the information and disclosure required in the unconsolidated annual financial statements and should be read in conjunction with the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2019. 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 profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with the relevant notes to the unconsolidated condensed interim financial statements for the six-months period ended December 31, 2019 are not audited. Further, the figures for the three-months period ended December 31, 2019 and 2018 in the unconsolidated condensed interim statement of profit or loss and other comprehensive income have also not been reviewed by auditors.

5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2019, except for the adoption of IFRS 16 "Leases". The accounting policy adopted by the Company is as follows:

5.1 IFRS16 'Leases' replaces the previous lease standard "IAS17 Leases". It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. The associated Right-of-use (RoU) for finance leases were measured on a retrospective basis as if the new rules had always been applied.

Management of the Company has assessed the changes laid down by these standards and determined that these do not have any significant impact on these unconsolidated condensed interim financial statements of the Company.

The change in accounting policy affected the following items in the statement of financial position.

ISMAIL INDUSTRIES LIMITED

	Un-audited	Audited
	December 31,	June 30,
	2019	2019
	Rup	ees
Operating fixed assets – decreased by	(314,928,604)	(331,919,479)
Right-of-use asset - increased by	314,928,604	331,919,479
Liability against assets subject to finance lease - decreased by	(185,124,130)	(236,244,403)
Lease liabilities - increased by	185,124,130	236,244,403

The above figures have been reclassified wherever necessary to reflect more appropriate presentation.

5.1.1 LEASE LIABILITY AND RIGHT-OF-USE ASSET

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in unconsolidated condensed interim statement of profit or loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-ofuse asset is depreciated on a diminishing balance as given in note 7 of unconsolidated financial statements of June 30, 2019. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

6 USE OF JUDGEMENTS AND ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgments and associated assumptions used in the preparation of this unconsolidated condensed interim financial information are consistent with those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2019.

The Company's financial risk management objective and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2019.

7 FUNCTIONAL AND PRESENTATION CURRENCY

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

Ismail Industries Limited

			(Un-audited)	(Audited)
			December 31,	June 30,
			2019	2019
8	PROPERTY, PLANT AND EQUIPMENT	Note	Rup	ees
	Operating fixed assets	8.1	12,485,423,245	11,788,948,787
	Right-of-use assets	8.1	314,928,604	331,919,479
	Capital work in progress - at cost	8.2	4,544,980,556	637,833,846
			17,345,332,405	12,758,702,112

8.1 Details of additions and disposals to operating fixed assets during the six-months period are as follows:

		(Un-audited)			
	Addit	Additions Disposals			
	At c	At cost At net book value			
	December 31,	December 31,	December 31,	December 31,	
	2019	2018	2019	2018	
		R	upees		
Owned assets					
Building on leasehold land	175,507,992	5,955,115	-	-	
Plant and machinery	1,064,989,722	57,108,928	4,738,957	-	
Furniture and fittings	6,194,010	-	8,963	-	
Equipment	10,454,600	2,544,348	-	-	
Computers	2,677,500	16,726,495	-	107,580	
Vehicles	1,191,642	19,355,610	8,054,850	8,869,970	
	1,261,015,466	101,690,496	12,802,770	8,977,550	
Right-of-use assets					
Vehicles	28,343,202	44,804,850	-	-	
	28,343,202	44,804,850	-	-	
	1,289,358,668	146,495,346	12,802,770	8,977,550	

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

sfers December 31, 2018
December 31, 2018
December 31, 2018
2018
5,955,11
57,108,92
-
63,064,04
(A 1. D
(Audited)
June 30,
2019
ees
605,984,00
376,115,00
376,115,00
982,099,00

9

ISMAIL INDUSTRIES LIMITED

		(Un-audited)	(Audited)
		December 31,	June 30,
Investment in associated undertakings		2019	2019
		Rup	ees
Novelty Enterprises (Private) Limited- unquoted shares	9.2	228,717,751	228,717,751
The Bank of Khyber	9.3	2,244,567,600	2,001,232,631
		3,783,292,351	3,212,049,382

9.1 Hudson Pharma (Private) Limited

The Company holds 60,598,400 (June 2019: 60,598,400) shares of Hudson Pharma (Private) Limited (subsidiary), which is equivalent to 71.29% of total paid-up share capital. 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, wholeselling and retailing, trading and selling of all kinds of pharmaceutical drugs and medicines. The shares of Subsidiary are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of subsidiary is une 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, on September 19, 2018. 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.

In the 31st Annual General Meeting, the Company has approved further investment in Hudson Pharma (Private) Limited amounting to Rs. 500 million for the working capital requirement and the same will be convertible into the shares subject to the approval of the authorities.

9.2 Novelty Enterprises (Private) Limited

The Company holds 33% (June 2019: 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, 2019 based on un-audited financial statements amounted to Rs. 561.428 million (2018: Rs. 561.459 million based on audited financial statements). However, as per report of an independent valuer, M/s. Masud Associates dated December 31, 2015 fair value of fixed assets of NEL amounted to Rs. 1,016.32 million resulting in surplus on fixed assets of Rs. 483.607 million. Revised net assets after the revaluation surplus amounted to Rs. 1,045.063 million (2018: Rs. 1,045.063 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

9.3 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 244,339,031 (June 30, 2019: 241,639,031) shares which represents 24.43% of paid-up capital of the Bank (June 2019: 24.16%). 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 financial statements have been taken from unaudited financial statements of the Bank for the nine-months period ended September 30, 2019 and unaudited interim six-months period ended June 30, 2019. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on December 31, 2019 was Rs. 3,313.24 million (June 30, 2019: Rs. 2,382.561 million).

9.4 These investments are accounted for under the equity method. The aggregate amount of the associates recognized in these financial statements are as follows:

	The Bank of Khyber		The Bank of Khyber Novelty Enterprises (Private) Limited		
	(Un-audited)	(Audited)	(Audited) (Un-audited) (Audited		
	December 31,	June 30,	December 31,	June 30,	
	2019	2019	2019	2019	
Carrying value at beginning of the period	2,001,232,631	2,530,641,520	228,717,751	228,727,912	
Investment made during the period	16,294,565	-	-	-	
Share of profit or loss	24,072,287	45,395,175	-	(10,161)	
Share of other comprehensive income	202,968,117	(574,804,064)	-		
	2,244,567,600	2,001,232,631	228,717,751	228,717,751	

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associates. During the year, no cash dividend has been received from the Bank of Khyber (2019: Rs. Nil per share).

			(Un-audited)	(Audited)
			December 31,	June 30,
			2019	2019
		Note	Rup	ees
10	STORES AND SPARES			
	Stores and spare parts - gross		339,218,663	287,567,313
	Provision for slow moving stores and spares		(8,591,420)	(8,591,420)
	Store and spares - net		330,627,243	278,975,893
11	STOCK-IN-TRADE			
	Raw materials	11.1	3,325,956,802	2,951,988,975
	Packing materials	11.1	742,395,922	451,115,557
	Work-in-process		191,167,112	82,183,155
	Finished goods		2,115,608,304	1,626,328,441
			6,375,128,140	5,111,616,128

11.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,384,583 (June 30, 2019: Rs.13,384,583) and Rs.109,848,549 (June 30, 2019: Rs. 109,848,549) respectively.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2019	2019
12	TRADE DEBTS	Rup	ees
	Considered good		
	- secured (export debtors)	931,561,631	784,297,206
	- unsecured	2,738,304,821	2,038,377,907
		3,669,866,452	2,822,675,113
	Allowance for expected credit loss	(86,343,145)	(76,343,145)
	Trade debts - net	3,583,523,307	2,746,331,968

13 SHORT TERM INVESTMENT

During the period, the Company has made an investment in un-listed term finance certificates of Habib Bank Limited amounting to Rs. 200 million, which is classified as fair value through other comprehensive income. These investments carry interest rate three months KIBOR + 160 bps and recorded at cost due to non availability of market value.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2019	2019
14 CASH AND BANK BALANCES	Rup	ees
Cash in hand	9,438,983	7,303,543
Cash with banks in:		
- current accounts- conventional	10,441,864	20,660,039
- current accounts- islamic	6,588,951	4,430,682
	26,469,798	32,394,264

15 SPONSORS' LOAN - subordinated

The Company has obtained interest free loan from its sponsors. The sponsors have entered into an agreement with the Company and various banks in which they have undertaken to subordinate their loans and their claims over the Company's assets. Subsequent to the period end, the Company has started the process to convert sponsors' loan into ordinary shares of the company by issuing right shares.

16 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	December 31, 2019 June 30, 2019					
	Rupees					
	Conventional	onventional Islamic Total Conventional Islamic Total				Total
At beginning of the period / year	6,018,572,286	2,047,270,107	8,065,842,393	4,629,479,472	2,534,305,564	7,163,785,036
Obtained during the period / year	4,885,132,853	1,292,653,700	6,177,786,553	2,772,202,997	799,770,000	3,571,972,997
Repaid during the period / year	(590,034,305)	(553,750,090)	(1,143,784,395)	(1,383,110,183)	(1,286,805,457)	(2,669,915,640)
	10,313,670,834	2,786,173,717	13,099,844,551	6,018,572,286	2,047,270,107	8,065,842,393
Less: Current maturity	(1,246,552,713)	(753,019,990)	(1,999,572,703)	(1,128,579,949)	(784,583,333)	(1,913,163,282)
	9,067,118,121	2,033,153,727	11,100,271,848	4,889,992,337	1,262,686,774	6,152,679,111

- 16.1 These represent financings for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu charge over present and future fixed assets of the Company and personal guarantees of sponsors.
- 16.2 The Company's total limit for long term loan amounting to Rs. 18,209 million. (June 2019: Rs. 13,320 million).

17	TRADE AND OTHER PAYABLES	Note	(Un-audited) December 31, 2019 Rup	(Audited) June 30, 2019 ees
	Trade creditors		2,270,945,788	1,358,568,340
	Other liabilities		646,877,415	692,649,597
			2,917,823,203	2,051,217,937
18	SHORT TERM FINANCES - secured			
	Term finances-conventional	18.1	999,696,647	895,013,391
	Term finances-islamic	18.2	1,400,000,000	1,599,200,000
	Export refinances	18.3	505,700,000	505,700,000
	Running finance utilized under mark-up arrangement	18.4	3,818,039,839	3,299,990,421
			6,723,436,486	6,299,903,812

18.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,305 million (June 2019: 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 11.26% to 14.29% per annum (June 2019: 6.24% to 13.21% per annum).

- 18.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,600 million (June 2019: Rs. 1,600 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 10.85% to 14.38% per annum (June 2019: 6.56% to 13.16% per annum).
- 18.3 These represent facilities for export refinance arranged from various banks aggregating to Rs. 505.70 million (June 2019: Rs. 685.70 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carry mark-up at the rate 0.25% to 0.60% above the State Bank of Pakistan (SBP) rate per annum (June 2019: 0.25% to 0.50% above SBP rate per annum).
- 18.4 These facilities for running finances available from various banks aggregated to Rs. 5,984.30 million (June 2019: Rs. 4,804.30 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 12.92% to 14.86% per annum (June 2019: 7.02% to 13.54% per annum).

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

There are no material changes in the status of contingencies as same reported in note 28.1 to the financial statements of the Company for the year ended 30 June, 2019, except mentioned below;

19.1.1 Through Finance Act, 2019, the Government has reduced tax credit available on new investment under Section 65B from 10% to 5% in FY-2019 and Nil from onward. The company has challenged the provision of Finance Act, 2019 before the Honorable Sindh High Court and obtained the interim relief of claiming 10% tax credit on all investment already planned including its ancillary cost of last and current fiscal year. The management is confident that the case will be decided in favour of the Company based on the opinion of legal counsel.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2019	2019
19.2	Commitments	Rup	ees
	Outstanding letter of guarantees	1,318,235,762	929,682,424
	Outstanding letter of credit for:		
	- capital expenditures	804,199,146	4,295,585,276
	- others	1,172,480,797	1,204,858,818

20 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

Profit	before	income	tax

Adjustments for non-cash and other items:

Depreciation
Amortization charge
Gain on disposal of property, plant and equipment - net
Gain on disposal of availabe for sale investment
Provision for staff retirement gratuity
Provision for doubtful debts
Share of profit from associated undertaking
Unrealized exchange loss
Finance cost
Net decrease in working capital

			December 31, 2019	December 31, 2018
20.1	Working capital changes	Note	Rupee	2S
	Current assets			
	Decrease / (Increase) in current assets			
	Stores and spares		(51,651,350)	(31,144,336)
	Stock-in-trade		(1,270,517,151)	90,004,654
	Trade debts		(847,191,339)	(216,035,771)
	Loans and advances		601,048,706	(237,486,979)
	Trade deposits and short-term prepayments		(22,803,559)	(79,996,338)
	Other receivables		(113,496,491)	(30,805,715)
			(1,704,611,185)	(505,464,485)
	Current liabilities			
	(Decrease) / Increase in current liabilities			
	Trade and other payables		867,353,578	207,278,413
	Short term finance - secured		(94,516,744)	(322,575,148)
	Advances from customers		164,823,564	34,859,891
			937,660,398	(80,436,844)
	Net decrease in working capital		(766,950,787)	(585,901,329)
21	CASH AND CASH EQUIVALENTS			

Cash and bank balances
Running finances under mark-up arrangement

26,469,798

(3,818,039,839)

(3,791,570,041)

(Un-audited)

December 31,

2019

596,700,469 14,776,372 (3,620,301)

-30,689,765

10,000,000

(24,072,287)

590,501,355

(766,950,787)

1,167,117,108

(Un-audited)

6,256,827

-----Rupees-

Note

20.1

14

18

(Un-audited)

December 31,

2018

1,068,843,004

524,225,574

(2,069,840) (27,914,411)

56,153,377

(36,564,047)

28,745,651

319,354,688

(585,901,329)

42,677,806

(2,675,618,860)

(2,632,941,054)

1,344,872,667

(Un-audited)

SEGMENT INFORMATION ส A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incur expenses and its results are regularly reviewed by the Company's chief operating 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 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.

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segment revenue, segment result, costs, assets and liabunce for the period are as follows	costs, assets and habi	intes for the period 2.	ITC AS IOHOWS:			(Iln-	(Lin-andited)					Ĭ
22.1			Three-months Period Ended	Period Ended			(Six-months Period Ended	sriod Ended		
	Food Pr	Food Processing	Plastic	Plastic Film	Total	tal	Food Processing	cessing	Plastic Film	: Film	Total	L L
	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	6107	0107	6107	0107	6107	Runne	6107	01/07	6107	0107	6107	0107
						- CONTRACTOR						
Salles	0.444.0440.040	- FAX 402 004	1 000 000 / 1	A DOV F40 VEM	101 000 000 001	0 100 001 4/4	100 CM1 111 11	**0000000	10000000	A 0714 0014 0014	10 100 107 111	PER 000 000 PF
Local	5,411,947,332 000 676 746	1210240004	1,920,222,054	7 00,040,086,1	1 100 070 070 002	73C 121 121 122 101	15,545,47,590 1 566,647,603	0/0/00/0/141	CH2/22/26666	5,8/0,001,0/2	19,47,4,390,141	1/, 202, 209, /4/
Export rebates	3,648,352	923,152	-		3,648,352	923,152	5,809,544	3,467,354		-	5,809,544	3,467,354
	9,396,272,430	7,819,548,107	2,120,475,391	2,015,544,773	11,516,747,821	9,835,092,880	17,117,901,042	14,467,962,657	4,328,714,267	3,929,586,572	21,446,615,309	18,397,549,229
Seles return and discounts	(366.607.333)	(162.674.753)	(2.249.041)	(2.517.270)	(368.856.374)	(165.192.023)	(848.295.548)	(622.261.508)	(15.748.371)	C2.548.910)	(864.043.919)	(694.810.418)
Sales tax	(1,274,029,760)	(1,075,453,759)	2	0	(1,564,309,524)	(1,379,477,139)	(2,387,299,057)	(2,010,030,564)	(591,314,901)	(581,730,682)	(2,978,613,958)	(2,591,761,246)
	(1,640,637,093)	(1,238,128,512)	(292,528,805)	(306, 540, 650)	(1,933,165,898)	(1,544,669,162)	(3,235,594,605)	(2,632,292,072)	(607,063,272)	(654, 279, 592)	(3,842,657,877)	(3,286,571,664)
Net sales	7,755,635,337	6,581,419,595	1,827,946,586	1,709,004,123	9,583,581,923	8,290,423,718	13,882,306,437	11,835,670,585	3,721,650,995	3,275,306,980	17,603,957,432	15,110,977,565
Cost of sales	(5,803,152,497)	(4,948,133,114)	(1,683,702,737)	(1,505,863,891)	(7,486,855,234)	(6,453,997,006)	(10,458,877,682)	(8,817,465,228)	(3, 362, 433, 899)	(2,881,045,498)	(13,821,311,581)	(11,698,510,726)
Selling and distribution	(1, 378, 827, 060)	(1,084,352,970)			(1, 452, 584, 764)	(1, 126, 249, 659)	(2, 149, 959, 777)	(1,744,851,566)	(121,438,216)	(73,020,601)	(2,271,397,993)	(1, 817, 872, 167)
Administrative expenses	(112, 791, 555)	(94,000,067)			(142, 284, 178)	(139, 643, 599)	(238,068,224)	(204,524,984)		(55,616,953)	(280, 211, 459)	(260, 141, 937)
	(7,294,771,112)	(6, 126, 486, 151)	(1, 786, 953, 064)	(1, 593, 404, 113)	(9,081,724,176)	(7, 719, 890, 264)	(12, 846, 905, 683)	(10,766,841,778)	(3, 526, 015, 350)	(3,009,683,052)	(16,372,921,033)	(13, 776, 524, 830)
Segment result	460,864,225	454,933,444	40,993,523	115,600,010	501,857,747	570,533,454	1,035,400,754	1,068,828,807	195,635,645	265,623,928	1,231,036,399	1,334,452,735
Unallocated income and expenses	ses											
Other operating income											141,856,551	151,858,370
Finance cost											(590, 501, 355)	(319, 354, 688)
Other operating expenses											(93,628,187)	(134,677,460)
Share of profit from associated companies-net	ompanies-net										24,072,287	30,504,047
Profit before taxation											cf0, c52, 21/	1,008,845,004
Income tax expense											(464,100,101)	(80),160,100)
Profit for the period										1	611,768,236	/0/,251,246
							(Un-audited) (A	(Audited)	(Un-audited) (Au Dissis Common	(Audited)	(Un-audited)	(Audited)
							D	1	D	Toria Contraction	D	
							December 31,	June Ju,	December 31,	June Ju,	December 31,	June Ju,
							2019	2019	2019	2019	2019	2019
									Rupees	1		
22.2 Segment assets 27.3 Unallocated access							17,731,664,384	15,727,044,151	11,707,362,674	7,092,171,057	29,439,027,058 4 701 982 464	22,819,215,208 4 145 280 326
							17 731 664 384	15 727 044 151	11 707 362 674	7 002 171 057	34 141 000 522	26 Q64 405 534
								101611001m1601		10041144404		T004047470440M
22.4 Segment liabilities 22.5 Unallocened liabilities							7,224,000,088	962,000,678,4	3,041,095,252	6,436,912,902	10,265,095,340	9,111,922,111,9 017,325,310
							7.224.000.088	4 675 000 250	3 041 095 252	4 436 012 005		10 500 248 874
							for of a work a	(The second s		1.0 por upor upor 1.

Ismail Industries Limited

Transactions among the business segments are recorded at estimated cost.

22.6 Inter-segment pricing

2.7. The Company's export sites have been primarly made 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.
2.8. There were no major casioners of the company which formed 10 percent or more of the Company's revenue.

22.9	RECONCILIATION OF REPORTABLE SEGMENT
	ASSETS AND LIABILITIES

Assets			
Total assets for reportable segments	22.2	29,439,027,058	22,819,215,208
Unallocated capital assets		918,690,113	933,230,944
Long term investment	9	3,783,292,351	3,212,049,382
Total assets		34,141,009,522	26,964,495,534
Liabilities			
Total liabilities for reportable segments	22.4	10,265,095,340	9,111,922,155
Sponsors' loan - subordinated		902,151,770	902,151,770
Deferred liabilities		1,721,670,186	1,274,088,153
Long term finance - secured	16	13,099,844,551	8,065,842,393
Lease liabilities		185,124,130	236,244,403
Total liabilities		26,173,885,977	19,590,248,874

(Un-audited)

December 31,

2019

---Rupees-

Note

(Audited)

June 30,

2019

23 EARNINGS PER SHARE - Basic and Diluted

	(Un-audited) December 31, 2019	(Un-audited) December 31, 2018 pees
Basic earnings per share Profit for the period	611,768,236	707,251,246
	(Num	
Weighted average number of ordinary shares during the period	63,804,750	63,804,750
	(Rupe	ees)
Basic earnings per share	9.59	11.08
Diluted earnings per share		
Profit for the period	611,768,236	707,251,246
	(Un-audited) December 31, 2019	(Audited) June 30, 2019
	(Num	(Restated) ber)
Weighted average number of ordinary shares during the period Adjustment for potential right issue of ordinary shares Weighted average number of ordinary shares for diluted earning	63,804,750 2,552,190	63,804,750 2,552,190
per share	66,356,940	66,356,940
	(Rupe	,
Diluted earnings per share	9.22	10.66

24 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-au	dited)
	December 31,	December 31,
	2019	2018
Transactions	Rupe	ees
Plastiflex Films (Private) Limited		
Common Directorship		
- Purchase of raw and packing materials	35,326,331	1,376,472
- Metallization service	(16,248,232)	(1,116,340)
- Sale of raw and packing materials	(3,296,892)	(5,890,330)
- Recovery against sales	11,767,889	50,629,633
- Payment against purchases	(10,534,194)	(15,847,505)
Others		
Remuneration to directors and other key		
management personnel:		
Chief Executive Officer	5,300,000	3,900,000
Directors	9,150,000	7,200,000
Executives	136,569,810	132,305,549
	151,019,810	143,405,549
	(Un-audited)	(Audited)
	December 31,	June 30,
Balances	2019	2019
	Rupe	es
Plastiflex Films (Private) Limited	-	
-Payable to associate	31,601,685	14,586,783
Director's subordinated loan		
-Loan from director's	902,151,770	902,151,770

25 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, 2019. 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, 2019

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;

	Decen (Level 1)	nber 31, 201 (Level 2)	9 (Level 3)	Total	June 30, 2019
			Rupee	°s	
Investment in associated					
undertakings	2,244,567,600	-	-	2,244,567,600	2,001,232,631
	2,244,567,600	-	-	2,244,567,600	2.001.232.631

26 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, 2019.

27 NON - ADJUSTING EVENT AFTER THE REPORTING DATE

The board of directors in its meeting held on February 21, 2020 has declared an interim cash dividend in December 31, 2019 of Rs. 0.5 per share (December 31, 2018: Rs. Nil/- per share). The unconsolidated condensed interim financial statements for the six months period ended December 31, 2019 do not include the effect of proposed dividend, which will be accounted for in the unconsolidated financial statements for the year ending March 31, 2020.

28 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on 21st February 2020 by the Board of the Company.

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director Abdul Qadir Chief Financial Officer

Half Yearly Report December 2019

CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

AS AT DECEMBER J1, 2017			
		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
	Note	Rupees	Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	8	18,486,484,869	13,948,245,682
Goodwill		11,959,187	11,959,187
Intangible assets		70,676,771	85,453,143
Long term investments	9	2,473,285,351	2,229,950,382
Long term deposits		45,344,066	47,985,848
Total non-current assets		21,087,750,244	16,323,594,242
Current assets			
Stores and spares	10	346,775,412	292,887,591
Stock-in-trade	11	6,555,155,472	5,261,895,471
Trade debts	12	3,614,215,490	2,768,429,157
Loans and advances		1,015,481,639	1,634,108,116
Trade deposits and short-term prepayments		63,782,002	37,273,112
Short term investment	13	200,000,000	
Other receivables		245,459,294	131,962,804
Taxation - net		1,104,585,172	945,869,617
Cash and bank balances	14	41,877,704	36,602,222
Total current assets		13,187,332,185	11,109,028,090
Total assets		34,275,082,429	27,432,622,332
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2019: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital			
63,804,750 (June 30, 2019: 63,804,750) ordinary shares of Rs.10 each		638,047,500	638,047,500
Non-controlling interest		111,300,535	179,714,690
Reserves		6,874,866,752	6,451,888,083
Total shareholders' equity		7,624,214,787	7,269,650,273
Non-current liabilities			
Sponsors' loan - subordinated	15	915,357,737	915,357,737
Long-term finances - secured	16	11,354,160,731	6,484,901,333
Lease liabilities		98,940,988	136,024,559
Deferred liabilities		1,735,782,235	1,643,629,575
Total non-current liabilities		14,104,241,691	9,179,913,204
Current liabilities		,,,	.,,
Trade and other payables	17	2,953,089,652	2,106,806,641
Accrued mark-up		266,060,990	209,765,534
Short-term finance - secured	18	6,723,436,486	6,299,903,813
Current portion of:		-,,,	0,277,7700,000
- long-term finances - secured	16	2,156,239,379	2,069,829,949
- lease liabilities		86,183,142	100,219,845
Unclaimed Dividend		2,598,166	2,338,500
Advances from customers		359,018,136	194,194,573
Total current liabilities		12,546,625,951	10,983,058,855
Total liabilities		26,650,867,642	20,162,972,059
Contingencies and commitments	19		,,,,
Total equity and liabilities		34,275,082,429	27,432,622,332
		, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, , ,

The annexed selected notes from 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Munsarim Saifullah	Maqsood Ismail	Abdul Qadir
Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

	Six-months P	eriod Ended	Three-months	Period Ended
	December 31,	December 31,	December 31,	December 31,
Note	2019	2018	2019	2018
	Rupees	Rupees	Rupees	Rupees
Sales - gross 23.1	21,539,707,925	18,466,972,887	11,583,085,278	9,895,212,857
Sales returns & discounts	(873,376,375)	(695,555,612)	(375,459,530)	(165,937,217)
Export Rebate	5,809,544	3,467,354	3,648,352	923,152
	(867,566,831)	(692,088,258)	(371,811,178)	(165,014,065)
Sales	20,672,141,094	17,774,884,629	11,211,274,100	9,730,198,792
Sales tax	(2,978,613,958)	(2,591,761,246)	(1,564,309,524)	(1,379,477,139)
Net sales	17,693,527,136	15,183,123,383	9,646,964,576	8,350,721,653
Cost of sales 23.1	(13,949,988,220)	(11,786,346,980)	(7,547,101,394)	(6,519,926,855)
Gross profit	3,743,538,916	3,396,776,403	2,099,863,182	1,830,794,798
Selling and distribution expenses	(2,403,937,049)	(1,884,804,233)	(1,526,285,359)	(1,169,396,358)
Administrative expenses	(316,617,651)	(280,497,357)	(164,469,507)	(151,389,222)
	(2,720,554,700)	(2,165,301,590)	(1,690,754,866)	(1,320,785,580)
Operating profit	1,022,984,216	1,231,474,813	409,108,316	510,009,218
Other expenses	(93,628,187)	(134,677,460)	(34,548,280)	(59,693,134)
	929,356,029	1,096,797,353	374,560,036	450,316,084
Other income	142,970,287	152,214,876	77,240,377	108,541,687
	1,072,326,316	1,249,012,229	451,800,413	558,857,771
Finance cost	(621,875,279)	(341,797,555)	(296,600,002)	(141,209,956)
	450,451,037	907,214,674	155,200,411	417,647,815
Share of profit from associate	24,072,287	36,564,047	-	
Profit before income tax	474,523,324	943,778,721	155,200,411	417,647,815
Taxation	(101,067,459)	(361,591,758)	156,473,239	(174,670,092)
Profit for the period	373,455,865	582,186,963	311,673,650	242,977,723
Profit for the period attributable to:				
Shareholders of the Holding Company	441,870,020	618,090,123	342,546,712	260,352,878
Non-controlling interest	(68,414,155)	(35,903,160)	(30,873,062)	(17,375,155)
	373,455,865	582,186,963	311,673,650	242,977,723
Earnings per share - basic 20	6.93	9.69	5.37	4.08
		(Restated)		(Restated)
Earnings per share - dilutive 20	6.66	9.31	5.16	3.92

The annexed selected notes from 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director Abdul Qadir Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

		Six-months I	Period Ended	Three-months	Period Ended
	-	December 31,	December 31,	December 31,	December 31,
		2019	2018	2019	2018
	Note	Rupees	Rupees	Rupees	Rupees
Profit for the period		373,455,865	582,186,963	311,673,650	242,977,723
		,,	,,	,,	,, ,,
Item that will not be reclassified to statement of		-	-	-	-
profit or loss in subsequent period					
Item to be reclassified to statement of					
profit or loss in subsequent period					
Unrealized appreciation during the period on sale of					
investment classified as fair value through other					
comprehensive income-net of tax			1,821,854	-	1,821,854
Share of other comprehensive income / (loss) from					
associated undertaking - net of tax	9.3	172,522,899	(163,510,658)	-	-
Other comprehensive income / (loss) for the period -					
net of tax		172,522,899	(161,688,804)	-	1,821,854
Total comprehensive income for the period		545,978,764	420,498,159	311,673,650	244 700 577
Total comprehensive income for the period		545,976,704	420,496,139	311,073,030	244,799,577
Total Comprehensive Income for the period					
attributable to :					
Shareholders of the holding Company		614,392,919	456,401,319	342,546,712	262,174,732
Non-controlling Interest		(68,414,155)	(35,903,160)	(30,873,062)	(17,375,155)
		545,978,764	420,498,159	311,673,650	244,799,577

The annexed selected notes from 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director Abdul Qadir Chief Financial Officer

ISMAIL INDUSTRIES LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

$ \frac{\ln 4 \ln 4}{\ln 4 \ln 4 \ln 4} = \frac{\ln 4 \ln 4}{\ln 4 \ln 4$	Isolation of the standard of the standard memory of the standard memory of the standard of the standard of the standard memory of the sta	im					Total Reserves	a pro po				
Balance as a Joy 01.2015 Ensention of investment in the copplate Ensention of investment in the combine Ensention of investment in the combine Ensention of investment in the combine Non- services	Image: space of the s	6			Canital	reserve	ANT THICK	Revenue reserve				
Balance as 1 July $0, 208$ Explore as $1, 208$ Explo	Binome an July 01, 2015 Columbration Colump 2015 Colump 2015 <thcolump 2015<="" th=""> <thcolump 2015<="" th=""><th>- : C - 11 - 1-</th><th></th><th>Issued, subscribed and paid-up share capital</th><th>Share premium</th><th>Amalgamation reserves</th><th>Remeasurement of investment in associate</th><th>Remeasurement of investments at fair value through OCI</th><th>Unappropriated</th><th></th><th>Non- Controlling Interest</th><th>Total shareholders' equity</th></thcolump></thcolump>	- : C - 11 - 1-		Issued, subscribed and paid-up share capital	Share premium	Amalgamation reserves	Remeasurement of investment in associate	Remeasurement of investments at fair value through OCI	Unappropriated		Non- Controlling Interest	Total shareholders' equity
Transition on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of investment - art of target for the six montly protection on revalution of target for the six montly protection on revalution of target for the six montly protection on revalution of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the ordeposition of target for the six montly protection on the six monthy monteret are on the six montly protect the six mon	Total protocol $(13,0)(12)$		Balance as at July 01, 2018 Teach commendancian in commendant and an	638,047,500	579,265,000	916,862,067	(366,021,780)	Rupees26,092,557	5,379,455,187	- 6,535,653,031	220,543,953	7,394,244,484
Unrelied Appreciation on revaluation of inventent - net of tax $ -$ <t< th=""><td>Unclude dypeciation on revlation of inventent - net of tax$(1,0,5,10,06)$$(1,0,2,10,66)$$(1,0,1,2,16)$$(1,0,1,12,12)$$(1,0,1,12,12)$$(1,0,1,12,12)$$(1,0,1,12,12)$<th></th><td>Profit for the six months period ended December 31, 2018</td><td></td><td></td><td></td><td></td><td></td><td>618,090,123</td><td>618,090,123</td><td>(35,903,160)</td><td>582,186,963</td></td></t<>	Unclude dypeciation on revlation of inventent - net of tax $(1,0,5,10,06)$ $(1,0,2,10,66)$ $(1,0,1,2,16)$ $(1,0,1,12,12)$ $(1,0,1,12,12)$ $(1,0,1,12,12)$ $(1,0,1,12,12)$ <th></th> <td>Profit for the six months period ended December 31, 2018</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>618,090,123</td> <td>618,090,123</td> <td>(35,903,160)</td> <td>582,186,963</td>		Profit for the six months period ended December 31, 2018						618,090,123	618,090,123	(35,903,160)	582,186,963
Other comprehensive loss for the six months period $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,1854$ $(161,608,00)$ $122,12,127$ 1	Other comprehensive loss for the seix nontils pend ended Control (1,6,5,10,65) 1,21,155 (1,1,6,8,04) (1,1,6,8,04) Tend comprehensive income for the pend - - - (1,6,5,10,65) 1,22,155 (6,4,1,13) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,3,14,10) (5,14,11) (5,3,14,10) (5,14,11) <th></th> <td>Unrealized Appreciation on revaluation of investment - net of tax Share of other comprehensive loss from associate - net of tax</td> <td></td> <td></td> <td></td> <td>- (163,510,658)</td> <td>1,821,854</td> <td></td> <td>1,821,854 (163,510,658)</td> <td></td> <td>1,821,854 (163,510,658)</td>		Unrealized Appreciation on revaluation of investment - net of tax Share of other comprehensive loss from associate - net of tax				- (163,510,658)	1,821,854		1,821,854 (163,510,658)		1,821,854 (163,510,658)
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Total comprehensive income for the pendid Total comprehensive		Other comprehensive loss for the six months period ended December 31, 2018		,		(163,510,658)		,	(161,688,804)		(161,688,804)
Transaction due to deposed of merchine value for sub- Transaction with owners, recognised directly in equity (27914411) (27914411) (27914411) (27914411) (27914411) (27914411) $(2791421,373)$ $(2791421,373)$ $(2791421,373)$ $(2791421,373)$ $(2791421,373)$ $(2791421,373)$ $(27914,310,37)$	Redistration due to upoped of merchine value for super formation of the neuron of the neuron supposed directly in equity. (27914411) (27914411) (27914411) (27914411) (27914411) (2791411) (2791411) (279141)		Total comprehensive income for the period				(163,510,658)		618,090,123	456,401,319	(35,903,160)	420,498,159
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Call divided put for the year ended $(23, 13, 13, 13, 13, 13, 13, 13, 13, 13, 1$		Reclassification due to disposal of investment - available for sale Transaction with owners, recognised directly in equity					(27,914,411)		(27, 914, 411)		(27,914,411)
Balance as at December 31, 2018 Casher1.500 Strip.65,000 916,662.00 5,710,623.045 6,7710,453.045 184,640,793 7 Balance as at Juy 01, 2019 Casher1.500 578,265.000 916,862.06 5,810,353.04 5,810,455.04 184,640,793 797,14,600 7,9714,610 7,9714,6114,510 7,9714,6114,510 7,9714,61144,510	Balance as a December 3, 208 $(38)47, 500$ $77, 265, 00$ $96, 862, 067, 108, 564$ $(38, 44, 155)$ $(37), 14, 560$ $(71, 16, 16, 16, 16, 16, 16, 16, 16, 16, 1$		Cash dividend paid for the year ended June 30, 2018 @ Rs. 4.50 per share	,					(287,121,375)	(287,121,375)	,	(287,121,375)
Bulance as 1 July 01, 2019 G8A,017, 500 57,00 57,00 54,003, 24,1 5,010, 36,0,1 7,07,14,600 7,0 Total comprehensive income for the period Total comprehensive income for the sime mode period ended 0,41,1550 64,14,155 0,41,4550 64,14,155 Total comprehensive income for the period 0,000 0,6,60,00 96,802,007 (65,4,005,24) 5,810,360,000 94,470,020 44,470,020 44,4750,020 44,4750,020 44,4750,020 44,4570,020 44,4570,020 44,4570,020 44,4570,020 44,4570,020 44,41,550 (68,44,41,550) 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - 172,522,899 - - 172,522,899 - - 172,522,899 - - 173,522,899 - <	Bulance as 1 July 01.2019 G8A,013.001 54,003.2014 5,013.66,230 6,451,88,003 179,714,600 7,704 Total comprehensive income for the period G8A,047.500 56,862,000 96,862,007 (84,403.241) (44,150.200 (44,150.200 (84,1455) Total comprehensive income for the period 0.0017, July 0.001 1.1370 0.14,870,020 (84,14155) (84,14155) Other comprehensive income for the period 0.001 1.72,522,899 0.11,890,020 (84,14155) (84,14155) Total comprehensive income for the period 1.72,522,899 0.11,272,22,899 0.14,1570,020 (84,14135) Tansaction with owners, recognised directly in equity 1.72,522,899 0.14,1570,020 (84,14135) Tansaction with owners, recognised directly in equity 1.72,522,899 0.01,414,250 (84,14135) Tansaction with owners, recognised directly in equity 1.72,522,899 0.01,414,250 (84,14135) Tansaction with owners, recognised directly in equity 1.72,522,899 0.01,414,250 (91,414,250) (91,414,250) Tansaction with owners, recognised directly in equity 1.72,522,899 0.00,521,020		Balance as at December 31, 2018	638,047,500	579,265,000	916,862,067	(529,532,438)		5,710,423,935	6,677,018,564	184,640,793	7,499,706,857
Profit / los for the six months period ended December 31, 2019 - - - - - - - - - - - - - 141,870,020 (64,14,155) <td>Defit loss for the six much period ended 1,210 et.1,870,020 et.1,870,020 et.1,870,020 (8,41,455) Other commersive loss for the six much period ended - - - 172,223,890 - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - - 172,322,990 6,44,922,910 (8,41,415) -<!--</td--><th></th><td>Balance as at July 01, 2019 Total comprehensive income for the period</td><td>638,047,500</td><td>579,265,000</td><td>916,862,067</td><td>(854,605,234)</td><td></td><td>5,810,366,250</td><td>6,451,888,083</td><td>179,714,690</td><td>7,269,650,273</td></td>	Defit loss for the six much period ended 1,210 et.1,870,020 et.1,870,020 et.1,870,020 (8,41,455) Other commersive loss for the six much period ended - - - 172,223,890 - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - 172,322,990 - - - 172,322,990 6,44,922,910 (8,41,415) - </td <th></th> <td>Balance as at July 01, 2019 Total comprehensive income for the period</td> <td>638,047,500</td> <td>579,265,000</td> <td>916,862,067</td> <td>(854,605,234)</td> <td></td> <td>5,810,366,250</td> <td>6,451,888,083</td> <td>179,714,690</td> <td>7,269,650,273</td>		Balance as at July 01, 2019 Total comprehensive income for the period	638,047,500	579,265,000	916,862,067	(854,605,234)		5,810,366,250	6,451,888,083	179,714,690	7,269,650,273
Total comprehensive income for the period - - - 17.422,899 - 11.422,439 - 11.422,439 - 11.422,439 - 11.422,439 - 11.422,439 - 11.422,439 - 11.422,439 - 11.422,439 - 11.422,439 - 11.432,413 0.64,414,155 - - - 11.432,619 (64,414,156) - - - - - - 11.43,510 (64,414,156) -	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$		Profit / loss for the six months period ended December 31, 2019 Other comprehensive loss for the six months period ended December 31 2010					1	441,870,020	441,870,020	(68,414,155)	373,455,865
Transaction with owners, recegnised directly in equity (90,1414,260) (191,414,260) <t< th=""><td>Tansaction with owners, recegnised directly in equity Cash divided panel of the year ended the end of the end</td><th></th><td>Total comprehensive income for the period</td><td></td><td></td><td></td><td>172,522,899</td><td></td><td>441.870.020</td><td>614.392.919</td><td>(68.414.155)</td><td>545,978,764</td></t<>	Tansaction with owners, recegnised directly in equity Cash divided panel of the year ended the end of the end		Total comprehensive income for the period				172,522,899		441.870.020	614.392.919	(68.414.155)	545,978,764
Cash dividend piid for the year ended June 30, 2019 (6) Rs. 3 per share Badance as at December 31, 2019 (6) (38,047,360 579,265,000 916,862,067 (6) (382,082,335) - 6,060,922,020 6,874,866,722 111,300,535 7,	Cash divided pride from the year ended (191,414,250)<		Transaction with owners, recognised directly in equity									
Balance as at December 31, 2019 638,047,500 579,265,000 916,862,007 (682,082,335) - 6,060,822,020 6,874,866,752 111,300,535	Balance as at December 31, 2019 6.874,866,732 6.874,866,732 111,300,535 The amered selected notes from 1 to 28 from an integral part of these consolidated endensed interim financial statements. 916,802,057 (682,082,335) 6,606,822,020 6,874,866,732 111,300,535		Cash dividend paid for the year ended June 30, 2019 @ Rs. 3 per share		ı		1		(191,414,250)	(191,414,250)	,	(191,414,250)
	<u>.</u>		Balance as at December 31, 2019	638,047,500	579,265,000	916,862,067	(682,082,335)		6,060,822,020	6,874,866,752	111,300,535	7,624,214,787

Chief Financial Officer

Munsarin Chief Executive Officer

Half Yearly Report December 2019

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

NoteRupesRupesCASH FLOWS FROM OPERATING ACTIVITIESCash generated from operations after working capital changes21980,426,9611,228,714,444Gratuity paid1,228,714,444(17,796,853)(14,582,009)Taxes paid(214,543,785)(146,522,009)Long-term deposits paid2,641,782(7,363,709)Net cash generated from operating activities750,728,1051,070,238,734CASH FLOWS FROM INVESTING ACTIVITIESCapital expenditure (including CWIP)(1,5213,114,491)(1,562,083,529)Capital expenditure - intangibles-197,251,008Proceeds from sale of investment-197,251,008Short term investment(200,000,000)-Proceeds from disposal of property, plant and equipment(1,382,084,072)Net cash used in investing activities(5,112,02,75)(156,300,000)CASH FLOWS FROM FINANCING ACTIVITIES-156,300,000Lease repayment net of sale and lease back(51,120,275)(28,646,2498)Dividends paid(191,154,585)(286,642,498)Receipts from long-term financing -net4,9955,668,828(299,962,531)Net cash generated from /(used in) financing activities4,147,814,145(426,244,039)Net cash generated from /(used in) financing activities(512,773,936)(738,091,377)Cash and cash equivalents at the beginning of the period(3,263,388,199)(1,886,288,242)			December 31,	December 31,
CASH FLOWS FROM OPERATING ACTIVITIESCash generated from operations after working capital changes21980,426,9611,228,714,444Gratuity paid1,7796,853)(4,589,992)Taxes paid(17,796,853)(146,522,009)Long-term deposits paid2,641,782(7,363,709)Net cash generated from operating activities750,728,1051,070,238,734CASH FLOWS FROM INVESTING ACTIVITIES(15,213,114,491)(1,562,083,529)Capital expenditure (including CWIP)(16,294,565)-Capital expenditure - intangibles-197,251,008Investment in associated undertakings-197,251,008Proceeds from sale of investment-197,251,008Short term investing activities(1,382,084,072)CASH FLOWS FROM FINANCING ACTIVITIES(5411,316,186)(1,382,084,072)CASH FLOWS FROM FINANCING ACTIVITIES(51,120,275)(26,402,498)Sponsors' loan - subordinated156,300,000Lease repayment net of sale and lease back(51,120,275)(245,704,198)Dividends paid(191,154,585)(286,462,498)Receipts from long-term financing -net4,955,668,828(299,962,531)Net cash generated from /(used in) financing activities4,147,814,145(426,246,039)Net decrease in cash and cash equivalents(512,773,936)(738,091,377)Cash and eash equivalents(3,263,388,199)(1,886,288,242)			2019	2018
Cash generated from operations after working capital changes21980,426,9611,228,714,444Gratuity paid(17,796,853)(4,589,992)Taxes paid(214,543,785)(146,522,009)Long-term deposits paid2,641,782(7,363,709)Net cash generated from operating activities750,728,1051,070,238,734CASH FLOWS FROM INVESTING ACTIVITIES(15,294,565)-Capital expenditure (including CWIP)(15,294,565)-Capital expenditure - intangibles-197,251,008Investment in associated undertakings-197,251,008Proceeds from disposal of property, plant and equipment18,092,87112,648,449Net cash used in investing activities(5,411,316,186)(1,382,084,072)CASH FLOWS FROM FINANCING ACTIVITIES(191,154,585)(286,462,498)Sponsors' loan - subordinated-156,300,000Lease repayment net of sale and lease back(191,154,585)(286,462,498)Dividends paid(191,154,585)(286,462,498)(299,962,531)Net cash generated from /(used in) financing activities4,147,814,145(426,246,039)Net cash generated from /(used in) financing activities(512,773,936)(738,091,377)Cash and cash equivalents(1,886,288,242)(1,886,288,242)		Note	Rupees	Rupees
Gratuity paid (17,796,853) (4,589,992) Taxes paid (214,543,785) (146,522,009) Long-term deposits paid 2,641,782 (7,363,709) Net cash generated from operating activities 750,728,105 1,070,238,734 CASH FLOWS FROM INVESTING ACTIVITIES (15,213,114,491) (1,562,083,529) Capital expenditure (including CWIP) (5,213,114,491) (1,562,083,529) Capital expenditure - intangibles - 197,251,008 Investment in associated undertakings - 197,251,008 Proceeds from sale of investment - 197,251,008 Short term investment - 12,648,449 Net cash used in investing activities (5,411,316,186) (1,382,084,072) CASH FLOWS FROM FINANCING ACTIVITIES - 156,300,000 - Sponsors' loan - subordinated - - 156,300,000 (245,704,198) (286,462,498) (286,462,498) (299,962,531) Net cash generated from /(used in) financing activities - 156,579,823) (299,962,531) (246,624,039) (245,704,198) (286,462,498) (299,962,531) (266,462,498) (269,962,531) (245,704,198) (246	CASH FLOWS FROM OPERATING ACTIVITIES			
Taxes paid Long-term deposits paid $(214,543,785)$ $2,641,782$ $(146,522,009)$ $(7,363,709)$ Net cash generated from operating activities $2,641,782$ $(7,363,709)$ $(146,522,009)$ $1,070,238,734$ CASH FLOWS FROM INVESTING ACTIVITIES $(5,213,114,491)$ $-$ 	Cash generated from operations after working capital changes	21	980,426,961	1,228,714,444
Long-term deposits paid $2,641,782$ $(7,363,709)$ Net cash generated from operating activities $750,728,105$ $1,070,238,734$ CASH FLOWS FROM INVESTING ACTIVITIESCapital expenditure (including CWIP) $(5,213,114,491)$ $(1,562,083,529)$ Capital expenditure - intangibles $ (16,294,565)$ $-$ Proceeds from sale of investment $ 197,251,008$ $-$ Proceeds from disposal of property, plant and equipment $18,092,871$ $12,648,449$ $-$ Net cash used in investing activities $(5,113,116,186)$ $(1,382,084,072)$ CASH FLOWS FROM FINANCING ACTIVITIESSponsors' loan - subordinated $ (56,579,823)$ $(29,900,000)$ Lease repayment net of sale and lease back $(51,120,275)$ $(245,704,198)$ Dividends paid $(565,579,823)$ $(29,962,531)$ $(29,962,531)$ Net cash generated from /(used in) financing activities $4,147,814,145$ $(426,246,039)$ Net cash equivalents at the beginning of the period $(3,263,388,199)$ $(1,886,288,242)$	Gratuity paid		(17,796,853)	(4,589,992)
Net cash generated from operating activities 750,728,105 1,070,238,734 CASH FLOWS FROM INVESTING ACTIVITIES (1,562,083,529) (29,900,000) Capital expenditure - intangibles - (1,562,083,529) (29,900,000) Investment in associated undertakings - (197,251,008 - Proceeds from sale of investment - (197,251,008 - - Short term investment - (200,000,000) - - - 197,251,008 - - - 197,251,008 - - 197,251,008 - - 197,251,008 - - 197,251,008 - - 197,251,008 - - 197,251,008 - - 197,251,008 - 197,251,008 - 12,648,449 - - 12,648,449 - 12,648,449 - 12,648,449 - - 156,300,000 (245,704,198) (245,704,198) (245,704,198) (245,704,198) (286,462,498) 249,583,188 249,583,188 (299,962,531) - - - -	Taxes paid		(214,543,785)	(146,522,009)
CASH FLOWS FROM INVESTING ACTIVITIESCapital expenditure (including CWIP) Capital expenditure - intangibles Investment in associated undertakings Proceeds from sale of investment Short term investment Proceeds from disposal of property, plant and equipment Net cash used in investing activities(5,213,114,491) (1,562,083,529) (29,900,000) (16,294,565) - 197,251,008 (200,000,000) 12,648,449Net cash used in investing activities(16,294,565) (200,000,000) 12,648,449Net cash used in investing activities(5,411,316,186)CASH FLOWS FROM FINANCING ACTIVITIES Sponsors' loan - subordinated Lease repayment net of sale and lease back Dividends paid Receipts from long-term financing -net Interest/ mark-up paid- 156,300,000 (245,704,198) (286,462,498) 249,583,188 (299,962,531)Net cash generated from /(used in) financing activities4,147,814,145 (426,246,039) (738,091,377)Cash and cash equivalents at the beginning of the period(3,263,388,199) (1,886,288,242)	Long-term deposits paid		2,641,782	(7,363,709)
Capital expenditure (including CWIP) Capital expenditure - intangibles $(5,213,114,491)$ $(29,900,000)$ $(16,294,565)$ $-$ $(15,213,114,491)$ $(29,900,000)$ $(16,294,565)$ $-$ $197,251,008$ $-$ $197,254,040,072)$ CASH FLOWS FROM FINANCING ACTIVITIES Sponsors' loan - subordinated Lease repayment net of sale and lease back $-$ $191,154,585)$ $(286,462,498)$ $249,583,188$ $(191,154,585)$ $(286,462,498)$ $249,583,188$ $(299,962,531)$ Net cash generated from /(used in) financing activities Net decrease in cash and cash equivalents4,147,814,145 $(512,773,936)$ $(738,091,377)$ Cash and cash equivalents at the beginning of the period(3,263,388,199) $(1,886$	Net cash generated from operating activities		750,728,105	1,070,238,734
Capital expenditure - intangibles - (29,900,000) Investment in associated undertakings - 197,251,008 Proceeds from sale of investment - 197,251,008 Short term investment - 197,251,008 Proceeds from disposal of property, plant and equipment 18,092,871 12,648,449 Net cash used in investing activities (5,411,316,186) (1,382,084,072) CASH FLOWS FROM FINANCING ACTIVITIES - 156,300,000 Sponsors' loan - subordinated - - Lease repayment net of sale and lease back (51,120,275) (245,704,198) Dividends paid - 4,955,668,828 249,583,188 Interest/ mark-up paid - 4,955,668,828 (299,962,531) Net cash generated from /(used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in associated undertakings (16,294,565) - Proceeds from sale of investment - 197,251,008 Short term investment - 197,251,008 Proceeds from disposal of property, plant and equipment 18,092,871 12,648,449 Net cash used in investing activities (5,411,316,186) (1,382,084,072) CASH FLOWS FROM FINANCING ACTIVITIES 5 26,462,498) Sponsors' loan - subordinated - 156,300,000 Lease repayment net of sale and lease back (51,120,275) (245,704,198) Dividends paid (191,154,585) (286,462,498) Receipts from long-term financing -net 4,955,668,828 249,583,188 Interest/ mark-up paid (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Capital expenditure (including CWIP)	ĺ	(5,213,114,491)	(1,562,083,529)
Proceeds from sale of investment 197,251,008 Short term investment (200,000,000) Proceeds from disposal of property, plant and equipment 18,092,871 Net cash used in investing activities (5,411,316,186) CASH FLOWS FROM FINANCING ACTIVITIES Sponsors' loan - subordinated - Lease repayment net of sale and lease back (51,120,275) Dividends paid (191,154,585) Receipts from long-term financing -net 4,955,668,828 Interest/ mark-up paid (512,773,936) Net cash generated from /(used in) financing activities 4,147,814,145 Net decrease in cash and cash equivalents (512,773,936) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Capital expenditure - intangibles		-	(29,900,000)
Short term investment (200,000,000) - Proceeds from disposal of property, plant and equipment 18,092,871 12,648,449 Net cash used in investing activities (5,411,316,186) (1,382,084,072) CASH FLOWS FROM FINANCING ACTIVITIES 5 5 Sponsors' loan - subordinated - 156,300,000 Lease repayment net of sale and lease back (51,120,275) (245,704,198) Dividends paid (191,154,585) (286,462,498) Receipts from long-term financing -net 4,955,668,828 249,583,188 Interest/ mark-up paid (512,773,936) (738,091,377) Net cash generated from /(used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Investment in associated undertakings		(16,294,565)	-
Proceeds from disposal of property, plant and equipment 18,092,871 12,648,449 Net cash used in investing activities (5,411,316,186) (1,382,084,072) CASH FLOWS FROM FINANCING ACTIVITIES 5 5 Sponsors' loan - subordinated - 156,300,000 Lease repayment net of sale and lease back (51,120,275) (245,704,198) Dividends paid (191,154,585) (286,462,498) Receipts from long-term financing -net 4,955,668,828 249,583,188 Interest/ mark-up paid (512,773,936) (738,091,377) Net cash generated from /(used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Proceeds from sale of investment		-	197,251,008
Net cash used in investing activities (5,411,316,186) (1,382,084,072) CASH FLOWS FROM FINANCING ACTIVITIES 5 Sponsors' loan - subordinated 156,300,000 Lease repayment net of sale and lease back (1,182,084,072) Dividends paid (1,120,275) Receipts from long-term financing -net 4,955,668,828 Interest/ mark-up paid (565,579,823) Net cash generated from /(used in) financing activities 4,147,814,145 Net decrease in cash and cash equivalents (512,773,936) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Short term investment		(200,000,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES Sponsors' loan - subordinated - Lease repayment net of sale and lease back (51,120,275) Dividends paid (191,154,585) Receipts from long-term financing -net 4,955,668,828 Interest/ mark-up paid (265,579,823) Net cash generated from /(used in) financing activities 4,147,814,145 Net decrease in cash and cash equivalents (512,773,936) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Proceeds from disposal of property, plant and equipment		18,092,871	12,648,449
Sponsors' loan - subordinated - 156,300,000 Lease repayment net of sale and lease back (51,120,275) (245,704,198) Dividends paid (191,154,585) (286,462,498) Receipts from long-term financing -net 4,955,668,828 249,583,188 Interest/ mark-up paid (565,579,823) (299,962,531) Net cash generated from /(used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Net cash used in investing activities		(5,411,316,186)	(1,382,084,072)
Lease repayment net of sale and lease back (51,120,275) (245,704,198) Dividends paid (191,154,585) (286,462,498) Receipts from long-term financing -net 4,955,668,828 249,583,188 Interest/ mark-up paid (565,579,823) (299,962,531) Net cash generated from /(used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid (191,154,585) (286,462,498) Receipts from long-term financing -net 4,955,668,828 249,583,188 Interest/ mark-up paid (565,579,823) (299,962,531) Net cash generated from / (used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Sponsors' loan - subordinated	[-	156,300,000
Receipts from long-term financing -net 4,955,668,828 249,583,188 Interest/ mark-up paid (2565,579,823) (299,962,531) Net cash generated from / (used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Lease repayment net of sale and lease back		(51,120,275)	(245,704,198)
Interest/ mark-up paid (565,579,823) (299,962,531) Net cash generated from / (used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Dividends paid		(191,154,585)	(286,462,498)
Net cash generated from / (used in) financing activities 4,147,814,145 (426,246,039) Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Receipts from long-term financing -net		4,955,668,828	249,583,188
Net decrease in cash and cash equivalents (512,773,936) (738,091,377) Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Interest/ mark-up paid	l	(565,579,823)	(299,962,531)
Cash and cash equivalents at the beginning of the period (3,263,388,199) (1,886,288,242)	Net cash generated from /(used in) financing activities		4,147,814,145	(426,246,039)
	Net decrease in cash and cash equivalents		(512,773,936)	(738,091,377)
Cash and each equivalents at the end of the period 22 (3.776.162.135) (2.624.370.610)	Cash and cash equivalents at the beginning of the period		(3,263,388,199)	(1,886,288,242)
$\begin{array}{c} \text{Cash and cash equivalents at the end of the period } \\ \\ \text{Cash and cash equivalents at the end of the period } \\ \text{Cash and cash equivalents at the period } \\ \\ \text{Cash and cash equivalents at the period } \\ \\ C$	Cash and cash equivalents at the end of the period	22	(3,776,162,135)	(2,624,379,619)

The annexed selected notes from 1 to 28 form an integral part of these consolidated condensed interim financial statements.

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director Abdul Qadir Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2019

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

During the period following significant events and transaction has been carried out by Holding company, the details of which is as follows :

- 2.1 The Holding company has made Capex amounting to Rs. 5.148 billion during the period under review, which majorly includes the addition of another BOPET Line which will eventually results in increasing the production capacity of our BOPET Films by 200%.
- **2.2** During the period under review the Holding company has started the process to convert Sponsors' loan into ordinary shares of the company by issuing rights share.
- 2.3 The Holding company has approved further investment in Hudson Pharma (Private) Limited amounting to Rs. 500 million in last Annual General Meeting for the Holding company for managing working capital requirement and the same will be convertible into the ordinary shares subject to the approval of the authorities.

3 STATEMENT OF COMPLIANCE

- 3.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of and directives issued under the Companies Act, 2017.

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

4 BASIS OF PREPARATION

These consolidated condensed interim financial statements of the Group does not include all of the information and disclosure required in the consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements of the company as at and for the year ended June 30, 2019. 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 profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows together with relevant notes to the consolidated condensed interim financial statements for the six-months period ended December 31, 2019 are not audited. Further, the figures for the three-months period ended December 31, 2019 and 2018 in the consolidated condensed interim statement of profit or loss and consolidated condensed interim statement of comprehensive income have also not been reviewed by auditors.

5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2019, except for the adoption of IFRS 16 "Leases". The accounting policy adopted by the Company is as follows:

5.1 IFRS16 'Leases' replaces the previous lease standard "IAS17 Leases". It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases. The associated Right-of-use (RoU) for finance leases were measured on a retrospective basis as if the new rules had always been applied.

Management of the Group has assessed the changes laid down by these standards and determined that these do not have any significant impact on these consolidated condensed interim financial statements of the Company.

The change in accounting policy affected the following items in the statement of financial position.

1	Un-audited	Audited
1	December 31,	June 30,
	2019	2019
	Ruj	pees
Operating fixed assets - decreased by	(314,928,604)	(331,919,479)
Right-of-use asset - increased by	314,928,604	331,919,479
Liability against assets subject to finance lease - decreased by	(185,124,130)	(236,244,403)
Lease liabilities - increased by	185,124,130	236,244,403

The above figures have been reclassified wherever necessary to reflect more appropriate presentation.

5.1.1 At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

ISMAIL INDUSTRIES LIMITED

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

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance at given note 7 of consolidated financial statements of June 30, 2019. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

6 USE OF JUDGEMENTS AND ESTIMATES

The estimates / judgments and associated assumptions used in the preparation of these consolidated condensed interim financial information are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2019.

7 FUNCTIONAL AND PRESENTATION CURRENCY

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

			(Un-audited) December 31, 2019	(Audited) June 30, 2019
8	PROPERTY, PLANT AND EQUIPMENT	Note	Rupees	Rupees
	Operating fixed assets	8.1	13,626,375,709	12,978,292,357
	Right of use asset	8.1	314,928,604	331,919,479
	Capital work in progress - at cost	8.2	4,545,180,556	638,033,846
			18,486,484,869	13,948,245,682

8.1 Details of additions and disposals to operating fixed assets during the six-months period are as follows:

	(Un-audited)					
	Addi	tions	Disp	Disposals		
	At	cost	At net be	ook value		
	December 31,	December 31,	December 31,	December 31,		
	2019	2018	2019	2018		
		Ru	pees			
Owned assets						
Building on leasehold land	175,507,992	5,955,115	-	-		
Plant and machinery	1,065,001,982	58,068,728	4,738,957	-		
Furniture and fittings	8,944,077	84,200	8,963	-		
Equipment	10,925,587	3,256,122	-	-		
Computers	6,958,700	19,497,930	-	244,620		
Vehicles	10,286,242	28,487,310	9,390,939	10,190,683		
	1,277,624,580	115,349,405	14,138,859	10,435,303		
Right of use assets						
Vehicles	28,343,202	44,804,850	-	-		
	28,343,202	44,804,850	-	-		
	1,305,967,782	160,154,255	14,138,859	10,435,303		

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

		(Un-audited)					
	Addi	tions	Transfers				
		At	cost				
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018			
		Rupe	es				
Civil works	887,665,800	159,386,912	175,507,992	5,955,115			
Plant and machinery	4,259,978,623	1,306,446,205	1,064,989,722	58,068,728			
Equipment and fixtures	-	831,774	-	711,774			
-	5,147,644,423	1,466,664,891	1,240,497,714	64,735,617			
			(Un-audited)	(Audited)			
			December 31,	June 30,			
9 LONG-TERM INVESTMENT	S	2019	2019				
		Note	Rupees	Rupees			
Investment in associated undert	akings	kings					
Novelty Enterprises (Private) Limi	ted	9.1	228,717,751	228,717,751			
The Bank of Khyber		9.2	2,244,567,600	2,001,232,631			
			2,473,285,351	2,229,950,382			

9.1 Novelty Enterprises (Private) Limited

The Holding Company holds 33% (June 2019: 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, 2019 based on audited financial statements amounted to Rs. 561.428 million (June 2018: Rs. 561.487 million based on audited financial statements). However, as per report of an independent valuer, Masud Associates dated December 31, 2015 fair value of fixed assets of NEL amounted to Rs. 1,016.32 million resulting in surplus on fixed assets of Rs. 483.607 million. Revised net assets after the revaluation surplus amounted to Rs. 1,045.063 million (June 2018: Rs. 1,045.094 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment.

9.2 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 244,339,031 shares which represents 24.43% of paid-up capital of the Bank (June 2019: 24.16%). In addition to this, the Holding Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these financial statements have been taken from condensed interim unconsolidated financial statements of the Bank for the nime months periods ended September 30, 2019 and six-months period ended June 30, 2019. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on December 31, 2019 was Rs. 3,313.24 million (June 30, 2019: Rs.2,382.561 million).

9.3 These investments are accounted for under the equity method. The aggregate amount of the associates recognized in these financial statements are as follows:

	The Bank	of Khyber	Novelty Enterprises (Private) Limited		
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	
	December 31,	June 30,	December 31,	June 30,	
	2019 2019		2019	2019	
Carrying value at beginning of the period	2,001,232,631	2,530,641,520	228,717,751	228,727,912	
Investment made during the period	16,294,565				
Share of profit or loss	24,072,287	45,395,175	-	(10,161)	
Share of other comprehensive income	202,968,117 (574,804,064		-		
	2,244,567,600	2,001,232,631	228,717,751	228,717,751	

All transfers of funds to the Holding company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associates. During the year, no cash dividend have been received from the Bank of Khyber (2019: Rs. Nil per share)

			(Un-audited)	(Audited)
		Note	December 31,	June 30,
			2019	2019
10	STORES AND SPARES			
	Stores and spare parts - gross		355,366,832	301,479,011
	Provision for slow moving spare parts		(8,591,420)	(8,591,420)
	Store and spares - net		346,775,412	292,887,591
11	STOCK-IN-TRADE			
	Raw materials	11.1	3,415,911,491	3,001,271,861
	Packing materials	11.1	757,365,575	459,813,888
	Work-in-process		197,190,161	82,183,155
	Finished goods		2,184,688,245	1,718,626,567
			6,555,155,472	5,261,895,471

11.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,384,583 (June 30, 2019: Rs.13,384,583) and Rs.109,848,549 (June 30, 2019: Rs. 109,848,549) respectively.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2019	2019
12	TRADE DEBTS	Rupees	Rupees
	Considered good		
	- secured (export debtors)	931,561,631	784,297,206
	- unsecured	2,768,997,004	2,060,475,096
		3,700,558,635	2,844,772,302
	Allowance for expected credit loss	(86,343,145)	(76,343,145)
	Trade debts - net	3,614,215,490	2,768,429,157

13 SHORT TERM INVESTMENT

During the period, the holding company has made an investment in un-listed term finance certificates of Habib Bank Limited amounting to Rs. 200 million, which is classified as fair value through other comprehensive income. These investments carry interest rate three months Kibor + 160 bps and recorded at cost due to non availability of market value.

		(Un-audited)	(Audited)
		December 31,	June 30,
		2019	2019
		Rupees	Rupees
14 (CASH AND BANK BALANCES		
(Cash in hand	10,103,553	8,395,095
(Cash with banks in:		
-	current accounts- conventional	25,105,217	23,717,548
-	current accounts- islamic	6,668,934	4,489,579
		41,877,704	36,602,222

15 SPONSORS' LOAN - subordinated

The Holding company has obtained interest free loan from its sponsors. The sponsors have entered into an agreement with the Company and various banks in which they have under take to subordinate their loans and their claims over the Company's assets. During the period under review, the Holding company has started the process to convert Sponsors' loan into ordinary shares of the company by issuing rights share.

16 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	1	December 31, 2019			June 30, 2019	
	Rup			pees		
	Conventional Islamic Total			Conventional	Islamic	Total
At beginning of the period / year	6,251,211,263	2,303,520,019	8,554,731,282	4,979,479,472	2,734,305,564	7,713,785,036
Obtained during the period / year	4,901,381,402	1,276,405,158	6,177,786,560	2,772,202,997	799,770,000	3,571,972,997
Repaid during the period / year	(648,367,642)	(573,750,090)	(1,222,117,732)	(1,500,471,206)	(1,230,555,545)	(2,731,026,751)
	10,504,225,023	3,006,175,087	13,510,400,110	6,251,211,263	2,303,520,019	8,554,731,282
Less: Current maturity	(1,363,219,389)	(793,019,990)	(2,156,239,379)	(1,245,246,616)	(824,583,333)	(2,069,829,949)
	9,141,005,634	2,213,155,097	11,354,160,731	5,005,964,647	1,478,936,686	6,484,901,333

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

16.2 The Group's total limit for long term loan amounting to Rs. 18,758 million.(June 2019 Rs.13,870 million)

			(Un-audited) December 31, 2019	(Audited) June 30, 2019
17	TRADE AND OTHER PAYABLES	Note	Rupees	Rupees
	Trade creditors		2,294,899,817	1,395,260,414
	Other liabilities		658,189,835	711,546,227
			2,953,089,652	2,106,806,641
18	SHORT TERM FINANCES - secured			
	Term finances-conventional	18.1	999,696,647	895,013,392
	Term finances-islamic	18.2	1,400,000,000	1,599,200,000
	Export refinances	18.3	505,700,000	505,700,000
	Running finance utilized under mark-up arrangement	18.4	3,818,039,839	3,299,990,421
			6,723,436,486	6,299,903,813

18.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,305 million (June 2019: 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 11.26% to 14.29% per annum (June 2019: 6.24% to 13.21% per annum).

- 18.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,600 million (June 2019: Rs. 1,600 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 10.85% to 14.38% per annum (June 2019: 6.56% to 13.16% per annum).
- 18.3 These represent facilities for export refinance arranged from various banks aggregating to Rs. 505.70 million (June 2019: Rs. 685.70 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carry mark-up at the rate 0.25% to 0.60% above the State Bank of Pakistan (SBP) rate per annum (June 2019: 0.25% to 0.50% above SBP rate per annum).
- 18.4 These facilities for running finances available from various banks aggregated to Rs. 5,984.30 million (June 2019: Rs. 4,804.30 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 12.92% to 14.86% per annum (June 2019: 7.02% to 13.54% per annum).

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

There are no material changes in the status of contingencies as same reported in note 29.1 to the consolidated

audited financial statements of the Group for the year ended 30 June, 2019, except mentioned below;

19.1.1 Through Finance Act, 2019, the Government has reduced tax credit available on new investment under Section 65B from 10% to 5% in TY-2019 and Nil from onward. The Holding company has challenged the provision of Finance Act, 2019 before the Honorable Sindh High Court and obtained the interim relief of claiming 10% tax credit on all investment already planned including its ancillary cost of last and current fiscal year. The management is confident that the case will be decided in favour of the Holding company based on the opinion of legal counsel.

2019201919.2CommitmentsNoteRupeesRupeesOutstanding letter of guarantees1,318,235,762929,682,424Outstanding letter of credit for:-804,199,1464,445,660,146- capital expenditures1,172,480,7971,235,906,39920EARNINGS PER SHARE-Basic and Diluted(Un-audited)December 31, 201920EARNINGS PER SHARE-Basic and Diluted(Un-audited)December 31, 20192018Basic earnings per share441,870,020618,090,123Profit for the period441,870,020618,090,123Weighted average number of ordinary shares during the period63,804,75063,804,750Basic earnings per share6.939.69Diluted earnings per share6.939.69				December 31,	June 30,
Outstanding letter of guarantees1,318,235,762929,682,424Outstanding letter of credit for: - capital expenditures - others804,199,1464,445,660,146- others1,172,480,7971,235,906,39920EARNINGS PER SHARE-Basic and Diluted(Un-audited) December 31, 2019(Un-audited) December 31, 201920EARNINGS per share Profit for the period441,870,020618,090,123Weighted average number of ordinary shares during the period63,804,75063,804,750Basic earnings per share6.939.69				2019	2019
Outstanding letter of credit for: - capital expenditures - others804,199,1464,445,660,146- others1,172,480,7971,235,906,39920EARNINGS PER SHARE-Basic and Diluted(Un-audited) December 31, 2019 2018 Note(Un-audited) December 31, 2019 2018 RupeesBasic earnings per share Profit for the period441,870,020 63,804,750 63,804,750 63,804,75063,804,750 63,804,750Weighted average number of ordinary shares during the period63,804,750 9,6963,804,750	19.2	Commitments	Note	Rupees	Rupees
C804,199,1464,445,660,146- capital expenditures1,172,480,7971,235,906,39920EARNINGS PER SHARE-Basic and Diluted(Un-audited)(Un-audited)December 31, 2019December 31, 2019December 31, 2018Basic earnings per share Profit for the period441,870,020618,090,123Weighted average number of ordinary shares during the period63,804,75063,804,750Basic earnings per share6,939.69		Outstanding letter of guarantees		1,318,235,762	929,682,424
- others 1,172,480,797 1,235,906,399 20 EARNINGS PER SHARE-Basic and Diluted (Un-audited) (Un-audited) December 31, December 31, 2019 2018 Rupees Rupees Basic earnings per share Profit for the period 441,870,020 618,090,123(Number) Weighted average number of ordinary shares during the period 63,804,750 63,804,750(Rupees) Basic earnings per share 6.93 9.69		Outstanding letter of credit for:			
20 EARNINGS PER SHARE-Basic and Diluted (Un-audited) (Un-audited) December 31, December 31, 2019 2018 Basic earnings per share Rupees Profit for the period 441,870,020 Weighted average number of ordinary shares 63,804,750 during the period 63,804,750 Basic earnings per share 6.93		- capital expenditures		804,199,146	4,445,660,146
(Un-audited)(Un-audited)December 31, 2019December 31, 2019NoteRupeesBasic earnings per share441,870,020Profit for the period441,870,020Weighted average number of ordinary shares during the period63,804,750Basic earnings per share63,804,750Basic earnings per share9.69		- others		1,172,480,797	1,235,906,399
December 31, 2019December 31, 2018NoteRupeesRupeesBasic earnings per share441,870,020618,090,123Profit for the period441,870,020618,090,123Weighted average number of ordinary shares during the period63,804,75063,804,750Basic earnings per share6.939.69	20	EARNINGS PER SHARE-Basic and Diluted			
20192018NoteRupeesRupeesBasic earnings per share441,870,020618,090,123Profit for the period441,870,020618,090,123Weighted average number of ordinary shares during the period63,804,75063,804,750Basic earnings per share6.939.69				(Un-audited)	(Un-audited)
NoteRupeesRupeesBasic earnings per shareProfit for the period441,870,020618,090,123Weighted average number of ordinary shares during the period63,804,75063,804,750Basic earnings per share6.939.69				,	,
Basic earnings per share Implement of provide the period Profit for the period 441,870,020 618,090,123 Weighted average number of ordinary shares during the period 63,804,750 63,804,750 Basic earnings per share 6.93 9.69				2019	
Profit for the period 441,870,020 618,090,123 Weighted average number of ordinary shares during the period 63,804,750 63,804,750 Basic earnings per share 6.93 9.69			Note	Rupees	Rupees
Weighted average number of ordinary shares during the period (Number) Basic earnings per share 63,804,750 6.93 9.69		Basic earnings per share			
Weighted average number of ordinary shares during the period63,804,750G3,804,750Basic earnings per share6.939.69		Profit for the period		441,870,020	618,090,123
during the period 63,804,750 63,804,750 (Rupees)				(Nun	nber)
Basic earnings per share 6.93 9.69		Weighted average number of ordinary shares			
Basic earnings per share 6.93 9.69		during the period		63,804,750	63,804,750
				(Rup	ees)
Diluted earnings per share Restated		Basic earnings per share		6.93	9.69
		Diluted earnings per share			Restated
Profit for the period 441,870,020 618,090,123		0 .		441,870,020	618,090,123
(Number)		1		(Nun	
Weighted average number of ordinary shares during the period 63,804,750 63,804,750		Weighted average number of ordinary shares during	g the period		,
Adjustment for potential ordinary shares 2,552,190 2,552,190		Adjustment for potential ordinary shares			, ,
Weighted average ordinary shares for diluted earning per share 66,356,940 66,356,940		, 1 ,	per share		
(Rupees)			-	(Rup	ees)
Diluted earnings per share 6.66 9.31		Diluted earnings per share		6.66	9.31

21	CASH GENERATED FROM OPERATIONS WORKING CAPITAL CHANGES	AFTER	(Un-audited) December 31, 2019 Rupees	(Un-audited) December 31, 2018 Rupees
	Profit before income tax	Note	474,523,324	943,778,721
	Adjustments for non-cash and other items:			
	Depreciation Amortization charge		660,364,599 14,776,372	591,723,180
	Gain on disposal of property, plant and equipment	- net	(3,954,012)	(2,213,146)
	Gain on disposal of available for sale investment	- net	(3,734,012)	(27,914,411)
	Provision for staff retirement gratuity		34,636,916	59,021,900
	Provision for doubtful debts		10,000,000	, ,
	Share of profit from associated undertaking		(24,072,287)	(36,564,047)
	Exchange loss		6,256,827	28,745,652
	Finance cost		621,875,279	341,797,555
	Net decrease in working capital	21.1	(813,980,056)	(669,660,960)
			980,426,961	1,228,714,444
21.1	Working capital changes			
	Current assets			
	Decrease / (Increase) in current assets			
	Stores and spares		(53,887,821)	(35,975,353)
	Stock-in-trade		(1,293,260,001)	43,566,424
	Trade debts		(862,791,472)	(263,820,591)
	Loan and advances		618,626,477	(239,402,310)
	Trade deposits and short-term prepayments		(26,508,890)	(84,014,497)
	Other receivables		(113,496,490)	(33,449,640)
	Current liabilities		(1,731,318,198)	(613,095,967)
	(Decrease) / Increase in current liabilities			
	Trade and other payables		847,031,323	231,150,263
	Short-term finances		(94,516,745)	(322,575,148)
	Advance from customers		164,823,563	34,859,892
			917,338,142	(56,564,993)
	Net decrease in working capital		(813,980,056)	(669,660,960)
22	CASH AND CASH EQUIVALENTS			
	CASH MAD CASH EQUIVALENTS			
	Cash and bank balances	14	41,877,704	51,239,241
	Running finances under mark-up arrangement	18.4	(3,818,039,839)	(2,675,618,860)
			(3,776,162,135)	(2,624,379,619)

SEGMENT INFORMATION 23

A segment is a distiguishable component of the Group that is expand in business activities from which the Group carns recenters and incur expenses and is scall as 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 is performance. Further, decision financial information is available for each segment.

•

3ased on internal management reporting structure and produced and sold, the company is organised into the following three operating segments

Food processing

Plastic film

Pharmaceutical segment

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

Physics months Davied Ended

Six months Bosied Ended

(Un-audited)

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

23.1

				Three-months Period Ended	enod Ended							Six-months Period Ended	od Ended			
	Food Processing	scessing	Plastic Film	: Film	Pharmaceutical segmen	l segment	Total	tal	Food Processing	ssing	Plastic Film	Film	Pharmaceutical segment	cal segment	Total	l
	December 31,	December 31,	December 31,	December 31,	December 31, 1	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
-					and and and and and and and and a	and and and and and and and and	the same same same same same same	Bunane			And and and and and and and and and	and some some some is not a some some				
								wnbccs								
Sales																
Local	8,411,947,832	7,536,486,804	1,920,222,654	1,986,548,657	69,985,808	61,043,129	10,402,156,294	9,584,078,590	15,545,473,896	14,006,938,675	3,933,922,245	3,876,001,072	98,902,160	72,891,012	19,578,298,301	17,955,830,759
Export	980,676,246	282,138,151	200,252,736	28,996,116		•	1,180,928,982	311,134,267	1,566,617,602	457,556,628	394,792,022	53,585,500	•	1	1,961,409,624	511,142,128
Export rebates	3,648,352	923,152	•		•	•	3,648,352	923,152	5,809,544	3,467,354	•		•	•	5,809,544	3,467,354
	9,396,272,430	7,819,548,107	2,120,475,391	2,015,544,773	69,985,808	61,043,129	11,586,733,628	9,896,136,009	17,117,901,042	14,467,962,657	4,328,714,267	3,929,586,572	98,902,160	72,891,012	21,545,517,469	18,470,440,241
Less:																
Sales return and discounts	(366,607,333)	(162,674,753)	(2,249,041)	(2,517,270)	(6,603,156)	(745,194)	(375,459,530)	(165,937,217)	(848,295,548)	(622,261,508)	(15,748,371)	(72,548,910)	(9,332,456)	(745,194)	(873,376,375)	(695,555,612)
Sales tax	(1,274,029,760)	(1,075,453,759)	(290,279,764)	(304,023,380)			(1,564,309,524)	(1,379,477,139)	(2,387,299,057)	(2,010,030,564)	(591,314,901)	(581,730,682)	•		(2,978,613,958)	(2,591,761,246)
	(1,640,637,093)	(1,238,128,512)	(292,528,805)	(306, 540, 650)	(6,603,156)	(745,194)	(1,939,769,054)	(1,545,414,356)	(3,235,594,605)	(2,632,292,072)	(607,063,272)	(654,279,592)	(9,332,456)	(745,194)	(3, 851, 990, 333)	(3,287,316,858)
Net saks	7,755,635,337	6,581,419,595	1,827,946,586	1,709,004,123	63,382,651	60,297,935	9,646,964,574	8,350,721,653	13,882,306,437	11,835,670,585	3,721,650,995	3,275,306,980	89,569,703	72,145,818	17,693,527,135	15,183,123,383
	(5,803,152,497)	(4,948,133,114)	(1,683,702,738)	(1,505,863,891)	(60, 246, 160)	(65,929,849)	(7,547,101,394)	(6,519,926,855)	(10,458,877,682)	(8,817,465,228)	(3,362,433,899)	(2,881,045,498)	(128,676,639)	(87,836,254)	(13,949,988,220)	(11,786,346,980)
Selling and distribution expenses	(1,378,827,060)	(1,084,352,971)	(73,757,704)	(41,896,690)	(73,700,594)	(43,146,698)	(1,526,285,358)	(1,169,396,358)	(2,149,959,777)	(1,744,851,566)	(121,438,216)	(73,020,601)	(132,539,055)	(66,932,066)	(2,403,937,049)	(1,884,804,233)
Administrative expenses	(112,791,555)	(94,000,067)	(29,492,623)	(45,643,532)	(22,185,329)	(11,745,623)	(164,469,506)	(151,389,222)	(238,068,224)	(204,524,984)	(42,143,235)	(55,616,953)	(36,406,192)	(20, 355, 420)	(316,617,651)	(280,497,357)
	(7,294,771,112)	(6,126,486,152)	(1,786,953,064)	(1,593,404,113)	(156,132,082)	(120,822,170)	(9,237,856,258)	(7,840,712,435)	(12,846,905,683)	(10,766,841,779)	(3,526,015,350)	(3,009,683,052)	(297,621,885)	(175,123,740)	(16,670,542,919)	(13,951,648,570)
Segment result	460,864,225	454,933,442	40,993,521	115,600,010	(92, 749, 430)	(60,524,235)	409,108,316	510,009,218	1,035,400,754	1,068,828,806	195,635,644	265,623,928	(208,052,181)	(102,977,922)	1,022,984,216	1,231,474,813
Unallocated income and expenses								•								
Other operating income															142,970,287	152,214,876
Finance cost															(621,875,279)	(341,797,555)
Other operating expenses															(93,628,187)	(134,677,460)
Share of profit from associated undertaking	50														24,072,287	36,564,047
Profit before taxation															474,523,325	943,778,721
In come tax expense															(101, 067, 459)	(361, 591, 758)
Profit for the period															373,455,866	582,186,963

23.2 Segment assets23.3 Unallocated assets

23.4 Segment liabilities23.5 Unallocated liabilities

23.6 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

237 The Holding Company's export slots have been primary make to countries in the Middle East, Africa and Noah Asia. However, no material arrount of export slots have been made to any one or more particular countries.
238 That every no major ensormers of the company which formed 10 percent or more of the Group's treatment.

ISMAIL INDUSTRIES LIMITED

24,269,441,005 3,163,181,327 9,684,645,338 10,478,326,721 20,162,972,059

30,883,106,965 3, 391, 975, 464

December 31, (Un-audited) 2019

December 31, 2019

Rupees

(Audited) 1 une 30, 2019 Total

(Audited) Pharmaceutical Segment June 30, 2019

(Un-audited)

(Audited) une 30, 2019

(Un-audited) December 31, 2019

(Audited) June 30, 2019 Food Segment

(Un-audited) December 31, 2019

Plastic Segment

1,450,224,337 34,275,082,429 27,432,622,332

11,707,362,674 7,092,171,057 1,444,079,807 7,092,171,057 1,444,079,807

15,727,045,611 15,727,045,611 4,675,003,868 4,675,003,868

17,731,664,484 17,731,664,484 7,224,000,084 7,224,000,084

10,690,584,913 15,960,282,729 26,650,867,642

572,728,565 1,450,224,337

> 425,489,576 425,489,576

3,041,095,252 11,707,362,674

3,041,095,252

			(Un-audited) December 31, 2019	(Audited) June 30, 2019
23.9	RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES		Rupees	Rupees
	Assets			
	Total assets for reportable segments	23.2	30,883,106,965	24,269,441,005
	Unallocated capital assets		918,690,113	933,230,944
	Long term investment	9	2,473,285,351	2,229,950,382
	Total assets		34,275,082,429	27,432,622,331
	Liabilities			
	Total liabilities for reportable segments	23.4	10,690,584,913	9,684,645,338
	Sponsors' loan - subordinated		915,357,737	902,151,770
	Deferred liabilities		1,349,400,752	1,274,088,154
	Long term finance	16	13,510,400,110	8,065,842,393
	Lease liabilities		185,124,130	236,244,404
	Total liabilities		26,650,867,642	20,162,972,059

24 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:

	December 31,	December 31,
	2019	2018
Transactions	Rupees	Rupees
Plastiflex Films (Private) Limited		
Common Directorship		
- Purchase of raw and packing Materials	35,326,331	1,376,472
- Metallization service	(16,248,232)	(1,116,340)
- Sale of raw and packing materials	(3,296,892)	(5,890,330)
- Recovery against sales	11,767,889	50,629,633
- Payment against purchases	(10,534,194)	(15,847,505)

Others

Remuneration to directors and other key management personnel:

Chief Executive Officer	9,500,000	7,624,266
Directors	9,150,000	7,200,000
Executives	136,569,810	143,756,609
	155,219,810	158,580,875
· · · · · · · · · · · · · · · · · · ·	December 31,	June 30,
Balances	2019	2019
	Rupees	Rupees
Plastiflex Films (Private) Limited		
-Payable to associate	31,601,686	14,586,784
Director's Subordinated Loan		
-Loan from directors	915,357,737	915,357,737

25 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, 2019. 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, 2019

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;

	Decem	nber 31, 2019)		June 30, 2019
	(Level 1)	(Level 2)	(Level 3)	Total	June 30, 2017
			Rupee	s	
Investment in associated					
undertakings	2,244,567,600	-	-	2,244,567,600	2,001,232,631
	2,244,567,600	-	-	2,244,567,600	2,001,232,631

26 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, 2019.

27 NON - ADJUSTING EVENT AFTER THE REPORTING DATE

The board of directors in its meeting held on February 21, 2020 has declared an interim cash dividend in December 31, 2019 of Rs. 0.5 per share (December 31, 2018: Rs. Nil/- per share). These consolidated condensed interim financial statements for the six months period ended December 31, 2019 do not include the effect of proposed dividend, which will be accounted for in the consolidated financial statements for the year ending March 31, 2020.

28 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on 21st February 2020 by the Board of the Group.

Munsarim Saifullah Chief Executive Officer Maqsood Ismail Director Abdul Qadir Chief Financial Officer



ISMAIL INDUSTRIES LIMITED

HEAD OFFICE

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