



ISMAIL  
INDUSTRIES  
LIMITED

QUARTERLY REPORT  
SEPTEMBER 2020



**Persistent  
Growth**

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## COMPANY PROFILE

### Board of Directors

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

### Audit Committee Members

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

### Registered Office

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

### Factories

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

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

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

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

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

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

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

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

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

### Human Resource & Remuneration Committee

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

### Company Secretary

Mr. Ghulam Farooq

### Chief Financial Officer

Mr. Abdul Qadir

### Auditor

Grant Thornton Anjum Rahman  
Chartered Accountants

### Legal Advisor

Mohsin Tayebaly & Co.

### Share Registrar

THK Associates (Pvt.) Limited

### Bankers / Institutions

Allied Bank Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Bank Islami Pakistan Limited  
Dubai Islamic Bank (Pakistan) Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial & Commercial Bank of China Limited  
JS Bank Limited  
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 are pleased to present the Company's standalone and consolidated un-audited condensed interim financial statements for the quarter ended September 30, 2020. The financial performance of the company for the period under review is summarized below:

Description	Sep-20 Rs. in Million	Sep-19	Change in %
Gross Sales	11,660	9,928	17%
Gross Profit	1,950	1,686	16%
Operating Profit	710	729	-3%
Profit After Tax	299	193	55%
EPS in Rs.	4.51	3.02	49%

Though, the period under review was challenging for the country with COVID-19 pandemic, volatile social, economic and business conditions in the country, the company has successfully ended the quarter results with excellent financial performance based on strong growth in sales and earnings. The company has posted a top line growth by 17% and 55% in profit after tax as compared to the corresponding year quarter.

The company has followed its path of persistent growth through aggressive penetration of market, consistent strategy of innovation and value addition. We continue our transformation journey by reinvigorating the business with effective sales mix in our 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

We feel very confident that the Company is all set to achieve historic milestones both in food and plastic segments. Markets are also expected to grow, however considerable downside risks to the economic outlook of the country with the most significant being a second wave of COVID-19, uncertain economic environment, rising food prices that will surge the cost of doing business and competitive intensity continue to pose challenges for the periods ahead.

Improvements in the business environment will largely depend on the economic policies of the government and the implementation of key reforms. The core task is to keep various processes geared up to meet future challenges. We continue to see good progress in launching of new products which will create further values in growth momentum. Company's priorities will not change and will continue to focus on delivering exceptional value to customers and shareholders.

### 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

**Maqsood Ismail**  
Director

**Karachi: October 28, 2020**

## ڈائریکٹران کی جائزہ رپورٹ

### معاملات

آپ کی کمپنی کے ڈائریکٹرز مسرت کے ساتھ اسماعیل انڈسٹریز لمیٹڈ کے انفرادی و مجموعی غیر آڈٹ شدہ مختصر مالیاتی نتائج برائے مختتم مدت 30 ستمبر 2020 پیش کرتے ہیں۔ جائزہ سہ ماہی میں کمپنی کی کارکردگی کی مختصر جھلکیاں درج ذیل ہیں:

تفصیل	ستمبر 2020	ستمبر 2019	فیصدی تبدیلی
	پاکستانی روپے ملین میں	پاکستانی روپے ملین میں	
مجموعی فروخت	11,660	9,960	17%
خام منافع	1,950	1,686	16%
کاروباری منافع	710	729	-3%
منافع بعد از محصول	299	193	55%
فی حصص آمدن	4.51	3.02	49%

### اعتراف

کمپنی پر قابل قدر گاہکوں، مالیاتی اداروں اور حصص یافتگان کے اعتماد و مستقل تعاون کے ہم مشکور ہیں۔ ڈائریکٹرز کی جانب سے محنت، لگن اور عزم پر تمام ہی ملازمین کی بھی تعریف کی جاتی ہے۔

من جانب بورڈ آف ڈائریکٹرز

منصرم سیف اللہ  
چیف ایگزیکٹو آفیسر  
مقصود اسماعیل  
ڈائریکٹر

کراچی، 28 اکتوبر 2020

اگرچہ، زیر جائزہ دورانیہ ملک کے لیے کووڈ 19 ویہ، غیر مستحکم معاشرتی، معاشی و تجارتی سرگرمیوں کے باعث مشکل رہا لیکن کمپنی نے پہلی سہ ماہی کا خاتمہ پر فروخت و آمدن میں مضبوط نمو کی مدد سے بہترین مالی نتائج حاصل کیے ہیں۔ سال گزشتہ کے اسی دورانیہ کے مقابلہ میں اس سہ ماہی میں کمپنی نے فروخت میں 17 فیصد جبکہ بعد محصولات آمدن میں 55 فیصد کی نمو کی کامیابی حاصل کی ہے۔

بازار میں جارحانہ دخول جدت و اضافت کی مستقل حکمت عملی کے ذریعہ سے کمپنی اس نمو کی راہ پر گامزن رہے گی۔ نمو کے بہترین نتائج کے حصول و ہمارے مستقبل کے اہداف کو محفوظ کرنے کے لیے ہم اپنی مشہور برانڈز میں بہترین تر اکیب فروخت کے ساتھ وسائل کے تیز و موثر استعمال کی مدد سے اپنے کاروبار میں نئی روح پھونک کر اپنی تبدیلی کے سفر کو جاری رکھیں گے۔

ہمیں فاسٹ مومنٹ مینوفیکچرنگ کمپنی کی کامیابی و نمو کے مشکل مقابلہ کا ادراک ہے جو کہ صارفین کے دلوں سے متعلق ہے جو نہ صرف ہماری مصنوعات سے اپنائیت کا تعلق رکھتے ہیں بلکہ اسے اپنی روزمرہ زندگی کا حصہ بھی بناتے ہوئے ہیں، ہم اپنی مصنوعات کو صارفین کی توقعات و تخیل سے بھی زائد بنانے کی بے حد کوشش کرتے ہیں جسکی وجہ سے ہم اس مقابلہ میں آگے رہتے ہیں۔

### مستقبل کی پیش بینی

ہم پر عزم ہیں کہ کمپنی غذائی و پلاسٹک شعبہ جات کے تاریخی سنگ میل کے حصول کے لیے مکمل طور تیار ہے۔ بازار میں بھی نمو میں اضافہ کی امید ہے، اگرچہ کووڈ 19 کی دوسری لہر کی وجہ سے معاشی تنزلی کا امکان ہے، غیر ارادی معاشی ماحول، غذائی اجناس کی بڑھتی قیمتوں

UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD  
ENDED SEPTEMBER 30, 2020

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT SEPTEMBER 30, 2020

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	20,049,182,563	19,266,848,674
Right-of-use assets		271,111,111	306,955,475
Intangible assets		47,753,226	55,293,210
Long term investments	9	5,476,303,873	5,276,303,873
Long term deposits		35,199,281	37,005,581
<b>Total non-current assets</b>		25,879,550,054	24,942,406,813
<b>Current assets</b>			
Stores and spares	10	397,427,976	351,847,225
Stock-in-trade	11	5,648,341,041	6,251,658,329
Trade debts	12	3,584,075,785	3,344,985,089
Loans and advances		957,976,360	936,777,070
Trade deposits and short-term prepayments		55,511,420	36,060,055
Short term investment		-	200,000,000
Other receivables		125,392,084	119,919,336
Taxation - net		1,149,657,673	1,273,085,745
Cash and bank balances	13	77,958,384	51,195,200
<b>Total current assets</b>		11,996,340,723	12,565,528,049
<b>Total assets</b>		37,875,890,777	37,507,934,862
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Authorised share capital</b>			
250,000,000 (June 30, 2020: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
<b>Issued, subscribed and paid-up share capital</b>			
66,356,940 (June 30, 2020: 66,356,940) ordinary share of Rs. 10 each		663,569,400	663,569,400
Reserves		9,336,576,035	9,236,215,197
<b>Total shareholders' equity</b>		10,000,145,435	9,899,784,597
<b>Non-current liabilities</b>			
Long term finances - secured	14	13,806,886,184	13,513,452,828
Lease liabilities		66,657,238	91,245,081
Deferred liabilities		2,085,477,679	2,069,506,039
<b>Total non-current liabilities</b>		15,959,021,101	15,674,203,948
<b>Current liabilities</b>			
Trade and other payables	15	3,060,172,755	3,436,484,784
Accrued mark-up		150,068,382	195,966,471
Short term finance - secured	16	6,176,441,326	6,789,925,030
Current portion of:			
- long term finances - secured	14	1,884,740,628	985,228,903
- Lease liabilities		65,512,121	77,281,836
Unclaimed dividend		2,644,785	2,644,785
Unpaid dividend		199,070,820	-
Advances from customers - unsecured		378,073,424	446,414,508
<b>Total current liabilities</b>		11,916,724,241	11,933,946,317
<b>Total liabilities</b>		27,875,745,342	27,608,150,265
Contingencies and commitments	17		
<b>Total equity and liabilities</b>		37,875,890,777	37,507,934,862

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Note	Three-months Period Ended	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
<b>Sales - gross</b>	20.1	11,660,232,390	9,927,706,296
Sales returns and discounts		(475,340,950)	(495,187,545)
Export Rebate		5,476,322	2,161,192
		(469,864,628)	(493,026,353)
		11,190,367,762	9,434,679,943
Sales tax		(1,435,085,214)	(1,414,304,434)
Sales - net		9,755,282,548	8,020,375,509
Cost of sales	20.1	(7,804,965,529)	(6,334,456,347)
<b>Gross profit</b>		1,950,317,019	1,685,919,162
Selling and distribution expenses		(1,088,308,580)	(818,813,229)
Administrative expenses		(152,265,523)	(137,927,281)
<b>Operating profit</b>		709,742,916	729,178,652
Other operating expenses		(127,564,519)	(59,079,907)
		582,178,397	670,098,745
Other income		43,157,714	65,729,910
		625,336,111	735,828,655
Finance cost		(212,699,331)	(309,808,206)
		412,636,780	426,020,449
Share of profit from associated companies - net	9.5	-	24,072,287
<b>Profit before taxation</b>		412,636,780	450,092,736
Taxation		(113,205,122)	(257,540,698)
<b>Profit after taxation</b>		299,431,658	192,552,038
<b>Earnings per share - basic &amp; diluted</b>	21	4.51	3.02
<b>Other Comprehensive Income</b>			
Item that will be not reclassified to statement of profit or loss in subsequent period			
Share of other comprehensive income from associated undertaking - net of tax		-	172,522,899
Other comprehensive income for the period - net of tax		-	172,522,899
<b>Total comprehensive income for the period</b>		299,431,658	365,074,937

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Issued, subscribed and paid-up share capital	Capital reserve		Total Reserves		Total reserves	Total shareholders' equity
	Share premium	Amalgamation reserves	Reinvestment of investment in associate	Revenue reserve		
638,047,500	579,265,000	916,862,067	(854,605,234)	6,094,677,327	6,736,199,160	7,374,246,660
-	-	-	-	192,552,038	192,552,038	192,552,038
-	-	-	172,522,899	-	172,522,899	172,522,899
-	-	-	172,522,899	192,552,038	365,074,937	365,074,937
-	-	-	-	(191,414,250)	(191,414,250)	(191,414,250)
638,047,500	579,265,000	916,862,067	(854,605,234)	6,094,677,327	6,736,199,160	7,374,246,660
663,569,400	1,472,531,500	916,862,067	41,535,172	6,805,286,458	9,236,215,197	9,899,784,597
-	-	-	-	299,431,658	299,431,658	299,431,658
-	-	-	-	299,431,658	299,431,658	299,431,658
-	-	-	-	(199,070,820)	(199,070,820)	(199,070,820)
-	-	-	-	6,805,647,296	6,805,647,296	6,805,647,296
663,569,400	1,472,531,500	916,862,067	41,535,172	6,805,647,296	9,336,576,035	10,000,145,435

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

Munsarim Saifullah  
Chief Executive Officer

Maqsood Ismail  
Director

Abdul Qadir  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		September 30, 2020	September 30, 2019
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations after working capital changes	18	353,187,504	36,041,492
Gratuity paid		(13,508,131)	(5,596,827)
Income taxes refund / (paid)		12,792,065	(72,677,321)
Long-term deposits - net off receipts / (paid)		1,806,300	(14,194,986)
<b>Net cash generated from / (used in) operating activities</b>		<b>354,277,738</b>	<b>(56,427,642)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)		(1,137,527,356)	(3,213,598,808)
Proceeds from disposal of property, plant and equipment		25,134,574	7,001,506
Investment in associated undertakings		-	(16,294,565)
Advance against shares of subsidiary		-	(178,010,000)
Long term investment		-	(200,000,000)
<b>Net cash used in investing activities</b>		<b>(1,112,392,782)</b>	<b>(3,600,901,867)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from long-term financing - net		1,192,945,081	3,435,396,766
Lease repayment net of sale and lease back		(36,357,558)	(29,325,617)
Interest / mark-up paid		(258,597,420)	(275,392,705)
<b>Net cash generated from financing activities</b>		<b>897,990,103</b>	<b>3,130,678,444</b>
<b>Net increase /(decrease) in cash and cash equivalents</b>		<b>139,875,059</b>	<b>(526,651,064)</b>
Cash and cash equivalents at the beginning of the period		(1,663,611,508)	(3,267,596,157)
<b>Cash and cash equivalents at the end of the period</b>	19	<b>(1,523,736,449)</b>	<b>(3,794,247,221)</b>

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

Munsarim Saifullah  
Chief Executive Officer

Maqsood Ismail  
Director

Abdul Qadir  
Chief Financial Officer

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

## FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

### 1 LEGAL STATUS AND OPERATIONS

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

### 2 SIGNIFICANT EVENTS AND TRANSACTIONS

There is no significant event and transaction occurred during the period.

### 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, 2020. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual financial statements.

The figures in the condensed interim unconsolidated financial information for the three month period ended September 30, 2020 and September 30, 2019 are not audited nor reviewed.

### 5 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

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

### 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, 2020.

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, 2020.

### 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.

**8 PROPERTY, PLANT AND EQUIPMENT**

	Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
-----Rupees-----			
Operating fixed assets	8.1	14,949,893,555	13,423,796,292
Right-of-use assets	8.1	271,111,111	306,955,475
Capital work in progress - at cost	8.2	5,099,289,008	5,843,052,382
		<u>20,320,293,674</u>	<u>19,573,804,149</u>

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

(Un-audited)			
Additions		Disposals	
-----At cost-----		-----At net book value-----	
September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
----- Rupees -----			
<b>Owned assets</b>			
Building on leasehold land	401,616,601	177,222,240	-
Plant and machinery	1,386,054,771	1,018,693,731	-
Furniture and fittings	823,600	-	-
Equipment	14,322,260	5,121,338	-
Computers	2,884,684	1,390,600	46,552
Vehicles	74,956,618	185,000	13,719,656
	1,880,658,534	1,202,612,909	13,766,208
			4,490,247
<b>Right-of-use assets</b>			
Vehicles	632,192	14,778,552	-
	632,192	14,778,552	-
	1,881,290,726	1,217,391,461	13,766,208
			4,490,247

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	----- Rupees -----			
Civil works	503,958,295	616,995,281	401,616,601	177,222,240
Plant and machinery	521,962,245	2,575,128,037	1,336,762,413	1,018,693,731
Electric installation	20,753,457	-	52,058,359	-
	1,046,673,997	3,192,123,318	1,790,437,373	1,195,915,971

**9 LONG-TERM INVESTMENTS****Investment in subsidiary Company - unquoted shares**

	Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
-----Rupees-----			
Hudson Pharma (Private) Limited	9.1	1,605,984,000	605,984,000
Add: Advance against shares		-	376,115,000
- opening balance		-	623,885,000
- increase during the year		-	1,000,000,000
		1,605,984,000	1,605,984,000

**Investment in associated undertakings**

Novelty Enterprises (Private) Limited - unquoted shares	9.2 & 9.4	228,703,777	228,703,777
The Bank of Khyber	9.3 & 9.4	3,441,616,096	3,441,616,096

**Other investment - at amortized cost**

Term Finance Certificates - Habib Bank Limited	9.6	200,000,000	-
		<u>5,476,303,873</u>	<u>5,276,303,873</u>

### 9.1 Hudson Pharma (Private) Limited

The Company holds 160,598,400 (June 2020: 160,598,400) shares of Hudson Pharma (Private) Limited (subsidiary), which is equivalent to 77.71% of total paid up capital (June 2020: 77.71%). The subsidiary is incorporated under Companies Act, 2017 as a private company, limited by shares. The registered office of the company is located at 17 Bangalore town, main Shahrah-e-Faisal Karachi. Principal activities of the subsidiary are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, 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 June 30.

### 9.2 Novelty Enterprises (Private) Limited

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

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

### 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, 2020: 244,339,031) shares which represents 24.43% of paid-up capital of the Bank (June 2020: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. 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 September 30, 2020 was Rs. 3,364.55 million (June 30, 2020: Rs. 3,467.17 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		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)-
	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020
Carrying value at beginning of the period	3,441,616,096	2,001,232,631	228,703,777	228,717,751
Investment made during the period	-	16,284,035	-	-
Share of profit or loss	-	491,986,115	-	(13,974)
Dividend received	-	(122,169,516)	-	-
Share of other comprehensive income	-	1,054,282,831	-	-
	3,441,616,096	3,441,616,096	228,703,777	228,703,777

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associates.

- 9.5 The Bank of Khyber has not yet concluded its financial result for the quarter ended September 30, 2020. Therefore share of profit / loss has not been accounted in these unconsolidated condensed interim financial statement.
- 9.6 The Company has made an investment in un-listed term finance certificates of Habib Bank Limited amounting to Rs. 200 million. These certificate carry markup of 3 months Kibor + 160 bps per annum. This investment is made with the intention to earn contractual cashflows and hence recognized at amortized cost.

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	-----Rupees-----	
<b>10 STORES AND SPARES</b>			
Stores and spare parts - gross		406,019,396	360,438,645
Provision for slow moving stores and spares		(8,591,420)	(8,591,420)
Store and spares - net		397,427,976	351,847,225
<b>11 STOCK-IN-TRADE</b>			
Raw materials	11.1	2,359,234,962	2,752,429,006
Packing materials	11.1	764,414,531	661,948,508
Work-in-process		412,252,647	175,501,874
Finished goods		2,112,438,901	2,661,778,941
		5,648,341,041	6,251,658,329
<b>11.1</b> Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.17,459,089 (June 30, 2020: Rs.12,959,090) and Rs. 112,848,549 (June 30, 2020: Rs. 109,848,549) respectively.			
		(Un-audited) September 30, 2020	(Audited) June 30, 2020
		-----Rupees-----	
<b>12 TRADE DEBTS</b>			
Considered good			
- secured (export debtors)		1,077,748,005	1,056,320,953
- unsecured		2,602,298,420	2,384,634,776
		3,680,046,425	3,440,955,729
Allowance for expected credit loss		(95,970,640)	(95,970,640)
<b>Trade debts - net</b>		3,584,075,785	3,344,985,089
<b>13 CASH AND BANK BALANCES</b>			
Cash in hand		14,907,421	17,840,930
Cash with banks in:			
- current accounts- <i>conventional</i>		26,607,424	12,680,687
- current accounts- <i>islamic</i>		36,443,539	20,673,583
		77,958,384	51,195,200

**14 LONG TERM FINANCES - secured**

	(Un-audited)			(Audited)		
	September 30, 2020			June 30, 2020		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	11,538,341,345	2,960,340,386	14,498,681,731	6,018,572,286	2,047,270,107	8,065,842,393
Obtained during the period / year	1,256,675,860	2,307,000	1,258,982,860	6,405,325,391	1,692,653,700	8,097,979,091
Repaid during the period / year	(66,037,779)	-	(66,037,779)	(885,556,332)	(779,583,421)	(1,665,139,753)
	12,728,979,426	2,962,647,386	15,691,626,812	11,538,341,345	2,960,340,386	14,498,681,731
Less: Current maturity	(1,473,758,824)	(410,981,804)	(1,884,740,628)	(796,765,907)	(188,462,996)	(985,228,903)
	11,255,220,602	2,551,665,582	13,806,886,184	10,741,575,438	2,771,877,390	13,513,452,828

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

14.2 The Company's total limit for long term loan amounting to Rs. 20,355 million. (June 2020 Rs. 19,207 million)

14.3 On request of the Company and in line with the instruction of BPRD Circular Letter no. 13 of 2020 issued by the State Bank of Pakistan to combat the impact of COVID-19 and to help the businesses, Banks/Financial Institutions have extended the repayment period of long term loans principal amounts by one year. However, the Company will continue to service the mark-up of that period to Banks/Financial Institutions as per agreed terms and conditions with them.

	(Un-audited)	(Audited)
	September 30, 2020	June 30, 2020
	-----Rupees-----	
15 <b>TRADE AND OTHER PAYABLES</b>		
Trade creditors	1,531,718,825	2,225,495,468
Other liabilities	1,528,453,930	1,210,989,316
	<b>3,060,172,755</b>	<b>3,436,484,784</b>

**16 SHORT TERM FINANCES - Secured**

	Note	(Un-audited)	(Audited)
		September 30, 2020	June 30, 2020
		-----Rupees-----	
Term finances-conventional	16.1	-	855,000,000
Term finances-islamic	16.2	772,719,493	971,931,342
Export refinance	16.3	3,802,027,000	3,248,186,980
Running finance utilized under mark-up arrangement	16.4	1,601,694,833	1,714,806,708
		<b>6,176,441,326</b>	<b>6,789,925,030</b>

16.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,005 million (June 2020: Rs. 1,005 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 7.18% to 8.96% per annum (June 2020: 8.43% to 14.29% per annum).

16.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,000 million (June 2020: Rs. 1,000 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.81% to 8.63% per annum (June 2020: 8.09% to 14.38% per annum).

16.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 3,850.70 million (June 2020: Rs. 3,650.70 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 carried mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2020: 0.25% to 1% above SBP rate per annum).

16.4 These facilities for running finances available from various banks aggregated to Rs. 4,039.30 million (June 2020: Rs. 4,039.30 million). These are secured against pari-passu hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.36% to 8.01% per annum (June 2020: 8.43% to 14.86% per annum).

**17 CONTINGENCIES AND COMMITMENTS****17.1 Contingencies**

There are no material changes in the status of contingencies as reported in note no. 30 to the unconsolidated financial statements of the Company for the year ended June 30, 2020.

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
	Note	-----Rupees-----	
<b>17.2 Commitments</b>			
Outstanding letter of guarantees		2,225,034,157	2,136,440,528
Outstanding letter of credit for:			
- capital expenditures		811,708,716	592,832,875
- raw materials		1,136,237,144	945,731,340
		(Un-audited) September 30, 2020	(Un-audited) September 30, 2019
		-----Rupees-----	
<b>18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>			
Profit before income tax		412,636,780	450,092,736
<b>Adjustments for non-cash and other items:</b>			
Depreciation		377,271,623	321,226,813
Amortisation charge		7,539,982	4,692,624
Gain on disposal of property, plant and equipment - net		(11,368,366)	(2,511,259)
Provision for staff retirement gratuity		13,402,527	14,386,998
Provision for slow moving stock - raw and packing material		7,499,999	-
Share of profit from associated undertaking		-	(24,072,287)
Finance cost		212,699,331	309,808,206
Unrealized exchange loss on export debts		4,650,476	-
Unrealized exchange loss on import payables		2,639,616	-
Net decrease in working capital	18.1	(673,784,464)	(1,037,582,339)
		353,187,504	36,041,492
<b>18.1 Working capital changes</b>			
<b>Current assets</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores and spares		(45,580,751)	(114,446,455)
Stock-in-trade		595,817,289	(487,648,520)
Trade debts		(243,741,172)	(425,359,558)
Loans and advances		(21,199,290)	198,481,265
Trade deposits and short-term prepayments		(19,451,365)	(86,126,444)
Other receivables		(5,472,748)	7,234,812
		260,371,963	(907,864,900)
<b>Current liabilities</b>			
<b>(Decrease) / Increase in current liabilities</b>			
Trade and other payables		(365,443,514)	119,432,342
Short term finance - secured		(500,371,829)	(205,630,167)
Advances from customers		(68,341,084)	(43,519,614)
		(934,156,427)	(129,717,439)
<b>Net decrease in working capital</b>		(673,784,464)	(1,037,582,339)
<b>19 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	13	77,958,384	65,657,616
Running finances under mark-up arrangement	16	(1,601,694,833)	(3,859,904,837)
		(1,523,736,449)	(3,794,247,221)



## 20 SEGMENT INFORMATION

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

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

- Food processing
- Plastic film

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

	(Un-audited)					
	Food Processing			Plastic Film		
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	Rupees					
Sales						
Local	7,487,978,948	7,133,526,064	1,915,146,846	2,013,699,591	9,403,125,994	9,147,225,655
Export	2,150,770,393	585,941,356	106,336,203	194,539,285	2,257,546,936	780,480,641
Export rebates	54,763,322	2,161,192	-	-	5,476,322	2,161,192
	9,644,225,663	7,721,628,612	2,021,483,049	2,208,238,876	11,665,708,712	9,929,867,488
Less:						
Sales return and discounts	(473,632,679)	(481,688,215)	(1,708,271)	(13,499,330)	(475,340,950)	(495,187,545)
Sales tax	(1,451,117,163)	(1,113,269,297)	(289,968,051)	(301,035,137)	(1,435,085,214)	(1,414,304,434)
	(1,618,779,842)	(1,594,957,512)	(291,676,322)	(314,534,467)	(1,910,426,164)	(1,909,491,979)
Net sales	8,025,445,821	6,126,671,100	1,729,806,727	1,893,704,409	9,755,282,548	8,020,375,509
Cost of sales	(6,358,795,689)	(4,635,723,185)	(1,446,169,840)	(1,678,731,162)	(7,804,965,629)	(6,334,456,347)
Selling and distribution	(1,021,963,465)	(771,132,717)	(66,345,115)	(47,680,512)	(1,088,308,580)	(818,813,229)
Administrative expenses	(119,258,369)	(125,276,669)	(33,007,154)	(12,650,612)	(152,265,823)	(137,927,281)
	(7,500,017,523)	(6,532,134,571)	(1,545,522,109)	(1,739,063,286)	(9,045,539,032)	(7,291,196,857)
<b>Segment result</b>	<b>525,428,298</b>	<b>574,536,529</b>	<b>184,284,618</b>	<b>154,641,123</b>	<b>709,742,916</b>	<b>729,178,652</b>
<b>Unallocated income and expenses</b>						
Other operating income	-	-	-	-	43,157,714	65,729,910
Finance cost	-	-	-	-	(32,699,331)	(30,888,206)
Other operating expenses	-	-	-	-	(127,564,519)	(59,079,307)
Share of profit from associated companies-net	-	-	-	-	-	-
<b>Profit before taxation</b>	-	-	-	-	-	-
Income tax expense	-	-	-	-	412,636,780	451,092,736
	-	-	-	-	(113,205,122)	(257,540,695)
<b>Profit for the period</b>	-	-	-	-	<b>299,431,658</b>	<b>192,552,038</b>
	(Un-audited) (Un-audited) (Un-audited) (Un-audited) (Un-audited) (Un-audited)					
	September, 2020	June 30, 2020	September, 2020	June 30, 2020	September, 2020	June 30, 2020
	Rupees					
20.2 Segment assets	20,134,094,617	20,272,965,197	11,286,023,488	11,024,025,316	31,420,108,005	31,296,990,513
20.3 Unallocated assets	-	-	-	-	6,455,772,672	6,210,944,349
	20,134,094,617	20,272,965,197	11,286,023,488	11,024,025,316	37,875,890,777	37,507,934,862
20.4 Segment liabilities	9,395,749,176	2,529,351,720	570,722,316	8,778,993,873	9,966,471,492	11,348,345,593
20.5 Unallocated liabilities	-	-	-	-	17,909,273,850	16,299,804,072
	9,395,749,176	2,529,351,720	570,722,316	8,778,993,873	27,875,745,342	27,648,150,265
<b>20.6 Inter-segment pricing</b>						
Transactions among the business segments are recorded at estimated cost.						
20.7 The Company's export sales have been primarily 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.						
20.8 There were no major customers of the company which formed 10 percent or more of the Company's revenue.						

## 20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

### Assets

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
-----Rupees-----			
Total assets for reportable segments	20.2	31,420,118,105	31,296,990,513
Unallocated capital assets		979,468,799	934,640,475
Long term investment	9	5,476,303,873	5,276,303,873
Total assets		37,875,890,777	37,507,934,861

### Liabilities

Total liabilities for reportable segments	20.4	9,966,471,492	11,308,345,593
Deferred liabilities		2,085,477,679	1,632,596,024
Long term finance - secured	14	15,691,626,812	14,498,681,731
Liabilities against assets subject to finance lease		132,169,359	168,526,917
Total liabilities		27,875,745,342	27,608,150,265

## 21 EARNINGS PER SHARE-Basic and Diluted

		(Un-audited) September 30, 2020	(Un-audited) September 30, 2019
-----Rupees-----			
<b>Basic earnings per share</b>			
Profit for the period		299,431,658	192,552,038

------(Number)-----

Weighted average number of ordinary shares during the period		66,356,940	63,804,750
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------(Rupees)-----

Basic earnings per share		4.51	3.02
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## 22 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

		(Un-audited) September 30, 2020	September 30, 2019
-----Rupees-----			
<b>Transactions</b>			
<b>Plastiflex Films (Private) Limited</b>			
<i>Common Directorship</i>			
- Purchase of raw & packing materials		15,435,917	7,077,395
- Metallization service		(5,664,618)	5,382,157
- Sale of raw & packing materials		-	2,099,770
- Recovery against Sales		3,617,184	-
- Payment against purchases		(23,696,179)	4,257,544
<b>Others</b>			
<b>Remuneration to directors and other key management personnel:</b>			
Chief Executive Officer		3,200,000	2,350,000
Directors		2,613,475	3,975,000
Executives		123,578,033	89,946,049
		129,391,508	96,271,049

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
<b>Balances</b>		
<b>Plastiflex Films (Private) Limited</b>		
-Payable to associate	<u>20,439,715</u>	<u>30,747,411</u>

## 23 FAIR VALUE MEASUREMENT

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

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

The different levels have been defined as follows:

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

The Company held the following financial assets at fair value;

	September 30, 2020			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
	-----Rupees-----				
Investment in associated undertakings	3,441,616,096	228,703,777	-	3,670,319,873	3,670,319,873
Term Finance Certificates- Habib Bank Limited	-	200,000,000	-	200,000,000	-
	3,441,616,096	428,703,777	-	3,870,319,873	3,670,319,873

## 24 FINANCIAL RISK MANAGEMENT

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

## 25 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 28, 2020 by the Board of the Company.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD  
ENDED SEPTEMBER 30, 2020

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

AS AT SEPTEMBER 30, 2020		(Un-audited) September 30, 2020	(Audited) June 30, 2020
Note		-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	21,109,297,673	20,350,123,183
Right-of-use assets	8	271,111,111	306,955,475
Intangible assets		47,753,226	55,293,210
Goodwill		11,959,187	11,959,187
Long term investments	9	3,870,319,873	3,670,319,873
Long term deposits		39,134,139	40,690,439
<b>Total non-current assets</b>		25,349,575,209	24,435,341,367
<b>Current assets</b>			
Stores and spares	10	413,322,788	367,944,563
Stock-in-trade	11	5,805,362,150	6,412,002,447
Trade debts	12	3,607,235,004	3,370,612,422
Loans and advances		984,105,267	952,135,742
Trade deposits and short-term prepayments		63,931,000	43,815,508
Short term investment	13	246,469,777	200,000,000
Other receivables		125,392,084	119,919,336
Taxation - net		1,160,978,741	1,296,310,915
Cash and bank balances	14	107,083,708	358,884,421
<b>Total current assets</b>		12,513,880,519	13,121,625,354
<b>Total assets</b>		37,863,455,728	37,556,966,721
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Authorised share capital</b>			
250,000,000 (June 30, 2020: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
<b>Issued, subscribed and paid-up share capital</b>			
66,356,940 (June 30, 2020: 66,356,940) ordinary shares of Rs.10 each		663,569,400	663,569,400
Non-controlling interest		170,605,116	195,749,872
Reserves		8,602,072,887	8,589,399,383
<b>Total shareholders' equity</b>		9,436,247,403	9,448,718,655
<b>Non-current liabilities</b>			
Long-term finances - secured	15	14,151,207,800	13,881,308,010
Lease liabilities		66,657,238	91,245,081
Deferred liabilities		2,108,598,357	2,091,252,475
<b>Total non-current liabilities</b>		16,326,463,395	16,063,805,566
<b>Current liabilities</b>			
Trade and other payables	16	3,132,492,624	3,491,937,991
Accrued mark-up		152,676,219	199,737,582
Short-term finance - secured	17	6,176,441,326	6,789,925,030
Current portion of:			
- long-term finances - secured	15	1,993,833,611	1,036,500,768
- lease liabilities		65,512,121	77,281,836
Unpaid dividend		199,070,820	-
Unclaimed Dividend		2,644,785	2,644,785
Advances from customers		378,073,424	446,414,508
<b>Total current liabilities</b>		12,100,744,930	12,044,442,500
<b>Total liabilities</b>		28,427,208,325	28,108,248,066
Contingencies and commitments	18		
<b>Total equity and liabilities</b>		37,863,455,728	37,556,966,721

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

	Note	Three-months Period Ended	
		September 30, 2020	September 30, 2019
		-----Rupees-----	
<b>Sales - gross</b>	22.1	11,697,364,494	9,956,622,647
Sales returns & discounts		(483,652,543)	(497,916,845)
Export Rebate		5,476,322	2,161,192
		(478,176,221)	(495,755,653)
		11,219,188,273	9,460,866,994
Sales tax		(1,435,085,214)	(1,414,304,434)
Net sales		9,784,103,059	8,046,562,560
Cost of sales	22.1	(7,852,735,724)	(6,402,886,826)
<b>Gross profit</b>		1,931,367,335	1,643,675,734
Selling and distribution expenses		(1,148,617,405)	(877,651,690)
Administrative expenses		(181,095,845)	(152,148,144)
<b>Operating profit</b>		601,654,085	613,875,900
Other operating expenses		(127,714,521)	(59,079,907)
		473,939,564	554,795,993
Other income		46,922,037	65,729,910
		520,861,601	620,525,903
Finance cost		(221,056,911)	(325,275,277)
		299,804,690	295,250,626
Share of profit from associated Companies - net	9.4	-	24,072,287
<b>Profit before taxation</b>		299,804,690	319,322,913
Taxation		(113,205,122)	(257,540,698)
<b>Profit after taxation</b>		186,599,568	61,782,215
<b>Profit for the period attributable to:</b>			
Shareholders of the Holding Company		211,744,324	99,323,308
Non-controlling interest		(25,144,756)	(37,541,093)
		186,599,568	61,782,215
<b>Earnings per share - basic and diluted</b>	19	3.19	1.56

The annexed selected notes from 1 to 26 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

		Three-months Period Ended	
		September 30, 2020	September 30, 2019
Note		-----Rupees-----	
Profit after taxation		186,599,568	61,782,215
<i>Items that will be reclassified to consolidated statement of profit or loss in subsequent periods</i>		-	-
Share of other comprehensive profit / (loss) from associated Companies - net of tax	9.3	-	172,522,899
Other comprehensive income / (loss) for the period - net of tax		-	172,522,899
Total comprehensive income for the period		186,599,568	234,305,114
Total Comprehensive income for the period attributable to:			
Shareholders of the Holding Company		211,744,324	271,846,207
Non-controlling interest		(25,144,756)	(37,541,093)
		186,599,568	234,305,114

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

Issued, subscribed and paid-up share capital	Capital reserve		Total Reserves			Non-Controlling Interest	Total shareholders' equity
	Share premium	Amalgamation reserves	Revenue reserve		Total reserves		
			Remeasurement of investment in associate	Unappropriated profit			
Rupees							
638,047,500	579,265,000	916,862,067	(854,605,234)	5,810,366,250	6,451,888,083	179,714,690	7,260,650,273
-	-	-	-	99,323,308	99,323,308	(37,541,093)	61,782,215
-	-	-	172,522,899	-	172,522,899	-	172,522,899
-	-	-	172,522,899	99,323,308	271,846,207	(37,541,093)	234,305,114
-	-	-	-	(191,414,250)	(191,414,250)	-	(191,414,250)
638,047,500	579,265,000	916,862,067	(682,082,335)	5,718,275,308	6,532,320,040	142,173,597	7,312,541,137
663,569,400	1,472,331,500	916,862,067	41,535,172	6,158,470,644	8,589,399,383	195,749,872	9,448,718,655
-	-	-	-	211,744,324	211,744,324	(25,144,756)	186,599,568
-	-	-	-	-	-	-	-
-	-	-	-	211,744,324	211,744,324	(25,144,756)	186,599,568
-	-	-	-	(199,070,820)	(199,070,820)	-	(199,070,820)
663,569,400	1,472,331,500	916,862,067	41,535,172	6,171,441,148	8,602,072,887	170,605,116	9,436,247,403

Profit for the three months period ended September 30, 2019

Share of other comprehensive income/ (loss) from associated - net of tax

Total comprehensive (loss)/income for the period

Transaction with owners, recognised directly in equity

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

Balance as at September 30, 2019

Total comprehensive income/(loss) for the period

Profit for the three months ended September 30, 2020

Share of other comprehensive profit / (loss) from associated-net of tax

Total comprehensive income / (loss) for the period

Transaction with owners, recognised directly in equity

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

Balance as at September 30, 2020

**Balance as at July 01, 2019**

Profit for the three months period ended September 30, 2019

Share of other comprehensive income/ (loss)

from associated - net of tax

Total comprehensive (loss)/income for the period

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

Final cash dividend for the year ended June 30, 2019 @

Rs. 3 per share

**Balance as at September 30, 2019****Balance as at July 01, 2020****Total comprehensive income/(loss) for the period**

Profit for the three months ended September 30, 2020

Share of other comprehensive profit / (loss)

from associated-net of tax

Total comprehensive income / (loss) for the period

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

Final Cash dividend for the year ended June 30, 2020

@ Rs 3 per share

**Balance as at September 30, 2020**

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

September 30,      September 30,  
2020                      2019  
Note -----Rupees-----

## CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations after working capital changes	20	290,845,585	(71,880,895)
Gratuity paid		(14,147,923)	(6,064,366)
Income taxes refund / (paid)		24,696,161	(73,502,310)
Long-term deposits paid		1,556,300	(15,847,487)
<b>Net cash generated from / (used in) operating activities</b>		<b>302,950,123</b>	<b>(167,295,058)</b>

## CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure (including CWIP)		(1,143,779,877)	(3,227,195,413)
Investment in associated undertakings		-	(16,294,565)
Short term - Investment in treasury bills		(246,469,777)	(200,000,000)
Proceeds from disposal of property, plant and equipment		25,762,568	7,001,506
<b>Net cash used in investing activities</b>		<b>(1,364,487,086)</b>	<b>(3,436,488,472)</b>

## CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from long term financing - net		1,227,232,633	3,396,230,099
Lease repayment net of sale and lease back		(36,357,558)	(29,325,618)
Interest / mark-up paid		(268,026,950)	(291,432,069)
<b>Net cash generated from financing activities</b>		<b>922,848,125</b>	<b>3,075,472,412</b>

## Net decrease in cash and cash equivalents

Cash and cash equivalents at the beginning of the period		(1,355,922,287)	(3,263,388,199)
<b>Cash and cash equivalents at the end of the period</b>	21	<b>(1,494,611,125)</b>	<b>(3,791,699,316)</b>

The annexed selected notes from 1 to 26 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 THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

### 1 LEGAL STATUS AND OPERATIONS

#### 1.1 The Group consist of:

**Holding company:** Ismail Industries Limited

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

#### a) Ismail Industries Limited

The Holding Company was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Holding Company was converted into a public limited company. The registered office of the Holding Company is situated at 17 - Bangalore Town, Main Shahrah-e-Faisal, Karachi, Pakistan. The shares of the Holding Company are quoted on Pakistan Stock Exchange. The principal activities of the Holding Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, 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 Shahrah-e-Faisal, Karachi. Principal activities of the company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical, animal health, allied consumer products, drugs and medicines.

### 2 SIGNIFICANT EVENTS AND TRANSACTIONS

There is no significant event and transaction occurred during the period.

### 3 STATEMENT OF COMPLIANCE

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 group as at and for the year ended June 30, 2020. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the group's financial position and performance since the last annual financial statements.

The figures in the condensed interim consolidated financial information for the three month period ended September 30, 2020 and September 30, 2019 are not audited nor reviewed.

## 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, 2020

## 6 USE OF JUDGEMENTS AND ESTIMATES

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

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

## 7 FUNCTIONAL AND PRESENTATION CURRENCY

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

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
8 PROPERTY, PLANT AND EQUIPMENT	Note	-----Rupees-----	
Operating fixed assets	8.1	16,004,073,638	14,507,070,801
Right-of-use assets		271,111,111	306,955,475
Capital work in progress - at cost	8.2	5,105,224,035	5,843,052,382
		<u>21,380,408,784</u>	<u>20,657,078,658</u>

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

		(Un-audited)	
		Additions	Disposals
		-----At cost-----	-----At net book value-----
		September 30, 2020	September 30, 2020
	September 30, 2019	September 30, 2020	September 30, 2019
		----- Rupees -----	
<b>Owned assets</b>			
Building on leasehold land	401,616,601	177,222,240	-
Plant and machinery	1,386,054,771	1,018,693,731	675,727
Furniture & Fittings	823,600	2,679,117	-
Equipment	14,492,760	5,438,826	-
Computers	3,031,684	2,896,000	46,552
Vehicles	74,956,618	9,279,600	14,133,024
	<u>1,880,976,034</u>	<u>1,216,209,514</u>	<u>14,179,576</u>
<b>Right-of-use assets</b>			
Vehicles	632,192	14,778,552	-
	<u>632,192</u>	<u>14,778,552</u>	<u>-</u>
	<u>1,881,608,226</u>	<u>1,230,988,066</u>	<u>14,179,576</u>

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
Civil works	504,364,295	616,995,281	401,616,601	177,222,240
Plant and machinery	527,491,269	2,575,128,037	1,336,762,413	1,018,693,731
Electric installation	20,753,457	-	52,058,359	-
	1,052,609,021	3,192,123,318	1,790,437,373	1,195,915,971

## 9 LONG-TERM INVESTMENTS

Note

(Un-audited)  
September 30,  
2020

(Audited)  
June 30,  
2020

-----Rupees-----

### Investment in associated Companies

Novelty Enterprises (Private) Limited - unquoted  
Share

9.1

228,703,777

228,703,777

The Bank of Khyber

9.2

3,441,616,096

3,441,616,096

### Other investment - at amortized cost

Term Finance Certificates - Habib Bank Limited

9.4

200,000,000

-

**3,870,319,873**

**3,670,319,873**

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

## 9.2 The Bank of Khyber

The total shareholding of the Holding company in the Bank of Khyber (the Bank) is 244,339,031 (June 30, 2020: 244,339,031) shares which represents 24.43% of paid-up capital of the Bank (June 2020: 24.43%). In addition to this, the 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. 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 September 30, 2020 was Rs. 3,364.55 million (June 30, 2020: Rs. 3,467.17 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:

Note	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020
Carrying value at beginning of the period	3,441,616,096	2,001,232,631	228,703,777	228,717,751
Investment made during the period	-	16,284,035	-	-
Share of profit/(loss)	-	491,986,115	-	(13,974)
Dividend received	-	(122,169,516)	-	-
Share of other comprehensive income/(loss)	-	1,054,282,831	-	-
Balance as at period/ year end	3,441,616,096	3,441,616,096	228,703,777	228,703,777

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.

- 9.4 The Bank of Khyber has not yet concluded its financial result for the quarter ended September 30, 2020. Therefore share of profit/loss has not been accounted in these consolidated condensed interim financial statement.
- 9.5 The Group has made an investment in un-listed term finance certificates of Habib Bank Limited amounting to Rs. 200 million. These certificates carry markup of 3 months Kibor + 160 bps per annum. This investment is made with the intention to earn contractual cashflows and hence recognized at amortized cost.

## 10 STORES AND SPARES

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
Stores and spare parts - gross	421,914,208	376,535,983
Provision for slow moving spare parts	(8,591,420)	(8,591,420)
Store and spares - net	413,322,788	367,944,563

## 11 STOCK-IN-TRADE

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
Raw materials	11.1	2,426,559,759	2,819,975,284
Packing materials	11.1	778,499,810	674,934,704
Work-in-process		413,887,130	175,501,874
Finished goods		2,186,415,451	2,741,590,585
		5,805,362,150	6,412,002,447

- 11.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.17,459,089 (June 30, 2020: Rs.12,959,090) and Rs. 112,848,549 (June 30, 2020: Rs. 109,848,549) respectively.

## 12 TRADE DEBTS

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
Considered good		
- secured (export debtors)	1,077,748,005	1,056,320,953
- unsecured (local)	2,625,457,639	2,410,262,109
Trade debts - gross	3,703,205,644	3,466,583,062
Allowance for expected credit loss	(95,970,640)	(95,970,640)
Trade debts - net	3,607,235,004	3,370,612,422

	Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
<b>13 SHORT TERM INVESTMENT</b>			
Balance at beginning of the period / year		200,000,000	-
Investment	13.1	242,939,500	200,000,000
Interest income		3,530,277	-
Transferred to long term investment		(200,000,000)	-
Balance at end of the period / year		246,469,777	200,000,000
<b>13.1</b>	This represent investment in treasury bills and term finance certificates.		
<b>14 CASH AND BANK BALANCES</b>			
Cash in hand		15,736,841	18,483,676
Cash with banks in:			
- current accounts- <i>conventional</i>		54,378,139	220,956,910
- current accounts- <i>islamic</i>		36,968,728	119,443,835
		107,083,708	358,884,421

**15 LONG TERM FINANCES - secured**

	(Un-audited) September 30, 2020			(Audited) June 30, 2020		
	-----Rupees-----			-----Rupees-----		
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	11,787,468,392	3,130,340,386	14,917,808,778	6,307,461,175	2,247,270,107	8,554,731,282
Obtained during the period / year	1,290,963,412	2,307,000	1,293,270,412	6,453,063,549	1,692,653,700	8,145,717,249
Repaid during the period / year	(66,037,779)	-	(66,037,779)	(973,056,332)	(809,583,421)	(1,782,639,753)
	13,012,394,025	3,132,647,386	16,145,041,411	11,787,468,392	3,130,340,386	14,917,808,778
Less: Current maturity	(1,562,851,807)	(430,981,804)	(1,993,833,611)	(838,037,772)	(198,462,996)	(1,036,500,768)
	11,449,542,218	2,701,665,582	14,151,207,800	10,949,430,620	2,931,877,390	13,881,308,010

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

**15.2** The Group's total limit for long term loan amounting to Rs. 21,022 million. (June 2020 Rs. 19,815 million)

**15.3** On request of the Group and in line with the instruction of BPRD Circular Letter no. 13 of 2020 issued by the State Bank of Pakistan to combat the impact of COVID-19 and to help the businesses, Banks/Financial Institutions have extended the repayment period of long term loans principal amounts by one year. However, the Group will continue to service the mark-up of that period to Banks/Financial Institutions as per agreed terms and conditions with them.

	Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
<b>16 TRADE AND OTHER PAYABLES</b>			
Trade creditors		1,563,671,357	2,256,405,358
Other liabilities		1,568,821,267	1,235,532,633
		3,132,492,624	3,491,937,991
<b>17 SHORT TERM FINANCES - Secured</b>			
Term finances-conventional	17.1	-	855,000,000
Term finances-islamic	17.2	772,719,493	971,931,342
Export refinances	17.3	3,802,027,000	3,248,186,980
Running finance utilized under mark-up arrangements	17.4	1,601,694,833	1,714,806,708
		6,176,441,326	6,789,925,030

**17.1** These represent facilities for term finances arranged from various banks aggregating to Rs. 1,005 million (June 2020: Rs. 1,005 million). These are secured against pari-passu hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 7.18% to 8.96% per annum (June 2020: 8.43% to 14.29% per annum).

- 17.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 1,000 million (June 2020: Rs. 1,000 million). These are secured against pari-passu hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.81% to 8.63% per annum (June 2020: 8.09% to 14.38% per annum).
- 17.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 3,850.70 million (June 2020: Rs. 3,650.70 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2020: 0.25% to 1% above SBP rate per annum).
- 17.4 These facilities for running finances available from various banks aggregated to Rs. 4,039.30 million (June 2020: Rs. 4,039.30 million). These are secured against pari-passu hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.36% to 8.01% per annum (June 2020: 8.43% to 14.86% per annum).

## 18 CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

There are no material changes in the status of contingencies as reported in note no. 31 to the consolidated financial statements of the Group for the year ended June 30, 2020.

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
18.2 Commitments	Note	-----Rupees-----	
Outstanding letter of guarantees		2,225,034,157	2,136,440,528
Outstanding letter of credit for:			
- capital expenditures		811,708,716	592,832,875
- others		1,136,237,144	946,531,340

## 19 EARNINGS PER SHARE - Basic and Diluted

There is no dilutive effect on the basic earnings per share of the group which is based on:

		(Un-audited) September 30, 2020	(Un-audited) September 30, 2019
	Note	Rupees	Rupees
<b>Basic earnings per share</b>			
Profit for the period		211,744,324	99,323,308
		------(Number)-----	
Weighted average number of ordinary shares during the period		66,356,940	63,804,750
		------(Rupees)-----	
Basic earnings per share		3.19	1.56

		(Un-audited) September 30, 2020 Rupees	(Un-audited) September 30, 2019 Rupees
<b>20 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>	<b>Note</b>		
Profit before income tax		299,804,690	319,322,913
<b>Adjustments for non-cash and other items:</b>			
Depreciation		406,270,181	352,819,589
Amortization of intangible		7,539,982	4,692,623
Gain on disposal of property, plant and equipment - net		(11,582,992)	(2,511,259)
Provision for staff retirement gratuity		15,416,562	15,533,442
Provision for slow moving raw & packing materials		7,499,999	-
Share of profit from associated undertaking		-	(24,072,287)
Finance cost		220,965,585	325,275,278
Unrealized exchange loss on export debts		4,650,476	-
Unrealized exchange loss on import payable		2,639,616	-
Net decrease in working capital	20.1	(662,358,515)	(1,062,941,194)
		<u>290,845,584</u>	<u>(71,880,895)</u>
<b>20.1 Working capital changes</b>			
<b>Current assets</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores and spares		(45,378,225)	(114,913,850)
Stock-in-trade		599,140,299	(514,420,185)
Trade debts		(241,273,058)	(428,886,566)
Loans and advances		(31,969,526)	187,022,020
Trade deposits and short-term prepayments		(20,115,492)	(94,348,327)
Other receivables		(5,472,748)	7,234,813
		<u>254,931,250</u>	<u>(958,312,095)</u>
<b>Current liabilities</b>			
<b>Increase / (Decrease) in current liabilities</b>			
Trade and other payables		(348,576,852)	144,520,684
Short-term finance - secured		(500,371,829)	(205,630,168)
Advance from customers		(68,341,084)	(43,519,615)
		<u>(917,289,765)</u>	<u>(104,629,099)</u>
<b>Net decrease in working capital</b>		<u>(662,358,515)</u>	<u>(1,062,941,194)</u>
<b>21 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	14	107,083,708	68,205,521
Running finances under mark-up arrangement	17	(1,601,694,833)	(3,859,904,837)
		<u>(1,494,611,125)</u>	<u>(3,791,699,316)</u>



**22 SEGMENT INFORMATION**

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

- Food processing
- Plastic film
- Pharmaceutical film

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

	(Un-audited)									
	Food Processing					Plastic Film				
	Three-months Period Ended					Pharmaceutical segment				
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	Total
	Rupees									
Sales										
Local	7,487,978,948	7,133,526,064	1,915,146,846	2,013,099,591	37,132,104	28,916,332	-	94,40,257,898	91,76,142,007	
Export	2,150,770,393	585,941,355	106,336,203	194,539,285	-	-	-	2,257,106,596	780,480,640	
Export rebates	5,476,322	2,161,192	-	-	-	-	-	5,476,322	2,161,192	
	9,644,225,663	7,721,628,611	2,021,483,049	2,208,238,876	37,132,104	28,916,332	-	11,702,840,816	9,958,783,839	
Less:										
Sales return and discounts	(47,363,679)	(481,688,215)	(1,708,271)	(13,499,330)	(8,311,593)	(2,729,300)	-	(483,652,443)	(497,916,845)	
Sales tax	(1,145,117,163)	(1,113,269,297)	(289,968,051)	(301,035,137)	-	-	-	(1,435,085,214)	(1,414,304,434)	
	(1,618,749,842)	(1,594,957,512)	(291,676,322)	(314,534,467)	(8,311,593)	(2,729,300)	-	(1,918,737,577)	(1,912,221,279)	
Net sales	8,025,475,821	6,126,671,099	1,729,806,727	1,893,704,409	26,820,511	26,187,032	-	9,784,103,059	8,046,562,560	
Cost of sales	(6,558,795,689)	(4,655,725,185)	(1,446,109,840)	(1,678,731,163)	(47,770,195)	(68,430,439)	-	(7,852,715,724)	(6,402,862,825)	
Selling and distribution expenses	(1,021,963,465)	(771,132,117)	(66,345,115)	(47,680,512)	(60,208,925)	(58,834,461)	-	(1,488,617,405)	(877,651,609)	
Administrative expenses	(119,255,369)	(105,276,649)	(33,007,154)	(12,650,612)	(28,830,322)	(14,220,863)	-	(181,095,845)	(132,148,144)	
	(7,500,017,523)	(5,552,154,571)	(1,545,522,109)	(1,739,062,286)	(136,209,342)	(141,487,803)	-	(9,182,448,974)	(7,432,683,600)	
Segment result	525,458,298	574,516,528	184,284,618	154,642,123	(108,088,831)	(115,302,751)	-	601,654,085	613,875,960	
Unallocated income and expenses										
Other operating income								46,922,037	65,729,910	
Finance cost								(221,066,911)	(325,275,277)	
Other operating expenses								(127,744,321)	(59,079,907)	
Share of profit from associated undertakings								-	-	
Profit before taxation								259,804,600	319,322,913	
Income tax expense								(113,205,122)	(257,540,698)	
Profit for the period								186,599,568	61,782,215	
	Rupees									
	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited	Unaudited	Audited
	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020
	Rupees									
22.2 Segment assets	20,134,094,617	20,270,313,109	11,286,023,488	11,026,677,406	1,393,548,951	1,655,015,855	33,013,667,056	32,952,006,370		
22.3 Unallocated assets							4,849,788,072	4,604,960,348		
	20,134,094,617	20,270,313,109	11,286,023,488	11,026,677,406	1,393,548,951	1,655,015,855	37,863,455,228	37,556,966,718		
22.4 Segment liabilities	9,995,749,176	2,529,351,727	570,722,316	8,778,093,873	74,927,705	80,970,747	10,041,399,197	11,389,316,347		
22.5 Unallocated liabilities							18,385,809,128	16,718,931,719		
	9,995,749,176	2,529,351,727	570,722,316	8,778,093,873	74,927,705	80,970,747	28,427,208,325	28,108,248,066		
22.6 Inter-segment pricing										
	Transactions among the business segments are recorded at estimated cost.									
22.7	The Holding Company's export sales have been primarily made in 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.									
22.8	There were no major customers of the group which formed 10 percent or more of the Company's revenue.									

## 22.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

### Assets

		(Un-audited) September 30, 2020	(Audited) June 30, 2020
-----Rupees-----			
Total assets for reportable segments	22.2	33,013,667,056	32,952,006,370
Unallocated capital assets		979,468,799	934,640,475
Long term investment	9	3,870,319,873	3,670,319,873
Total assets		37,863,455,728	37,556,966,718

### Liabilities

Total liabilities for reportable segments	22.4	10,041,399,197	11,389,316,347
Deferred liabilities		2,108,598,357	1,632,596,024
Long term finance	15	16,145,041,411	14,917,808,778
Lease liabilities		132,169,359	168,526,917
Total liabilities		28,427,208,324	28,108,248,066

## 23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

		(Un-audited) September 30, 2020	September 30, 2019
-----Rupees-----			
<b>Transactions</b>			
<b>Plasitflex Films (Private) Limited</b>			
<i>Close family relationship</i>			
- Purchase of raw & packing Materials		15,435,917	7,077,395
- Metallization service		(5,664,618)	5,382,157
- Sale of raw & packing materials		-	2,099,770
- Recovery against Sales		3,617,184	-
- Payment against purchases		(23,696,179)	4,257,544
<b>Others</b>			
<b>Remuneration to directors and other key management personnel:</b>			
Chief Executive Officer		5,300,000	4,450,000
Directors		2,613,475	3,975,000
Executives		134,223,533	89,946,049
		142,137,008	98,371,049
<b>Balances</b>			
<b>Plasitflex Films (Private) Limited</b>			
- Payable to associate		20,439,715	30,747,411

## 24 FAIR VALUE MEASUREMENT

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

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

The different levels have been defined as follows:

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

The Group held the following financial assets at fair value;

	September 30, 2020			Total	June 30, 2020
	(Level 1)	(Level 2)	(Level 3)		
	-----Rupees-----				
Investment in associated undertakings	3,441,616,096	228,703,777	-	3,670,319,873	3,670,319,873
Term Finance Certificates- Habib Bank Limited	-	200,000,000	-	200,000,000	-
Investment in treasury bills	-	246,469,777	-	246,469,777	-
	3,441,616,096	675,173,554	-	4,116,789,650	3,670,319,873

## 25 FINANCIAL RISK MANAGEMENT

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

## 26 DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 28, 2020 by the Board of the Group.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer







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