



ISMAIL INDUSTRIES LIMITED

ISMAIL INDUSTRIES LIMITED

Head Office

17, Bangalore Town, Shahrah-e-Faisal,
Karachi-75350, Pakistan.
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Factories

Unit 1:

C-230, H.I.T.E., Hub,
Balochistan, Pakistan.
Tel: (+92-853) 302526-302393
Fax: (+92-853) 302527

Unit 2:

B-140, H.I.T.E., Hub,
Balochistan, Pakistan.
Tel: (+92-853) 363602-364234
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Unit 3:

G-1, H.I.T.E., Hub,
Balochistan, Pakistan.
Tel: (+92-853) 302326
Fax: (+92-853) 302611, 303817

Unit 4:

G-22, 23, H.I.T.E., Hub,
Balochistan, Pakistan.
Tel: (+92-853) 303193, 303177
Fax: (+92-853) 302284

Unit 5:

39-C, 39, 39-A, 42-C,
Sunder Industrial Estate,
Rawind Road, Lahore, Pakistan.
Tel: (+92-42) 5529 7671-5

Unit 6:

D-91, D-92 & D-94,
North Western Industrial Zone,
Port Qasim Authority,
Karachi-75020, Pakistan.
Tel: (+92-21) 34154169-70
Fax: (+92-21) 34154176

Unit 7:

E-164 to E-168,
North Western Industrial Zone,
Port Qasim Authority,
Karachi-75020, Pakistan.
Tel: (+92-21) 34154171-73
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Unit 8:

E-154 to E-157,
North Western Industrial Zone,
Port Qasim Authority,
Karachi-75020, Pakistan.
Tel: (+92-21) 34154174-75
Fax: (+92-21) 34154176

Thriving to
Succeed

Half Yearly
Report
December
2017

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COMPANY PROFILE

Board of Directors

Mr. Muhammad M. Ismail	Chairman
Mr. Munsarim Saifullah	Chief Executive
Mr. Hamid Maqsood Ismail	Executive Director
Mr. Ahmed Muhammad	Executive Director
Mr. Maqsood Ismail	Non-Executive Director
Ms. Farzana Muhammad	Non-Executive Director
Ms. Almas Maqsood	Non-Executive Director
Ms. Reema Ismail Ahmed	Non-Executive Director
Mr. M. Zubair Motiwala	Independent Director

Audit Committee Members

Mr. M. Zubair Motiwala	Chairman
Mr. Muhammad M. Ismail	Member
Mr. Maqsood Ismail	Member
Ms. Almas Maqsood	Member
Ms. Reema Ismail Ahmed	Member

Registered Office

17, Bangalore Town,
Main Shahra-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 Committee

Mr. Maqsood Ismail	Chairman
Mr. M. Zubair Motiwala	Member
Mr. Munsarim Saifullah	Member
Ms. Farzana Muhammad	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
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
Summit Bank Limited

DIRECTOR REVIEW

The Board of Directors of the Company feels immense pleasure 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, 2017. The financial performance of the company for the period under review is summarized below:

Description	Dec-17	Dec-16	Change in %
	PKR in Million		
Turnover	13,374	11,079	21%
Gross Profit	2,604	2,000	30%
Operating Profit	1,157	1,047	11%
Profit before tax	947	790	20%
Profit after tax	685	608	13%
Earnings per share – Rupees	10.73	9.53	13%

Our pursuit for the sustainable higher growth continued to foster worthy returns through advancement in sale volume depicting the 21% increase in gross turnover, despite prevailing volatile economic situation and highly competitive industrial environment in the country. Our main emphasis on cost efficiency and effectiveness continued to flourish remarkable profits reflecting an increase of 11% and 13% in operating profit and profit after tax respectively. The momentum of enhancement in product portfolio and market share resulted in an increase of 13% in earnings per share over the similar period of last year which is predominantly driven by the ever-increasing demand of company's food products.

Credit Rating:

During the period under review, Pakistan Credit Rating Agency has assigned the initial entity rating to the Company as **(A)** in long term and **(A-1)** in short term which represents high credit quality and a low expectation of credit risk i.e. strong capacity for timely payments of financial instruments.

Future Outlook:

With double digit growth in its core business, Ismail Industries Limited will continue its strategy in stiff competitive environments. We aim to continue our focus on aggressive sales volume growth through innovative and existing products portfolio with a view to deepen the association of customers with our brands.

The Company has decided to enhance its existing Biaxially Oriented Polyethylene Terephthalate (BOPET) Films producing capacity by 200% in view of growing demand in Pakistan. This expansion will not only enhance the existing BOPET Film producing capacity but would also add different grades of Polyester Films other than food grade and packaging industry.

We are confident that the Company's success journey will set new records in periods ahead and would continue in ensuring years as well.

Acknowledgment:

Directors acknowledge the trust and continued support of valuable customers, financial institution and shareholders towards the Company. They 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

Karachi: February 21, 2018

Munsarim Saifullah
Chief Executive Officer

ڈائریکٹر کا جائزہ

کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2017 کو منعقد ہونے والی سہ ماہی و شش ماہی کے لیے کمپنی کے انفرادی اور اجتماعی (بغیر آڈٹ) وسط مدتی مالیاتی گوشوارے پیش کرنے میں انتہائی خوش محسوس کرتے ہیں۔ مذکورہ دورانیہ کے کمپنی کی مالیاتی کارکردگی مندرجہ ذیل رہی:

تفصیل	دسمبر 2017	دسمبر 2016	تبدیلی
	ملین پاکستانی روپے	ملین پاکستانی روپے	فیصد
مجموعی فروخت	13,374	11,079	21%
مجموعی منافع	2,604	2,000	30%
خام منافع	1,157	1,047	11%
قبل از محصول منافع	947	790	20%
بعد از محصول منافع	685	608	13%
فی صحت آمدن - روپے	10.73	9.53	13%

ہماری منظم ترقی کی نتیجے میں اس مرتبہ بھی متوازن معاشی حالات اور بڑھتے ہوئے مسابقتی ماحول کے باوجود مجموعی فروخت میں 21 فیصد کا قابل قدر اضافہ فراہم کیا۔ سرمایہ کاری کی بہتر لائقیت اور منافع بخش نتائج کے حصول سے متعلق پرومٹ نے ہمیں اس قابل کیا کہ 11 فیصد خام منافع اور 13 فیصد کے بعد از محصول منافع حاصل ہوا۔ ہماری مصنوعات کی وسیع تعداد میں بڑھتی ہوئی اقسام اور مسلسل بڑھتے ہوئے مارکیٹ حصہ داری کی وجہ سے ہمیں فی شخص آمدنی میں سال گزشتہ کے مقابلے میں 13% فیصد اضافہ ہوا جس کی بنیادی وجہ ہماری غذائی مصنوعات کی مسلسل بڑھتی ہوئی طلب رہی۔

کریڈٹ ریٹنگ:

زیر جائزہ دورانیہ میں، پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کو قبل مدتی "A" اور طویل مدتی "A-1" کی کریڈٹ ریٹنگ فراہم کی جو اس بات کی طرف اشارہ ہے کہ کمپنی کا کریڈٹ کا معیار بلند اور کریڈٹ رسک کم ہیں۔ کمپنی کے پاس بروقت قرض لوٹانے کی مشہور صلاحیت موجود ہے۔

مستقبل کی پیش بینی:

بنیادی کاروبار میں وگٹے اضافے کے ساتھ، اسماعیل انڈسٹریز لمیٹڈ، مسابقتی ماحول میں اپنی حکمت عملی جاری رکھے گی۔ صارفین کے ہمارے براہ راست پر اعتماد سازی سمیت جدید و موجودہ مصنوعات کے ذریعے کاروبار میں حجم میں جارحانہ اضافہ ہمارا مقصد ہے۔

کمپنی نے فیصلہ کیا ہے کہ BOPET Films کی موجودہ پیداواری صلاحیت کو بڑھایا جائے گا جس سے نہ صرف ہماری مصنوعات کی پیداواری صلاحیت دگنی ہو جائے گی بلکہ بڑھتی ہوئی طلب کے نتیجے میں BOPET کیمر پیداواری صلاحیت کی پیداوار بھی ممکن ہو سکے گی۔

ہم پر اعتماد ہیں کہ کمپنی کی ترقی کا سفر آئندہ ادوار میں نہ صرف نئے ریکارڈ قائم کرے گا بلکہ یہ سفر جاری رہے گا۔

خراج تحسین:

ڈائریکٹرز اپنے قیمتی صارفین، حصص داران اور مالیاتی اداروں کا ان کے اعتماد اور مسلسل اعانت کے جدول سے مشکور ہیں۔ جانفشانی اور انتہائی محنت کے صلہ میں ملازمین بھی تحسین کے مستحق ہیں۔

منجانب: بورڈ آف ڈائریکٹرز

کراچی: 21 فروری 2018

منصہم سیف اللہ
چیف ایگزیکٹو آفیسر

AUDITORS' REVIEW REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Ismail Industries Limited** (the Company) as of December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and selected explanatory notes to the condensed interim financial information for the six-month period then ended (herein after referred to as the "condensed interim financial information"). Management of the Company is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with the approved accounting standards applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures for the three months quarter ended December 31, 2017 and December 31, 2016 in the interim financial statements have not been reviewed and we do not express conclusion thereon as we are required to review only the cumulative figure for the six months' period ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information 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 condensed interim financial information is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan for the condensed interim financial information.

Karachi
Date: 21-02-2018

Grant Thornton Anjum Rahman
Chartered Accountants
Khaliq-ur-Rahman
Engagement Partner



CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2017

	Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	6	10,543,889,814	10,396,249,287
Long term investments	7	3,856,487,240	3,925,677,319
Long term deposits		52,292,789	33,358,415
Total non-current assets		14,452,669,843	14,355,285,021
Current assets			
Stores and spares	8	208,874,429	169,495,028
Stock-in-trade	9	4,587,288,512	4,863,525,805
Trade debts	10	1,455,554,599	1,442,852,765
Advances - considered good		240,771,030	369,770,405
Trade deposits and short-term prepayments		53,006,582	21,688,637
Other receivables		143,559,731	217,441,616
Taxation - net		756,987,487	766,013,092
Cash and bank balances	11	89,592,618	32,655,755
Total current assets		7,535,634,988	7,883,443,103
Total assets		21,988,304,831	22,238,728,124
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2017: 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, 2017: 63,804,750) ordinary shares of Rs.10 each full paid in cash		638,047,500	638,047,500
Reserves		5,970,580,277	5,633,601,413
Total shareholders' equity		6,608,627,777	6,271,648,913
Non-current liabilities			
Sponsors' loan - subordinated	12	902,151,770	902,151,770
Long-term finances - secured	13	5,485,549,073	6,524,794,709
Liabilities against assets subject to finance lease		195,651,648	168,176,412
Deferred liabilities		1,357,802,784	1,213,385,942
Total non-current liabilities		7,941,155,275	8,808,508,833
Current liabilities			
Trade and other payables	14	2,022,464,343	1,038,113,662
Accrued mark-up		73,690,765	93,598,715
Short-term finance - secured	15	2,663,558,256	3,783,293,527
Current portion of:			
- long-term finances - secured	13	2,497,817,257	2,078,107,585
- liabilities against assets subject to finance lease		104,381,342	80,377,295
Advances from customers		76,609,816	85,079,594
Total current liabilities		7,438,521,779	7,158,570,378
Total liabilities		15,379,677,054	15,967,079,211
Contingencies and commitments	16		
Total equity and liabilities		21,988,304,831	22,238,728,124

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

		Six-months Period ended		Quarter ended	
	Note	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
Sales	20.1	13,373,911,748	11,078,621,119	7,586,530,741	5,856,765,031
Sales tax		(1,968,787,450)	(1,669,468,201)	(1,106,986,591)	(851,099,191)
Net sales		11,405,124,298	9,409,152,918	6,479,544,150	5,005,665,840
Cost of sales	20.1	(8,800,764,312)	(7,408,867,740)	(5,061,189,866)	(3,920,425,557)
Gross profit		2,604,359,986	2,000,285,178	1,418,354,284	1,085,240,283
Selling and distribution expenses		(1,258,540,761)	(810,039,785)	(675,207,257)	(401,413,583)
Administrative expenses		(188,416,244)	(143,443,701)	(86,459,592)	(99,103,552)
		(1,446,957,005)	(953,483,486)	(761,666,849)	(500,517,135)
Operating profit		1,157,402,981	1,046,801,692	656,687,435	584,723,148
Other expenses		(117,746,374)	(73,650,976)	(71,169,887)	(47,434,893)
		1,039,656,607	973,150,716	585,517,548	537,288,255
Other income		109,251,933	77,221,268	80,374,298	47,032,922
		1,148,908,540	1,050,371,984	665,891,846	584,321,177
Finance cost		(307,319,862)	(368,865,772)	(129,458,137)	(176,137,340)
		841,588,678	681,506,212	536,433,709	408,183,837
Share of profit from associate		105,386,049	108,467,823	-	-
Profit before income tax		946,974,727	789,974,035	536,433,709	408,183,837
Income tax expense		(262,441,672)	(181,638,816)	(133,596,081)	(65,816,586)
Profit for the period		684,533,055	608,335,219	402,837,628	342,367,251
Earnings per share - basic and diluted	17	10.73	9.53	6.31	5.37

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

Note	Six-months period ended		Quarter ended	
	December 31,	December 31,	December 31,	December 31,
	2017 Rupees	2016 Rupees	2017 Rupees	2016 Rupees
Profit for the period	684,533,055	608,335,219	402,837,628	342,367,251
<i>Item to be reclassified to profit and loss account in subsequent period</i>				
Unrealized (diminution)/ appreciation on available for sale investment - net of tax	7.5 (46,235,000)	79,240,000	(81,515,000)	(32,445,000)
Share of other comprehensive loss from associated undertaking - net of tax	7.4 (125,856,128)	(54,257,012)	-	-
Other comprehensive (loss)/ income for the period - net of tax	(172,091,128)	24,982,988	(81,515,000)	(32,445,000)
Total comprehensive income for the period	512,441,927	633,318,207	321,322,628	309,922,251

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

Note	December 31, 2017 Rupees	December 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations after working capital changes	18 1,900,182,431	1,765,247,379
Gratuity paid	(21,519,586)	(19,589,605)
Taxes paid	(147,107,581)	(243,666,513)
Long-term deposits (paid)/ received	(18,934,374)	15,548,813
Net cash generated from operating activities	1,712,620,890	1,517,540,074
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure (including CWIP)	(639,656,653)	(1,594,765,900)
Proceeds from sale of investment	-	37,316,032
Proceeds from disposal of property, plant and equipment	31,967,273	6,494,672
Net cash used in investing activities	(607,689,380)	(1,550,955,196)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease obtained / (Rental paid)	51,479,283	(87,607,559)
Dividends paid	(175,701,894)	(413,974,303)
Long-term finance less repayments	(619,535,964)	1,595,192,043
Financial charges paid	(327,227,812)	(327,271,925)
Net cash (used in) / generated from financing activities	(1,070,986,387)	766,338,256
Net increase in cash and cash equivalents	33,945,123	732,923,134
Cash and cash equivalents at the beginning of the period	(773,560,635)	(1,646,925,147)
Cash and cash equivalents at the end of the period	(739,615,512)	(914,002,013)

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

Issued, subscribed and paid-up share capital	Capital to be issued pursuant to amalgamation	Total Reserves						Total shareholders' equity
		Capital reserve		Revenue reserve		Total reserves		
		Share premium	Amalgamation reserves	Share of AFS remeasurement from associate	Remeasurement of investment classified as 'available for sale'		Unappropriated profit	
----- Rupees -----								
505,207,500	132,840,000	579,265,000	916,862,067	382,805,697	13,074,613	3,468,829,978	5,300,837,355	5,998,884,855
132,840,000	(132,840,000)	-	-	-	-	-	-	-
-	-	-	-	-	-	608,335,219	608,335,219	608,335,219
-	-	-	-	(54,257,012)	79,240,000	-	24,982,988	24,982,988
-	-	-	-	(54,257,012)	79,240,000	608,335,219	633,318,207	633,318,207
-	-	-	-	-	-	(414,730,875)	(414,730,875)	(414,730,875)
638,047,500	-	579,265,000	916,862,067	328,548,685	92,314,613	3,662,434,322	5,579,424,687	6,217,472,187
638,047,500	-	579,265,000	916,862,067	(83,785,290)	23,469,613	4,197,790,023	5,633,601,413	6,271,648,913
-	-	-	-	-	-	684,533,055	684,533,055	684,533,055
-	-	-	-	(125,856,128)	(46,235,000)	-	(172,091,128)	(172,091,128)
-	-	-	-	(125,856,128)	(46,235,000)	684,533,055	512,441,927	512,441,927
-	-	-	-	-	-	(175,463,063)	(175,463,063)	(175,463,063)
638,047,500	-	579,265,000	916,862,067	(209,641,418)	(22,765,387)	4,706,860,015	5,970,580,277	6,608,627,777

Balance as at July 01, 2016
Capital issued pursuant to amalgamation

Total comprehensive income for the period
Profit for the six months period ended December 31, 2016
Total other comprehensive income for the six months period ended December 31, 2016
Total comprehensive income

Transaction with owners, recognised directly in equity
Cash dividend paid for the year ended June 30, 2016 @ Rs. 6.50 per share
Balance as at December 31, 2016

Balance as at July 01, 2017
Total comprehensive income for the period
Profit for the six months period ended December 31, 2017
Total other comprehensive income for the six months period ended December 31, 2017
Total comprehensive income

Transaction with owners, recognised directly in equity
Cash dividend paid for the year ended June 30, 2017 @ Rs. 2.75 per share
Balance as at December 31, 2017

The annexed selected notes from 1 to 22 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

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. Previously the shares of the Company were listed on the Karachi and Lahore Stock Exchanges. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the company are now 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 STATEMENT OF COMPLIANCE

- This condensed interim financial information of the Company for the six months period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.
- The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its circular no 23/2017 dated October 04, 2017, this condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated October 06, 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.
- This condensed interim financial information does not include all of the information required for complete set of financial statements and should be read in conjunction with the audited annual financial statements as at and for the year ended June 30, 2017.
- The comparative Balance Sheet presented in this condensed interim financial information has been extracted from the audited annual financial statements of the Company for the year ended June 30, 2017, whereas the comparative condensed interim Profit and Loss Account, condensed interim Statement of Comprehensive Income, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim financial information for the period ended December 31, 2016.

3 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

- The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2017.
- Certain amendments and interpretation to approved accounting standards become effective during period were not relevant to the Company's operation and do not have any impact on the accounting policies of the Company.

4 USE OF JUDGEMENTS AND ESTIMATES

The estimates / judgments and associated assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the financial statements of the Company for the year ended June 30, 2017.

5 FUNCTIONAL AND PRESENTATION CURRENCY

This condensed interim financial information is presented in Pakistani Rupees which is also Company's functional currency.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Operating fixed assets	6.1	9,803,831,188	9,221,162,306
Capital work in progress - at cost	6.2	740,058,626	1,175,086,981
		10,543,889,814	10,396,249,287

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

	(Un-audited)			
	Additions		Disposals	
	-----At cost-----		-----At net book value-----	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	----- Rupees -----			
Owned assets				
Leasehold land	83,467,359	-	-	-
Building on leasehold land	542,176,992	65,877,358	-	-
Plant and machinery	170,784,912	302,327,530	-	-
Furniture and fittings	7,063,680	-	-	-
Equipment	115,524,657	3,010,257	-	-
Computers	2,398,650	1,491,038	-	43,396
Vehicles	37,140,258	29,282,280	17,889,115	2,667,468
	958,556,508	401,988,463	17,889,115	2,710,864
Leased assets				
Vehicles	116,128,500	35,636,850	-	-
	116,128,500	35,636,850	-	-
	1,074,685,008	437,625,313	17,889,115	2,710,864

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	----- Rupees -----			
Civil works	187,140,943	68,145,471	542,176,992	65,877,358
Plant and machinery	47,675,065	1,390,130,057	155,214,042	299,651,481
Electric insallation	27,342,924	41,691,471	15,570,870	2,676,049
Equipment and fixtures	130,390,754	22,726,293	122,588,337	3,010,257
Software development	7,972,200	5,662,440	-	-
	400,521,886	1,528,355,732	835,550,241	371,215,145

7 LONG-TERM INVESTMENTS

Investment in subsidiary Company- unquoted shares

Hudson Pharma (Private) Limited	7.1	605,984,000	605,984,000
---------------------------------	-----	--------------------	-------------

Investment in associated undertakings

Novelty Enterprises (Private) Limited- unquoted shares	7.2	228,737,812	228,737,812
The Bank of Khyber	7.3	2,761,645,428	2,782,115,507
		2,990,383,240	3,010,853,319

Other investment-Available for sale

Bank Islami Pakistan Limited	7.5	260,120,000	308,840,000
		3,856,487,240	3,925,677,319

7.1 Hudson Pharma (Private) Limited

The Company holds 60,598,400 (2017: 60,598,400) shares of Hudson Pharma (Private) Limited, which is equivalent to 71.29% of total paid-up capital. The company is incorporated under repealed Companies Ordinance, 1984 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 company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical drugs and medicines. However, the Company has not commenced commercial operations yet. The shares of Hudson Pharma (Private) Limited are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of Hudson Pharma (Private) Limited is June 30.

7.2 Novelty Enterprises (Private) Limited

The Company holds 33% (June 2017: 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, 2017 based on un-audited financial statements amounted to Rs. 561.518 million (2016: Rs. 561.518 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.1,045.125 million (2017: Rs. 1,045.125 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment, NEL has not commenced operations.

7.3 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (2017: 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 condensed interim financial information of the Bank for the nine-months periods ended September 30, 2017 and six-months period ended June 30, 2017. 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, 2017 was Rs. 3,262.13 million (June 30, 2017: Rs. 3,805.815 million).

- 7.4 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)
	December 31, 2017	June 30, 2017	December 31, 2017	June 30, 2017
Carrying value at beginning of the period	2,782,115,507	3,142,849,649	228,737,812	228,763,991
Share of profit/(loss) relating to profit and loss account	105,386,049	468,315,392	-	(26,179)
Dividend received	-	(362,458,547)	-	-
Share of other comprehensive loss	(143,835,575)	(539,704,283)	-	-
Related deferred tax on OCI	17,979,447	73,113,296	-	-
	(125,856,128)	(466,590,987)	-	-
	2,761,645,428	2,782,115,507	228,737,812	228,737,812

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. The Company has not received cash dividend from Bank of Khyber during the period (June 30, 2017: Rs. 1.50 per share)

7.5 BankIslami Pakistan Limited

	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Carrying Value	308,840,000	294,840,000
Unrealized appreciation in value of investment	(48,720,000)	14,000,000
Fair value of investment	260,120,000	308,840,000

8 STORES AND SPARES

Stores and spare parts - gross	216,092,788	176,317,379
Diesel and liquified petroleum gas	1,103,061	1,167,269
Others	-	61,800
Provision for slow moving spare parts	8.1 (8,321,420)	(8,051,420)
Store and spares - net	208,874,429	169,495,028

8.1 Reconciliation of provision for slow moving spare parts

Opening provision	(8,051,420)	(7,511,420)
Charge for the period / year	(270,000)	(540,000)
Closing provision	(8,321,420)	(8,051,420)

9 STOCK-IN-TRADE

Raw materials	9.1 2,784,669,846	3,112,825,860
Packing materials	9.1 392,538,064	351,355,736
Work-in-process	139,129,068	151,165,802
Finished goods	1,270,951,534	1,248,178,407
	4,587,288,512	4,863,525,805

- 9.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,404,278 (June 30, 2017: Rs.13,404,278) and Rs.112,928,098 (June 30, 2017: Rs. 118,216,276) respectively.

10 TRADE DEBTS

Considered good		
- secured (export debtors)	122,582,703	124,849,742
- unsecured	1,332,971,896	1,318,003,023
	1,455,554,599	1,442,852,765
Considered doubtful	44,463,694	42,313,694
Trade debts - gross	1,500,018,293	1,485,166,459
Provision for doubtful debts	(44,463,694)	(42,313,694)
Trade debts - net	1,455,554,599	1,442,852,765

11 CASH AND BANK BALANCES

Cash in hand	4,049,152	1,802,402
Cash with banks in:		
- current accounts- conventional	39,815,020	27,087,396
- current accounts- islamic	45,728,446	3,765,957
	89,592,618	32,655,755

12 SPONSORS' LOAN - SUBORDINATED

The Company has obtained interest free loan from its sponsors. The sponsors have entered into agreements with the Company and various banks in which they have undertaken to sub-ordinate their loans and their claims over the Company's assets. These loans will be converted into ordinary shares and management are under advance stage of discussion for conversion to ordinary shares. The required formalities would be completed once final decision and agreement has been reached.

13 LONG TERM FINANCES - secured

	(Un-audited) December 31, 2017			(Audited) June 30, 2017		
	Rupees			Rupees		
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	5,912,235,635	2,681,666,659	8,602,902,294	4,740,612,260	1,679,166,659	6,419,778,919
Transfer from conventional to islamic	(766,666,667)	766,666,667	-	-	-	-
Obtained during the period / year	229,592,000	-	229,592,000	3,782,089,466	1,350,000,000	5,132,089,466
Repaid during the period / year	(519,544,618)	(329,583,346)	(849,127,964)	(2,601,466,091)	(347,500,000)	(2,948,966,091)
	4,914,616,350	3,068,749,980	7,983,366,330	5,921,235,635	2,681,666,659	8,602,902,294
Less: Current maturity	(1,340,733,941)	(1,157,083,316)	(2,497,817,257)	(1,441,857,599)	(636,249,986)	(2,078,107,585)
	3,573,882,409	1,911,666,664	5,485,549,073	4,479,378,036	2,045,416,673	6,524,794,709

- 13.1 These represent term finance facilities obtained for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu charge over property, plant and equipment of the company and personal guarantees of the directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.20% to 3 month KIBOR + 0.50% and from 0.25% to 0.75 % above the State Bank of Pakistan rate for LTFF.

	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Note		
14 TRADE AND OTHER PAYABLES		
Trade creditors	1,549,696,117	660,782,576
Other liabilities	472,768,226	377,331,086
	2,022,464,343	1,038,113,662

		(Un-audited) December 31, 2017 Rupees	(Un-audited) December 31, 2016 Rupees
15	SHORT TERM FINANCES - Secured		
	Term finances-conventional	15.1 1,000,000,126	1,096,074,976
	Term finances-islamic	15.2 400,000,000	1,430,002,161
	Export refinances	15.3 434,350,000	451,000,000
	Running finance utilized under mark-up arrangement	15.4 829,208,130	806,216,390
		<u>2,663,558,256</u>	<u>3,783,293,527</u>

15.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,000 million (June 2017: Rs. 2,100 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 5.98% to 6.26% per annum (June 2017: 5.98% to 7.05% per annum).

15.2 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,100 million (June 2017: Rs. 2,400 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 6.26% to 6.32% per annum (June 2017: 6.22% to 6.31% per annum).

15.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 614.35 million (June 2017: Rs. 631 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 ranging from 0.25% to 0.50% above the State Bank of Pakistan (SBP) rate per annum (June 2017: 0.25% to 0.50% above SBP rate per annum).

15.4 These facilities for running finances available from various banks aggregated to Rs. 3,925.65 million (June 2017: Rs. 3,509 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 6.29% to 6.53% per annum (June 2017: 6.27% to 7.30% per annum).

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There are no material changes in the status of contingencies as same reported in the annual audited financial statements of the Company from note 24.1.1 to 24.1.8 except the following:

The Company filed a Constitutional Petition before the Honorable Sindh High Court challenging the vires of Section 5A of the Income Tax Ordinance, 2001 which was amended through Finance Act, 2017 that every public company shall pay tax @ 7.5% of its accounting profit before tax for the year in which such company does not distribute at least 40% of its after tax profits within six (6) months of the end of the tax year through cash or bonus shares. The Honorable Sindh High Court has accepted the Constitutional Petition and granted stay against the newly amended section 5A. Further, the Board of Directors of the Company in their meeting dated September 22, 2017 has proposed cash dividend in respect of the year ended June 30, 2017 of Rs. 2.75/- per share which amounts to Rs. 175.463 million (i.e. 15.05% of after tax profits) for the financial and tax year 2017, which is lower than the minimum prescribed distribution rate. In case the Honorable Sindh High Court's decision is not in favor of the Company; the Company will either be required to declare dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Company for the financial year ended June 30, 2017.

		(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
16.2	Commitments		
	Outstanding letter of guarantees	493,167,634	481,662,420
	Outstanding letter of credit for:		
	- capital expenditures	503,678,614	313,270,182
	- others	596,927,407	653,704,383

		(Un-audited) December 31, 2017 Rupees	(Un-audited) December 31, 2016 Rupees
17	EARNINGS PER SHARE-Basic and Diluted		
	There is no dilutive effect on the basic earnings per share of the company which is based on:		
	Basic earnings per share		
	Profit for the period	684,533,055	608,335,219
		------(Number)-----	
	Weighted average number of ordinary shares during the period	63,804,750	63,804,750
		------(Rupees)-----	
	Basic earnings per share	10.73	9.53

		(Un-audited) December 31, 2017 Rupees	(Un-audited) December 31, 2016 Rupees
18	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
	Profit before income tax	946,974,727	789,974,035
	Adjustments for non-cash and other items:		
	Depreciation	474,127,011	358,704,269
	Gain on disposal of property, plant and equipment - net	(14,078,158)	(3,783,808)
	Loss on sale of investment	-	131,967
	Provision for staff retirement gratuity	62,590,604	62,014,050
	Share of profit from associated undertaking	(105,386,049)	(108,467,823)
	Finance cost	307,319,862	368,865,772
	Net increase in working capital	228,634,434	297,808,917
		<u>1,900,182,431</u>	<u>1,765,247,379</u>

18.1 Working capital changes

Current assets

Decrease / (Increase) in current assets

Stores and spares	(39,379,401)	(6,306,851)
Stock-in-trade	276,237,293	(192,126,115)
Trade debts	(12,701,834)	205,234,969
Advances - considered good	128,999,375	(252,694,976)
Trade deposits and short-term prepayments	(31,317,945)	(37,023,365)
Other receivables	73,881,885	(37,758,807)
	<u>395,719,373</u>	<u>(320,675,145)</u>

Current liabilities

(Decrease) / Increase in current liabilities

Trade and other payables	984,111,850	(58,134,846)
Short-term finances	(1,142,727,011)	703,684,609
Advance from customers	(8,469,778)	(27,065,701)
	<u>(167,084,939)</u>	<u>618,484,062</u>
Net increase in working capital	228,634,434	297,808,917

19 CASH AND CASH EQUIVALENTS

Cash and bank balances	11 89,592,618	86,370,437
Running finances under mark-up arrangement	15 (829,208,130)	(1,000,372,450)
	<u>(739,615,512)</u>	<u>(914,002,013)</u>

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 Company's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

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

- Food processing
- Plastic film

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment revenue, segment result, costs, assets and liabilities for the period are as follows:

20.1

	(Un-audited)					
	Quarter ended			Half year ended		
	Food Processing		Plastic Film	Food Processing		Plastic Film
	December 31, 2017	December 31, 2016	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2016
Sales						
Local	6,142,658,607	4,502,291,579	1,574,611,540	7,717,270,147	5,069,194,275	11,048,136,347
Export	245,799,302	160,920,764	72,547,184	433,972,843	236,790,358	296,619,829
Export rebates	3,701,229	2,522,293	-	6,025,689	5,483,707	-
	6,392,153,138	4,725,734,636	1,647,158,724	11,488,134,879	9,163,236,146	2,094,251,387
Less:						
Sales return and discounts	(307,356,238)	(339,412,146)	(145,424,883)	(877,985,601)	(551,741,895)	(649,683,789)
Sales tax	(892,232,043)	(652,460,873)	(214,754,487)	(1,567,819,894)	(851,099,191)	(1,281,127,330)
	(1,199,588,281)	(991,873,019)	(360,179,370)	(2,445,805,495)	(1,402,841,086)	(1,930,811,119)
Net sales	5,192,564,796	3,733,861,617	1,286,979,354	9,042,329,384	7,132,434,927	2,362,794,914
Cost of sales	(3,830,633,016)	(2,814,300,716)	(1,230,506,850)	(6,636,860,498)	(3,920,425,557)	(5,340,391,561)
Selling and distribution	(630,096,677)	(563,179,571)	(45,510,580)	(1,175,790,736)	(401,413,385)	(744,062,880)
Administrative expenses	(84,224,280)	(90,134,842)	(2,235,512)	(183,265,298)	(190,964,817)	(130,964,817)
	(4,544,953,973)	(3,267,614,929)	(1,277,892,742)	(7,995,916,532)	(6,275,439,258)	(6,275,439,258)
Segment result	647,610,823	466,246,688	9,086,612	1,046,412,852	856,985,669	110,990,129
Unallocated income and expenses						
Other operating income						
Finance cost						
Other operating expenses						
Share of profit from associated undertakings						
Profit before taxation						
Income tax expense						
Profit for the period						
	109,251,933	77,221,268		307,319,862	368,865,772	
	(107,319,862)	(73,650,974)		(117,746,374)	(105,386,049)	
	946,974,727	789,974,035		2,362,794,914	2,276,727,991	
	(262,441,722)	(181,638,816)		(684,533,055)	(608,535,219)	
	684,533,055	608,535,219		2,362,794,914	2,276,727,991	
	1,157,402,981	1,046,801,692		4,403,122,953	4,013,122,953	
	17,975,181,878	18,152,096,943		17,975,181,878	18,152,096,943	
	156,635,713	160,953,862		156,635,713	160,953,862	
	3,856,487,240	3,925,677,319		3,856,487,240	3,925,677,319	
	21,988,304,831	22,238,728,124		21,988,304,831	22,238,728,124	
	4,836,323,180	5,175,998,864		4,836,323,180	5,175,998,864	
	10,543,353,874	10,291,080,347		10,543,353,874	10,291,080,347	
	15,379,677,054	15,967,079,211		15,379,677,054	15,967,079,211	

20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

Assets

Total assets for reportable segments 20.2 17,975,181,878 18,152,096,943

Administrative capital assets 156,635,713 160,953,862

Long term investment 7 3,856,487,240 3,925,677,319

Total assets 21,988,304,831 22,238,728,124

Liabilities

Total liabilities for reportable segments 20.4 4,836,323,180 5,175,998,864

Sponsors' loan - subordinated 902,151,770 902,151,770

Deferred liabilities 1,357,802,784 1,037,472,576

Long term finance 13 7,983,366,330 8,602,902,294

Liabilities against assets subject to finance lease 300,032,990 248,553,707

Total liabilities 15,379,677,054 15,967,079,211

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited)	
	December 31, 2017	December 31, 2016
	Rupees	Rupees
Transactions		
Plasitflex Films (Private) Limited		
Close family relationship		
- Payment against purchases	24,586,765	15,983,536
- Purchases	23,081,098	18,130,489
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	3,000,000	2,124,998
Directors	4,800,000	3,175,000
Executives	113,081,666	57,754,435
	120,881,666	63,054,433
Balances		
Creditors - associated company		
- Payable to associate	13,586,988	15,092,655
Sponsors' subordinated - loan		
Payable to director's	902,151,770	902,151,770

22 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 21st February, 2018 by the Board of the Company.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENT
FOR THE SIX MONTHS PERIOD ENDED
DECEMBER 31, 2017

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2017

		(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	6	11,535,979,804	11,362,732,876
Goodwill		11,959,187	11,959,187
Long term investments	7	3,250,503,240	3,319,693,319
Long term deposits		55,370,347	35,635,973
Total non-current assets		14,853,812,578	14,730,021,355
Current assets			
Stores and spares	8	208,874,429	169,495,028
Stock-in-trade	9	4,587,288,512	4,863,525,805
Trade debts	10	1,457,773,925	1,442,852,765
Advances - considered good		244,388,632	376,350,875
Trade deposits and short-term prepayments		53,924,100	21,688,637
Other receivables		143,583,262	217,475,557
Taxation - net		766,804,478	774,157,713
Cash and bank balances	11	90,475,569	34,125,833
Total current assets		7,553,112,907	7,899,672,213
Total assets		22,406,925,485	22,629,693,568
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2017: 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, 2017: 63,804,750) ordinary shares of Rs.10 each full paid in cash		638,047,500	638,047,500
Reserves		5,933,985,777	5,613,640,729
Non-controlling interest		224,464,533	231,091,188
Total shareholders' equity		6,796,497,810	6,482,779,417
Non-current liabilities			
Sponsors' loan - subordinated	12	902,151,770	902,151,770
Long-term finances - secured	13	5,635,549,073	6,674,794,709
Liabilities against assets subject to finance lease		195,651,648	168,176,412
Deferred liabilities		1,362,011,126	1,215,829,176
Total non-current liabilities		8,095,363,617	8,960,952,067
Current liabilities			
Trade and other payables	14	2,099,006,622	1,065,505,368
Accrued mark-up		73,690,765	93,598,715
Short-term finance - secured	15	2,663,558,256	3,783,293,527
Current portion of:			
- long-term finances - secured	13	2,497,817,257	2,078,107,585
- liabilities against assets subject to finance lease		104,381,342	80,377,295
Advances from customers		76,609,816	85,079,594
Total current liabilities		7,515,064,058	7,185,962,084
Total liabilities		15,610,427,675	16,146,914,151
Contingencies and commitments	16		
Total equity and liabilities		22,406,925,485	22,629,693,568

The annexed selected notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

Note	Six-month Period ended		Quarter ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
Sales	20.1 13,373,911,748	11,078,621,119	7,586,530,741	5,856,765,031
Sales tax	(1,968,787,450)	(1,669,468,201)	(1,106,986,591)	(851,099,191)
Net sales	11,405,124,298	9,409,152,918	6,479,544,150	5,005,665,840
Cost of sales	20.1 (8,800,764,312)	(7,408,867,740)	(5,061,189,866)	(3,920,425,557)
Gross profit	2,604,359,986	2,000,285,178	1,418,354,284	1,085,240,283
Selling and distribution expenses	(1,258,540,761)	(810,039,785)	(675,207,257)	(401,413,583)
Administrative expenses	(212,209,128)	(158,209,866)	(101,011,524)	(105,311,543)
	(1,470,749,889)	(968,249,651)	(776,218,781)	(506,725,126)
Operating profit	1,133,610,097	1,032,035,527	642,135,503	578,515,157
Other expenses	(117,757,488)	(73,650,976)	(71,181,001)	(47,434,893)
	1,015,852,609	958,384,551	570,954,502	531,080,264
Other income	109,919,152	77,266,326	81,041,517	47,077,980
	1,125,771,761	1,035,650,877	651,996,019	578,158,244
Finance cost	(307,443,554)	(368,865,772)	(129,581,829)	(176,137,340)
	818,328,207	666,785,105	522,414,190	402,020,904
Share of profit from associate	105,386,049	108,467,823	-	-
Profit before income tax	923,714,256	775,252,928	522,414,190	402,020,904
Income tax expense	(262,441,672)	(181,638,816)	(133,596,081)	(65,816,586)
Profit for the period	661,272,584	593,614,112	388,818,109	336,204,318
Profit for the period attributable to:				
Shareholders of the Holding Company	667,899,239	597,840,542	391,504,373	337,973,697
Non-controlling interest	(6,626,655)	(4,226,430)	(2,686,264)	(1,769,379)
	661,272,584	593,614,112	388,818,109	336,204,318
Earnings per share - basic and diluted 17	10.36	9.30	6.09	5.27

The annexed selected notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

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, 2017

Note	Six-months period ended		Quarter ended	
	December 31, 2017 Rupees	December 31, 2016 Rupees	December 31, 2017 Rupees	December 31, 2016 Rupees
Profit for the period	661,272,584	593,614,112	388,818,109	336,204,318
<i>Item to be reclassified to profit and loss account in subsequent period</i>				
Unrealized (diminution)/ appreciation on available for sale investment - net of tax	7.4 (46,235,000)	79,240,000	(81,515,000)	(32,445,000)
Share of other comprehensive loss from associated undertaking - net of tax	7.3 (125,856,128)	(54,257,012)	-	-
Other comprehensive (loss)/ income for the period - net of tax	(172,091,128)	24,982,988	(81,515,000)	(32,445,000)
Total comprehensive income for the period	489,181,456	618,597,100	307,303,109	303,759,318

The annexed selected notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

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ABDUL QADIR
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CONSOLIDATED CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Note	December 31, 2017 Rupees	December 31, 2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	18	1,930,812,877	1,827,309,324
Gratuity paid		(21,591,288)	(19,589,605)
Taxes paid		(148,779,949)	(248,175,487)
Long-term deposits (paid)/ received		(19,734,374)	15,518,813
Net cash generated from operating activities		1,740,707,266	1,575,063,045
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(668,208,577)	(1,645,727,089)
Proceeds from sale of investment		-	37,316,032
Proceeds from disposal of property, plant and equipment		31,969,386	6,494,672
Net cash used in investing activities		(636,239,191)	(1,601,916,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease obtained / (Rental paid)		51,479,283	(87,607,559)
Dividends paid		(175,701,894)	(413,974,303)
Long-term finance less repayments		(619,535,964)	1,595,192,043
Financial charges paid		(327,351,504)	(327,271,925)
Net cash (used in) / generated from financing activities		(1,071,110,079)	766,338,256
Net increase in cash and cash equivalents		33,357,996	739,484,917
Cash and cash equivalents at the beginning of the period		(772,090,557)	(1,646,925,147)
Cash and cash equivalents at the end of the period	19	(738,732,561)	(907,440,230)

The annexed selected notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

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CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

	Issued, subscribed and paid-up share capital	Capital to be issued pursuant to amalgamation	Total Reserves					Non-controlling interest	Total shareholders' equity	
			Capital reserve	Share premium	Amalgamation reserves	Share of AFS remeasurement from associate	Revenue reserve of investment classified as 'available for sale'			Unappropriated profit
Rupees										
Balance as at July 01, 2016	505,207,500	132,840,000	579,265,000	916,862,067	382,805,697	13,074,613	3,468,829,978	5,360,837,355	239,226,433	5,998,884,855
Capital issued pursuant to amalgamation	132,840,000	(132,840,000)	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Profit for the six months period ended December 31, 2016	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the six months period ended December 31, 2016	-	-	-	-	-	(54,257,012)	79,240,000	597,840,542	(4,226,430)	597,840,542
Total comprehensive income	-	-	-	-	-	(54,257,012)	79,240,000	597,840,542	(4,226,430)	597,840,542
Transaction with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year ended June 30, 2016 @ Rs. 6.50 per share	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2016	638,047,500	-	579,265,000	916,862,067	382,805,697	92,314,613	3,651,939,645	5,369,930,010	235,000,003	6,206,977,510
Balance as at July 01, 2017	638,047,500	-	579,265,000	916,862,067	382,805,697	92,314,613	3,651,939,645	5,369,930,010	235,000,003	6,206,977,510
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Profit for the six months period ended December 31, 2017	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the six months period ended December 31, 2017	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-
Transaction with owners, recognised directly in equity	-	-	-	-	-	-	-	-	-	-
Cash dividend paid for the year ended June 30, 2017 @ Rs. 2.75 per share	-	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2017	638,047,500	-	579,265,000	916,862,067	382,805,697	22,764,387	4,670,265,515	5,933,985,777	224,464,533	6,796,497,810

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSUD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER

The annexed selected notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

The annexed selected notes from 1 to 22 form an integral part of this consolidated condensed interim financial information.

MUNSARIM SAIFULLAH
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MAQSOOD ISMAIL
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SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2017

1 LEGAL STATUS AND OPERATIONS

1.1 The Group consist of:

Holding company : Ismail Industries Limited

Subsidiary companies : 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. Previously the shares of the Holding Company were listed on the Karachi and Lahore Stock Exchanges. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the holding company are now 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 is incorporated in Pakistan under the Companies Ordinance, 1984 (the Ordinance) as a private company limited by shares. 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 drugs and medicines.

2 STATEMENT OF COMPLIANCE

2.1 This consolidated condensed interim financial information of the Group for the six months period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

2.2 The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide its circular no 23/2017 dated October 04, 2017, this consolidated condensed interim financial information has been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated October 06, 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.3 This consolidated condensed interim financial information does not include all of the information required for complete set of financial statements and should be read in conjunction with the audited annual consolidated financial statements as at and for the year ended June 30, 2017.

2.4 The comparative Balance Sheet presented in this consolidated condensed interim financial information has been extracted from the audited annual consolidated financial statements of the Group for the year ended June 30, 2017, whereas the comparative consolidated condensed interim Profit and Loss Account, consolidated condensed interim Statement of Comprehensive Income, consolidated condensed interim Cash Flow Statement and consolidated condensed interim Statement of Changes in Equity are extracted from the unaudited consolidated condensed interim financial information for the period ended December 31, 2016.

3 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Group for the year ended June 30, 2017.

3.2 Certain amendments and interpretation to approved accounting standards become effective during period were not relevant to the Group's operation and do not have any impact on the accounting policies of the Group.

4 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 financial statements of the Group for the year ended June 30, 2017.

5 FUNCTIONAL AND PRESENTATION CURRENCY

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

6 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Operating fixed assets	6.1	9,860,178,398	9,254,678,590
Capital work in progress - at cost	6.2	1,675,801,406	2,108,054,286
		11,535,979,804	11,362,732,876

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

		(Un-audited)	
Additions		Disposals	
-----At cost-----		-----At net book value-----	
December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
----- Rupees -----			
Owned assets			
Leasehold land	83,467,359	-	-
Building on leasehold land	542,176,992	65,877,358	-
Plant and machinery	171,945,910	302,327,530	-
Furniture and fittings	7,063,680	-	-
Equipment	117,822,007	3,425,539	-
Computers	6,198,291	1,655,238	43,396
Vehicles	55,658,718	34,541,245	17,912,662
	984,332,957	407,826,910	17,912,662
			2,710,864
Leased assets			
Vehicles	116,128,500	35,636,850	-
	116,128,500	35,636,850	-
	1,100,461,457	443,463,760	17,912,662
			2,710,864

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

		(Un-audited)	
Additions		Transfers	
-----At cost-----		-----At cost-----	
December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
----- Rupees -----			
Civil works	188,026,788	102,477,222	542,176,992
Plant and machinery	49,564,695	1,397,525,652	155,214,042
Electric installation	28,503,922	41,691,471	16,731,868
Equipment and fixtures	132,688,104	26,536,971	124,885,687
Software development	7,972,200	5,662,440	-
	406,755,709	1,573,893,756	839,008,589
			371,630,427

7 LONG-TERM INVESTMENTS

Investment in associated undertakings

Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Novelty Enterprises (Private) Limited- unquoted shares	7.1	228,737,812
The Bank of Khyber	7.2	2,761,645,428
		2,990,383,240
		3,010,853,319
Other investment-Available for sale		
Bank Islami Pakistan Limited	7.4	260,120,000
		3,250,503,240
		3,319,693,319

7.1 Novelty Enterprises (Private) Limited

The Holding Company holds 33% (June 2017: 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, 2017 based on un-audited financial statements amounted to Rs. 561.518 million (2016: Rs. 561.518 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.1,045.125 million (2017: Rs. 1,045.125 million). Accordingly, the management is of the view that it would be able to recover carrying values of its investment, NEL has not commenced operations.

7.2 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (2017: 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 financial information of the Bank for the nine-months periods ended September 30, 2017 and six-months period ended June 30, 2017. 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, 2017 was Rs. 3,262.13 million (June 30, 2017: Rs. 3,805.815 million).

7.3 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) December 31, 2017	(Audited) June 30, 2017	(Un-audited) December 31, 2017	(Audited) June 30, 2017
Carrying value at beginning of the period	2,782,115,507	3,142,849,649	228,737,812	228,763,991
Share of profit/ (loss) relating to profit and loss account	105,386,049	468,315,392	-	(26,179)
Dividend received	-	(362,458,547)	-	-
Share of other comprehensive loss	(143,835,575)	(539,704,283)	-	-
Related deferred tax on OCI	17,979,447	73,113,296	-	-
	(125,856,128)	(466,590,987)	-	-
	2,761,645,428	2,782,115,507	228,737,812	228,737,812

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. The Holding Company has not received cash dividend from Bank of Khyber during the period (June 30, 2017: Rs. 1.50 per share)

7.4 BankIslami Pakistan Limited

Carrying Value	308,840,000	294,840,000
Unrealized appreciation in value of investment	(48,720,000)	14,000,000
Fair value of investment	260,120,000	308,840,000

8 STORES AND SPARES

Stores and spare parts - gross	216,092,788	176,317,379
Diesel and liquified petroleum gas	1,103,061	1,167,269
Others	-	61,800
Provision for slow moving spare parts	(8,321,420)	(8,051,420)
Store and spares - net	208,874,429	169,495,028

8.1 Reconciliation of provision for slow moving spare parts

Opening provision	(8,051,420)	(7,511,420)
Charge for the period / year	(270,000)	(540,000)
Closing provision	(8,321,420)	(8,051,420)

9 STOCK-IN-TRADE

Raw materials	9.1	2,784,669,846	3,112,825,860
Packing materials	9.1	392,538,064	351,355,736
Work-in-process		139,129,068	151,165,802
Finished goods		1,270,951,534	1,248,178,407
		4,587,288,512	4,863,525,805

9.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,404,278 (June 30, 2017: Rs.13,404,278) and Rs.112,928,098 (June 30, 2017: Rs. 118,216,276) respectively.

	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
10 TRADE DEBTS		
Considered good		
- secured (export debtors)	122,582,703	124,849,742
- unsecured	1,335,191,222	1,318,003,023
	1,457,773,925	1,442,852,765
Considered doubtful	44,463,694	42,313,694
Trade debts - gross	1,502,237,619	1,485,166,459
Provision for doubtful debts	(44,463,694)	(42,313,694)
Trade debts - net	1,457,773,925	1,442,852,765

11 CASH AND BANK BALANCES

Cash in hand	4,422,749	1,928,660
Cash with banks in:		
- current accounts- conventional	40,062,996	28,431,216
- current accounts- islamic	45,989,824	3,765,957
	90,475,569	34,125,833

12 SPONSORS' LOAN - SUBORDINATED

The Holding Company has obtained interest free loan from its sponsors. The sponsors have entered into agreements with the Company and various banks in which they have undertaken to sub-ordinate their loans and their claims over the Holding Company's assets. These loans will be converted into ordinary shares and management are under advance stage of discussion for conversion to ordinary shares. The required formalities would be completed once final decision and

13 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	December 31, 2017			June 30, 2017		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	6,071,235,635	2,681,666,659	8,752,902,294	4,740,612,260	1,679,166,659	6,419,778,919
Transfer from conventional to islamic	(716,666,667)	716,666,667	-	-	-	-
Obtained during the period / year	229,592,000	-	229,592,000	3,932,089,466	1,350,000,000	5,282,089,466
Repaid during the period / year	(519,544,618)	(329,583,346)	(849,127,964)	(2,601,466,091)	(347,500,000)	(2,948,966,091)
	5,064,616,350	3,068,749,980	8,133,366,330	6,071,235,635	2,681,666,659	8,752,902,294
Less: Current maturity	(1,340,733,941)	(1,157,083,316)	(2,497,817,257)	(1,441,857,599)	(636,249,986)	(2,078,107,585)
	3,723,882,409	1,911,666,664	5,635,549,073	4,629,378,036	2,045,416,673	6,674,794,709

13.1 These represent term finance facilities obtained for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu charge over property, plant and equipment of The Holding Company and personal guarantees of the directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.20% to 3 month KIBOR + 0.50% and from 0.25% to 0.75 % above the State Bank of Pakistan rate for LTFF.

14 TRADE AND OTHER PAYABLES

	Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Trade creditors		1,549,696,117	660,542,576
Other liabilities		549,310,505	404,962,792
		2,099,006,622	1,065,505,368

15 SHORT TERM FINANCES - Secured

		(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
Term finances-conventional	15.1	1,000,000,126	1,096,074,976
Term finances-islamic	15.2	400,000,000	1,430,002,161
Export refinances	15.3	434,350,000	451,000,000
Running finance utilized under mark-up arrangement	15.4	829,208,130	806,216,390
		2,663,558,256	3,783,293,527

15.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,200 million (June 2017: Rs. 2,100 million). These are secured against pari-passu hypothecation over stocks and book debts of the Holding Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 5.98% to 6.26% per annum (June 2017: 5.98% to 7.05% per annum).

15.2 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,100 million (June 2017: Rs. 2,400 million). These are secured against pari-passu hypothecation over stocks and book debts of the Holding Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 6.26% to 6.32% per annum (June 2017: 6.22% to 6.31% per annum).

15.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 614.35 million (June 2017: Rs. 631 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Holding Company along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.25% to 0.50% above the State Bank of Pakistan (SBP) rate per annum (June 2017: 0.25% to 0.50% above SBP rate per annum).

15.4 These facilities for running finances available from various banks aggregated to Rs. 3,925.65 million (June 2017: Rs. 3,509 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 6.29% to 6.53% per annum (June 2017: 6.27% to 7.30% per annum).

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There are no material changes in the status of contingencies as same reported in the Consolidated annual audited financial statements of the Group from note 25.1.1 to 25.1.8 except the following:

The Holding Company filed a Constitutional Petition before the Honorable Sindh High Court challenging the vires of Section 5A of the Income Tax Ordinance, 2001 which was amended through Finance Act, 2017 that every public company shall pay tax @ 7.5% of its accounting profit before tax for the year in which such company does not distribute at least 40% of its after tax profits within six (6) months of the end of the tax year through cash or bonus shares. The Honorable Sindh High Court has accepted the Constitutional Petition and granted stay against the newly amended section 5A. Further, the Board of Directors of the Holding Company in their meeting dated September 22, 2017 has proposed cash dividend in respect of the year ended June 30, 2017 of Rs. 2.75/- per share which amounts to Rs. 175.463 million (i.e. 15.05% of after tax profits) for the financial and tax year 2017, which is lower than the minimum prescribed distribution rate. In case the Honorable Sindh High Court's decision is not in favor of the Holding Company; the Holding Company will either be required to declare dividend to the extent of 40% of after tax profits or it will be liable to pay additional tax at the rate of 7.5% of the accounting profit before tax of the Holding Company for the financial year ended June 30, 2017.

	Note	(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
16.2 Commitments			
Outstanding letter of guarantees		493,167,634	481,662,420
Outstanding letter of credit for:			
- capital expenditures		503,678,614	313,270,182
- others		596,927,407	653,704,383

17 EARNINGS PER SHARE-Basic and Diluted

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

	Note	(Un-audited) December 31, 2017 Rupees	(Un-audited) December 31, 2016 Rupees
Basic earnings per share			
Profit for the period		661,272,584	593,614,112
		----- (Number) -----	
Weighted average number of ordinary shares during the period		63,804,750	63,804,750
		----- (Rupees) -----	
Basic earnings per share		10.36	9.30

18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES

	Note	(Un-audited) December 31, 2017 Rupees	(Un-audited) December 31, 2016 Rupees
Profit before income tax		923,714,256	775,252,928
Adjustments for non-cash and other items:			
Depreciation		477,048,987	360,557,189
Gain on disposal of property, plant and equipment - net		(14,056,725)	(3,783,808)
Loss on sale of investment		-	131,967
Provision for staff retirement gratuity		64,427,414	62,799,388
Share of profit from associated undertaking		(105,386,049)	(108,467,823)
Finance cost		307,443,554	368,865,772
Net increase in working capital	18.1	277,621,441	371,953,712
		1,930,812,878	1,827,309,324

18.1 Working capital changes

Current assets

Decrease / (Increase) in current assets

Stores and spares

Stock-in-trade

Trade debts

Advances - considered good

Trade deposits and short-term prepayments

Other receivables

Current liabilities

(Decrease) / Increase in current liabilities

Trade and other payables

Short-term finances

Advance from customers

Net increase in working capital

19 CASH AND CASH EQUIVALENTS

Cash and bank balances

Running finances under mark-up arrangement

Note	(Un-audited) December 31, 2017 Rupees	(Un-audited) December 31, 2016 Rupees
	(39,379,401)	(6,306,851)
	276,237,293	(192,126,115)
	(14,921,160)	205,234,969
	131,962,243	(244,934,920)
	(32,235,463)	(37,023,365)
	73,892,295	(37,752,409)
	395,555,807	(312,908,691)
	1,033,262,423	8,243,495
	(1,142,727,011)	703,684,609
	(8,469,778)	(27,065,701)
	(117,934,366)	684,862,403
	277,621,441	371,953,712
11	90,475,569	92,932,220
15	(829,208,130)	(1,000,372,450)
	(738,732,561)	(907,440,230)

20 SEGMENT INFORMATION

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

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

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

20.1

	Quarter ended				Half year ended			
	Food Processing		Pharmaceutical segment		Food Processing		Pharmaceutical segment	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Sales	6,142,658,607	4,502,291,570	-	-	7,717,270,147	5,907,194,275	-	-
Local	245,913,302	160,020,764	-	-	318,340,486	236,790,358	-	-
Export	3,701,229	2,322,293	-	-	3,701,229	2,322,293	-	-
Export rebates	6,392,153,138	4,725,734,654	-	-	8,089,311,862	6,206,506,926	-	-
Less:								
Sales return and discounts	(307,356,238)	(339,412,146)	-	-	(432,781,121)	(531,741,895)	-	-
Sales tax	(892,232,043)	(632,460,873)	-	-	(1,406,986,591)	(1,051,091,011)	-	-
Net sales	5,838,634,799	4,098,819,179	-	-	6,348,549,874	4,425,811,179	-	-
Cost of sales	(3,838,634,799)	(2,344,331,317)	-	-	(4,300,568,836)	(3,038,035,537)	-	-
Sales and distribution	(630,656,670)	(453,653,779)	-	-	(829,207,826)	(615,569,698)	-	-
Administrative expenses	(84,224,280)	(90,134,842)	-	-	(100,011,526)	(117,365,288)	-	-
Segment result	6,454,963,973	(3,267,614,929)	(1,451,032)	(14,551,032)	(6,207,991)	(7,955,916,333)	(2,551,894,783)	(2,086,011,265)
Unallocated income and expenses	647,600,823	466,246,688	9,086,612	118,476,460	643,135,503	10,464,12,852	110,990,129	189,810,023
Finance cost	-	-	-	-	-	-	-	-
Other operating income	-	-	-	-	-	-	-	-
Share of profit from associated undertakings	-	-	-	-	-	-	-	-
Profit before taxation	7,102,564,796	4,307,430,938	9,095,612	118,594,920	6,746,701,306	8,569,885,669	1,101,080,258	1,278,820,046
Income tax expense	(1,000,000,000)	(1,000,000,000)	-	-	(1,000,000,000)	(1,000,000,000)	-	-
Profit for the period	6,102,564,796	3,307,430,938	9,095,612	118,594,920	5,746,701,306	7,569,885,669	1,101,080,258	1,278,820,046

20.2 Segment assets

20.3 Unallocated assets

20.4 Segment liabilities

20.5 Unallocated liabilities

20.6 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

20.7 The Group'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 group which formed 10 percent or more of the Group's revenue.

		(Un-audited) December 31, 2017 Rupees	(Audited) June 30, 2017 Rupees
20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES			
Assets			
Total assets for reportable segments	20.2	18,987,827,345	19,137,087,200
Administrative capital assets		156,635,713	160,953,862
Goodwill		11,959,187	11,959,187
Long term investment	7	3,250,503,240	3,319,693,319
Total assets		<u>22,406,925,485</u>	<u>22,629,693,568</u>
Liabilities			
Total liabilities for reportable segments	20.4	5,067,073,801	5,355,833,804
Sponsors' loan - subordinated		902,151,770	902,151,770
Deferred liabilities		1,357,802,784	1,037,472,576
Long term finance		7,983,366,330	8,602,902,294
Liabilities against assets subject to finance lease		300,032,990	248,553,707
Total liabilities		<u>15,610,427,675</u>	<u>16,146,914,151</u>

21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited) December 31, 2017 Rupees	December 31, 2016 Rupees
Transactions		
Plasitflex Films (Private) Limited		
Close family relationship		
- Payment against purchases	24,586,765	15,983,536
- Purchases	<u>23,081,098</u>	<u>18,130,489</u>
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	6,151,788	2,124,998
Directors	4,800,000	3,175,000
Executives	136,111,593	57,754,435
	<u>147,063,381</u>	<u>63,054,433</u>
Balances		
Creditors - associated company		
-Payable to associate	13,586,988	15,092,655
Sponsors' subordinated - loan		
Payable to director's	<u>902,151,770</u>	<u>902,151,770</u>

22 DATE OF AUTHORIZATION FOR ISSUE

This consolidated condensed interim financial information was authorized for issue on 21st February, 2018 by the Board of the Group.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ABDUL QADIR
CHIEF FINANCIAL OFFICER