



ISMAIL  
INDUSTRIES  
LIMITED

# TOGETHER WE LEAD

QUARTERLY REPORT  
SEPTEMBER  
2018

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# COMPANY PROFILE

## Board of Directors

Mr. Muhammad M. Ismail	Chairman
Mr. Munsarim Saifullah	Chief Executive Officer
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 Shahrach-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. M. Zubair Motiwala	Chairman
Mr. Maqsood Ismail	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

# DIRECTOR'S REVIEW REPORT ON COMPANY'S AFFAIRS

Directors of Ismail Industries Limited take pleasure in presenting their review report on standalone and consolidated un-audited financial statements of the Company for the period ended September 30, 2018. Brief highlights of the company's performance during the quarter under review is here under:

Description	Sep-18 PKR in Million	Sep-17 PKR in Million	Change in %
Gross Sales	8,559	6,441	33%
Net Sales	6,821	4,926	38%
Gross Profit	1,576	1,186	33%
Operating Profit	764	501	52%
Profit before tax	579	411	41%
Profit after tax	392	282	39%
Earnings per share - Rs.	6.14	4.41	39%

The quarter under review was challenging for the country's economy which continues to demonstrate critical situation due to ever-widening gap in macroeconomic balances and decline in foreign exchange reserves. In a competitive environment, cautious sales mix improvements and relentless focus on cost savings has helped us to invest competitively and strategically behind our brands. We also recognize that operational excellence is critical to our success, therefore we continue to monitor our progress on process simplification and improve our ability and agility to respond to market changes.

All divisions of food segment have shown a sharp increase in turnover and profits. Although stiff competition and soaring prices of raw material was there, however, by reformulating our products to decrease costs of items and changing the weight of finished products, we have offset the increase in prices of the raw materials and that have helped in improving our margins. The overall performance of film segment during the period under review has also improved.

Our strong positions in the ever-expanding portfolio of renowned flagship brands resulted in the organic revenue growth of 33% while our focus on high yield strategies resulted in higher gross profit of Rs. 1,580 million. Our sound decision making and the strategy of aggressive efforts into market penetration resulted in Earning Per Share of Rs. 6.12 which is 39% higher than the comparative period of the preceding year.

## FUTURE OUTLOOK

The company has optimistic and aggressive view on its growth prospects. Improvements in the business environment will largely depend on the economic policies of the government and the implementation of key reforms. Overall persistent high inflation and increase in energy cost pose significant challenges to business. The management is committed to counter the economic and competitive challenges and continue the success line with all the new zeal and ever-growing motivation in the periods ahead.

## ACKNOWLEDGEMENT

We acknowledge the trust and continued support of valuable customers, financial institution 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.

**Munsarim Saifullah**  
Chief Executive

**Maqsood Ismail**  
Director

**Karachi: October 27, 2018**

## ڈائریکٹران کی جائزہ رپورٹ

انتہائی مشورہ صنعت کے مسلسل بڑھتے ہوئے پورٹفولیو میں ہماری مکمل پوزیشن نے مالیاتی آمدنی میں 33% فیصد اضافہ کیا جبکہ اعلیٰ پیداوار کی حکمت عملی پر ہمارے پزیرہ اقدامات کی بنا پر Rs. 1,576 کا مجموعی منافع حاصل ہوا۔ ہماری موثر فیصلہ سازی اور ہمارے اقدامات کی حکمت عملی کے نتیجے میں فی شخص منافع کی مقدار Rs. 6.14 رہی جو کہ سال گزشتہ کی زیر موازنہ مدت سے 39% فیصد زائد ہے۔

### مستقبل کی پیش بینی

ہم اپنی ترقی کے امکانات کے حوالے سے انتہائی پُر امید اور ہمارے نظریہ رکھے ہوئے ہیں۔ کاروباری ماحول میں بہتری کا زیادہ تر انحصار حکومت کی معاشی پالیسی اور اسم اصلاحات پر عملدرآمد پر ہے۔ مجموعی طور پر بڑھتی ہوئی مہنگائی اور توانائی کی بڑھتی ہوئی قیمتیں معیشت کے لئے بڑھتے ہوئے چیلنجز ہیں۔ کمپنی کی انتظامیہ ہر قسم کے معاشی چیلنجز اور مبالغہ ماحول سے نمٹنے کے لئے نہ صرف تیار ہے بلکہ کامیابی کے توازن کو برقرار رکھتے ہوئے نئے عزم اور حوصلے کے ساتھ آنے والی مدت میں بہتر نتائج کے لئے محو جستجو ہے۔

### اعتراف

ہم اپنے قابل قدر گاہکوں، مالیاتی اداروں اور حصص یافتگان کے اعتماد اور کمپنی کے ساتھ ان کے مسلسل تعاون کا اعتراف کرتے ہیں۔ ڈائریکٹران کمپنی کے ملازمین کی محنت، شائستگی، عزم اور اخلاقی محنت پر ان کے لئے اپنی متانئیں ریکارڈ پر لا رہے ہیں۔

### مختص

یو ڈی ڈی ڈی

مقصود اسماعیل

ڈائریکٹر

منصوبہ سیٹ اللہ

چیف ایگزیکٹو

کراچی: 27 اکتوبر 2018

اسماعیل انڈسٹریز لمیٹڈ کے ڈائریکٹران، 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے انفرادی اور اجتماعی (غیر آڈٹ شدہ) وسط مالیاتی گوشوارے پیش کرنے میں خوشی محسوس کرتے ہیں۔ زیر جائزہ سہ ماہی کے دوران کمپنی کی کارکردگی کا مختصر جائزہ درج ذیل ہے:

تفصیل	تبدیلی %	ستمبر 2017	ستمبر 2018
کل فروخت	33%	6,441	8,559
خاص فروخت	38%	4,926	6,821
مجموعی منافع	33%	1,186	1,576
نام منافع	52%	501	764
منافع قبل از ٹیکس	41%	411	579
منافع بعد از ٹیکس	39%	282	392
فی شخص منافع - روپے	39%	4.41	6.14

زیر جائزہ سہ ماہی ملک کی معیشت کے لیے چیلنجز سے بھرپور اور نازک صورتحال سے دوچار رہی جس کی بنیادی وجہ اقتصادی صورتحال کے توازن میں بڑھتا ہوا خلا اور زرمبادلہ کے ذخائر میں کمی رہی۔ باوجود دشوار مبالغہ ماحول کے، سلیڈ مرکبات میں محتاط بہتری اور لاگت میں کمی پر بے حد توجہ نے ہمیں اپنی برآمد میں بہتر مبالغہ اور پر حکمت سرمایہ کاری میں مدد دی۔ اس بات کو مد نظر رکھتے ہوئے کہ پیداوار میں اعلیٰ مہارت ہماری کامیابی کے لئے ناگزیر ہے، ہم اپنے پیداواری معاملات کی آسانی میں پیش رفت کی نگرانی کرتے ہوئے ان میں بہتری اور چھپتا کے ذریعے مارکیٹ میں تبدیلی کا موثر جواب دیتے ہیں۔

غذائی شعبہ کے تمام ڈویژن کے کاروبار اور منافع میں انتہائی تیز اضافہ ہوا۔ اگرچہ سخت مبالغہ ماحول اور بڑھتی ہوئی قیمتیں جیسے چیلنجز درپیش رہے لیکن اپنی مصنوعات میں لاگتی اصلاحات اور وزن میں ردوبدل کے ذریعے ہم نے نام مال کی بڑھتی ہوئی قیمت کے اثرات کو کامیابی سے نمٹا جس کے نتائج منافع بخش رہے۔ مجموعی طور پر فلٹر کے شعبہ میں بھی زیر جائزہ سہ ماہی کے دوران بہتری نظر آئی۔

UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE QUARTER  
ENDED SEPTEMBER 30, 2018

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SETEMBER 30, 2018

	Note	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	10,877,228,509	10,954,646,069
Long term investments	7	3,238,406,820	3,560,461,082
Long term deposits		39,318,639	39,318,639
<b>Total non-current assets</b>		<b>14,154,953,968</b>	<b>14,554,425,790</b>
<b>Current assets</b>			
Stores and spares	8	197,379,530	195,891,564
Stock-in-trade	9	5,044,453,856	4,969,540,620
Trade debts	10	1,781,167,903	1,566,186,261
Loans and advances		808,820,766	735,291,605
Trade deposits and short term prepayments		19,755,450	13,170,300
Other receivables		149,831,497	136,210,452
Taxation-net		859,077,707	850,571,987
Cash and bank balances	11	60,763,294	51,160,091
<b>Total current assets</b>		<b>8,921,250,003</b>	<b>8,518,022,880</b>
<b>Total assets</b>		<b>23,076,203,971</b>	<b>23,072,448,670</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Authorized capital			
250,000,000 (2018: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		638,047,500	638,047,500
Reserves		6,497,029,744	6,581,983,812
<b>Total shareholders' equity</b>		<b>7,135,077,244</b>	<b>7,220,031,312</b>
<b>Non-current liabilities</b>			
Sponsors' loan-subordinated		902,151,770	902,151,770
Long term finances-secured	13	5,340,746,314	4,730,767,470
Liabilities against assets subject to finance lease		382,129,636	403,658,251
Deferred liabilities		1,531,360,749	1,430,804,181
<b>Total non-current liabilities</b>		<b>8,156,388,469</b>	<b>7,467,381,672</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,165,664,314	1,424,613,356
Accrued mark-up		87,469,636	101,440,953
Short term finances-secured	15	4,214,125,624	4,191,428,798
Current portion of:			
- long term finances	13	2,147,536,479	2,433,017,566
- liabilities against assets subject to finance lease		93,276,282	95,407,236
Unclaimed Dividend		1,818,498	1,818,498
Advances from customers		74,847,425	137,309,279
<b>Total current liabilities</b>		<b>7,784,738,258</b>	<b>8,385,035,686</b>
<b>Total liabilities</b>		<b>15,941,126,727</b>	<b>15,852,417,358</b>
Contingencies and commitments	16		
<b>Total equity and liabilities</b>		<b>23,076,203,971</b>	<b>23,072,448,670</b>

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER ENDED SETEMBER 30, 2018

	Note	September 30, 2018 Rupees	September 30, 2017 Rupees
<b>Sales - gross</b>	20.1	8,559,912,147	6,440,749,944
Sales returns and discounts		(529,618,395)	(655,693,397)
Export Rebate		2,544,202	2,324,460
		(527,074,193)	(653,368,937)
		8,032,837,954	5,787,381,007
Sales tax		(1,212,284,107)	(861,800,859)
<b>Sales - net</b>		6,820,553,847	4,925,580,148
Cost of sales	20.1	(5,244,513,721)	(3,739,574,446)
<b>Gross profit</b>		1,576,040,126	1,186,005,702
Selling and distribution expenses		(691,622,507)	(583,333,504)
Administrative expenses		(120,498,338)	(101,956,652)
<b>Operating profit</b>		763,919,281	500,715,546
Other operating expenses		(74,984,326)	(46,576,487)
Other income		43,317,696	28,877,635
		732,252,651	483,016,694
Finance cost		(190,124,509)	(177,861,725)
		542,128,142	305,154,969
Share of profit from associated undertaking		36,564,047	105,386,049
<b>Profit before taxation</b>		578,692,189	410,541,018
Taxation		(186,921,666)	(128,845,591)
<b>Profit after taxation</b>		391,770,523	281,695,427
<b>Earnings per share - basic and diluted</b>	17	6.14	4.41

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer



# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SETEMBER 30, 2018

	Note	September 30, 2018 Rupees	September 30, 2017 Rupees
Profit after taxation		391,770,523	281,695,427
<b>Other comprehensive income:</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Unrealized appreciation during the year on re-measurement of investment classified as available for sale-net of tax	7.3.1	-	35,280,000
Realized appreciation during the year on disposal of investment classified as available for sale-net of tax		(26,092,557)	-
Share of other comprehensive loss from associate-net of tax	7.2.3	(163,510,659)	(125,856,128)
<b>Other comprehensive loss - net of tax</b>		<b>(189,603,216)</b>	<b>(90,576,128)</b>
<b>Total comprehensive income for the year</b>		<b>202,167,307</b>	<b>191,119,299</b>

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

**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 QUARTER ENDED SEPTEMBER 30, 2018

	Share capital	Capital to be issued pursuant to amalgamation	Capital reserve		Revenue reserve			Total reserves	Total shareholders' equity
			Share premium	Amalgamation reserves	Share of AFS re-encumbrance from associate	Re-encumbrance of investment classified as 'available for sale'	Unappropriated profit		
<b>Balance as at July 01, 2017</b>	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
Profit for the three month period ended September 30, 2017	-	-	-	-	-	-	281,695,427	281,695,427	281,695,427
Total other comprehensive income for the three month period ended September 30, 2017	-	-	-	-	(125,856,128)	35,280,000	-	(90,576,128)	(90,576,128)
Total comprehensive income	-	-	-	-	(125,856,128)	35,280,000	281,695,427	19,119,299	19,119,299
<b>Transactions with owners recognized directly in equity:</b>									
Final dividend for the year ended June 30, 2017 @ Rs. 2.75 per share	-	-	-	-	-	-	(175,463,063)	(175,463,063)	(175,463,063)
Balance as at September 30, 2017	638,047,500	-	579,265,000	916,862,067	(209,641,418)	38,749,613	4,304,022,387	5,645,257,649	6,287,305,149
<b>Balance as at July 01, 2018</b>	638,047,500	-	579,265,000	916,862,067	(366,021,780)	26,092,557	5,425,783,968	6,581,983,812	7,220,031,312
Profit for the three month period ended September 30, 2018	-	-	-	-	-	-	391,770,523	391,770,523	391,770,523
Realized appreciation during the year on disposal of investment classified as available for sale net of tax	-	-	-	-	-	(26,092,557)	-	(26,092,557)	(26,092,557)
Total other comprehensive income for the three month period ended September 30, 2017	-	-	-	-	-	-	-	(163,510,659)	(163,510,659)
Total comprehensive income	-	-	-	-	-	-	(26,092,557)	(26,092,557)	(26,092,557)
Transactions with owners recognized directly in equity:									
Final dividend for the year ended June 30, 2018 @ Rs. 4.50 per share	-	-	-	-	-	-	391,770,523	202,167,307	202,167,307
Balance as at September 30, 2018	638,047,500	-	579,265,000	916,862,067	(529,532,439)	-	(287,121,375)	(287,121,375)	(287,121,375)
							5,530,435,116	6,497,029,744	7,135,077,244

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SETEMBER 30, 2018

	Note	September 30, 2,018 Rupees	September 30, 2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	18	97,603,104	(143,867,699)
Gratuity paid		(10,928,911)	(8,027,534)
Income tax paid (net of refund)		(100,679,734)	(60,518,870)
Long term deposits (paid) / received		-	(14,878,798)
<b>Net cash generated from operating activities</b>		<b>(14,005,541)</b>	<b>(227,292,901)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)		(183,073,608)	(333,374,529)
Long term investment		163,270,000	-
Proceeds from disposal of property, plant and equipment		-	490,500
<b>Net cash used in investing activities</b>		<b>(19,803,608)</b>	<b>(332,884,029)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from long term financing-net		324,497,757	(173,051,020)
Lease repayments		(23,659,569)	35,245,855
Interest / mark-up paid		(204,095,826)	(191,050,197)
<b>Net cash (used in) / generated from financing activities</b>		<b>96,742,362</b>	<b>(328,855,362)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>62,933,213</b>	<b>(889,032,292)</b>
Cash and cash equivalents at beginning of the year		(1,916,243,707)	(773,560,635)
<b>Cash and cash equivalents as at end of the year</b>		<b>(1,853,310,494)</b>	<b>(1,662,592,927)</b>

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# SELECTED NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SETEMBER 30, 2018

## 1 LEGAL STATUS AND OPERATIONS

- 1.1** 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, Shahrāh-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.

These unconsolidated condensed interim financial statements are the separate financial statements of the Company in which investment in subsidiaries and associates are stated at cost less impairment losses, if any.

Geographical location and addresses of business units including manufacturing units of the Company are as under:

### Head Office:

17 - Bangalore Town, Shahrāh-e-Faisal, Karachi.

### Factories:

<b>Unit-1</b>	<b>Unit-5</b>
C-230, Hub H.I.T.E., Balochistan.	38-C, Sundar Industrial Estate, Raiwind Road, Lahore.
<b>Unit-2</b>	<b>Unit-6</b>
B-140, Hub H.I.T.E., Balochistan.	D-91, D-92 & D-94 North Western Zone, Port Qasim.
<b>Unit-3</b>	<b>Unit-7</b>
G-1, Hub H.I.T.E., Balochistan.	E164-168, North Western Zone, Port Qasim.
<b>Unit-4</b>	<b>Unit-8</b>
G-22, Hub H.I.T.E., Balochistan.	E154-157, North Western Zone, Port Qasim.

## 2 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the three months ended September 30, 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This unconsolidated condensed interim financial statements should be read in conjunction with the financial statements for the year ended June 30, 2018, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

### 2.1 Basis of measurement

The unconsolidated condensed interim financial information has been prepared under the historical cost convention except certain financial assets and liabilities which have been stated at fair value or amortized cost and staff retirement benefits which have been recognized at values determined by independent actuary.

The unconsolidated condensed interim financial information comprise condensed interim statement of financial position, condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and selected notes to the financial statements and have been prepared under the accrual basis of accounting except for cash flow information.

### 3 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of this unconsolidated 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, 2018.

3.2 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 unconsolidated 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, 2018.

### 5 FUNCTIONAL AND PRESENTATION CURRENCY

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

### 6 PROPERTY, PLANT AND EQUIPMENTS

	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
Operating fixed assets	10,506,254,716	10,755,985,939
Capital work in progress	370,973,793	198,660,130
	<b>10,877,228,509</b>	<b>10,954,646,069</b>

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----		-----At net book value-----	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- Rupees -----			
<b>Owned assets</b>				
Buildig on leasehold land	-	96,973,758	-	-
Plant and machinery	-	46,053,404	-	-
Furniture and fittings	-	6,292,000	-	-
Equipment	131,874	81,565,900	-	-
Computers	125,568	1,714,150	-	-
Vehicles	4,645,503	4,627,390	-	452,329
	<b>4,902,945</b>	<b>237,226,602</b>	<b>-</b>	<b>452,329</b>
<b>Leased assets</b>				
Vehicles	5,857,000	52,230,000	-	-
	<b>5,857,000</b>	<b>52,230,000</b>	<b>-</b>	<b>-</b>
	<b>10,759,945</b>	<b>289,456,602</b>	<b>-</b>	<b>452,329</b>

6.2 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, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- Rupees -----			
Civil works	42,305,399	109,754,529	-	96,973,758
Plant and machinery	115,058,264	149,341,836	-	46,053,404
Electric insallation	-	5,372,424	-	-
Equipments and fixtures	-	6,412,000	-	87,857,900
Software development	14,950,000	3,922,200	-	-
	172,313,663	274,802,989	-	230,885,062

## 7 LONG TERM INVESTMENTS

Note

### 7.1 Investment in subsidiary Company - unquoted shares

Hudson Pharma (Private) Limited	7.1.1	605,984,000	605,984,000
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### 7.2 Investment in associated undertakings

Novelty Enterprises (Private) Limited	7.2.1	228,727,912	228,727,912
The Bank of Khyber	7.2.2	2,403,694,908	2,530,641,520
		2,632,422,820	2,759,369,432

### 7.3 Other investment - Available for sale

BankIslami Pakistan Limited	7.3.1	-	195,107,650
		3,238,406,820	3,560,461,082

#### 7.1.1 Hudson Pharma (Private) Limited

Ismail Industries Limited has acquired 60,598,400 shares of Hudson Pharma (Private) Limited, which is equivalent to 71.29% of total paid up capital, as a result of right issue which was not fully subscribed by the existing shareholders. The company 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 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 is currently in the phase of trial productions and 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.

#### 7.2.1 Novelty Enterprises (Private) Limited

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

NEL has not commenced operations as of the reporting date and hence the investment is stated at cost.

#### 7.2.2 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 (2018: 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-month periods ended September 30, 2018 and reviewed condensed interim financial information for the six-month periods ended June 30, 2018. 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, 2018 was Rs. 3,201.717 million (June 30, 2018: Rs. 3,298.373 million)

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

## 7.2.3

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018
	-----Rupees-----			
Balance as at July 1	2,530,641,520	2,782,115,507	228,727,912	228,737,812
Purchase during the year	-	-	-	-
Share of profit/(loss) relating to profit and loss account	36,564,047	393,221,050	-	(9,900)
Dividend received	-	(362,458,547)	-	-
Share of other comprehensive income/(loss)	(186,869,324)	(322,555,988)	-	-
Related deferred tax on OCI	23,358,665	40,319,498	-	-
	(163,510,659)	(282,236,490)	-	-
Balance as at June 30	2,403,694,908	2,530,641,520	228,727,912	228,727,912

The Company has not incurred any contingent liabilities or other commitments relating to its investment in associates.

## 7.3.1 BankIslami Pakistan Limited

	(Un-audited)	(Audited)
	September 30, 2018	June 30, 2018
	-----Rupees-----	
Carrying value of investment	195,107,650	308,840,000
Less: Sale of investment at carrying value	(195,107,650)	(128,753,190)
Unrealized appreciation in value of investments	-	15,020,840
Fair value of investments	-	195,107,650

## 8 STORES AND SPARES

Stores	93,831,218	92,902,196
Spare parts	111,720,290	111,164,468
Diesel and liquefied petroleum gas (LPG)	419,442	416,320
Provision for slow moving spare parts	(8,591,420)	(8,591,420)
Stores and spares - net	197,379,530	195,891,564

## 8.1 Reconciliation of provision for slow moving spare parts

Opening provision	(8,591,420)	(8,051,420)
Charge for the period / year	-	(540,000)
Closing provision	(8,591,420)	(8,591,420)

## 9 STOCK-IN-TRADE

Raw materials	9.1	3,222,087,965	3,182,907,393
Packing materials	9.1	316,141,459	309,942,607
Work-in-process		120,080,485	117,725,966
Finished goods		1,386,143,947	1,358,964,654
		5,044,453,856	4,969,540,620

9.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,384,583 (June 30, 2018: Rs.13,384,583) and Rs.128,735,038 (June 30, 2018: Rs. 128,735,038) respectively.

## 10 TRADE DEBTS

Considered good		91,559,426	311,568,772
-export-secured		1,689,608,477	1,254,617,489
-local- unsecured		1,781,167,903	1,566,186,261
Considered doubtful		54,363,694	51,963,694
Trade debts - gross		1,835,531,597	1,618,149,955
Provision for doubtful debts - closing balance		(54,363,694)	(51,963,694)
Trade debts - net		1,781,167,903	1,566,186,261

## 11 CASH AND BANK BALANCES

Cash in hand		6,916,973	6,288,157
Cash with banks in:			
- current accounts - conventional		21,662,339	18,051,949
- current accounts - Islamic		32,183,982	26,819,985
		60,763,294	51,160,091

## 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. Subsequently these loans will be converted into ordinary shares under special resolution to its existing sponsors with the special approval of the Securities Exchange Commission of Pakistan.

## 13 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	September 30, 2018			June 30, 2018		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	4,629,479,472	2,534,305,564	7,163,785,036	5,204,568,968	3,398,333,326	8,602,902,294
Obtained during the period / year	686,209,000	500,000,000	1,186,209,000	627,481,000	-	627,481,000
Repaid during the period / year	(373,189,707)	(488,521,536)	(861,711,243)	(1,202,570,496)	(864,027,762)	(2,066,598,258)
	4,942,498,765	2,545,784,028	7,488,282,793	4,629,479,472	2,534,305,564	7,163,785,036
Less: Current maturity	(1,123,419,139)	(1,024,117,340)	(2,147,536,479)	(1,203,850,907)	(1,229,166,659)	(2,433,017,566)
	3,819,079,626	1,521,666,688	5,340,746,314	3,425,628,565	1,305,138,905	4,730,767,470

- 13.1 These represent financings for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.25% to 3 month KIBOR + .50% and from 0.25% to 0.75% above the State Bank of Pakistan rate for LTFF

	Note	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
14 TRADE AND OTHER PAYABLES			
Trade creditors		820,874,038	1,001,003,569
Other liabilities		344,790,276	423,609,787
		1,165,664,314	1,424,613,356
15 SHORT TERM FINANCES - Secured			
Term finances-conventional	15.1	132,126,003	939,675,000
Term finances-islamic	15.2	1,733,575,833	850,000,000
Export refinances	15.3	434,350,000	434,350,000
Running finance utilized under mark-up arrangement	15.4	1,914,073,788	1,967,403,798
		4,214,125,624	4,191,428,798

- 15.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 1,200 million (2018: Rs. 1,200 million). These are secured against pari-passu / ranking 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 6.24% to 8.69% per annum (2018: 5.98% to 6.24% per annum).

- 15.2 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,100 million (2018: 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 6.56% to 8.30% per annum (2018: 6.26% to 7.13% per annum).

- 15.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 614.35 million (2018: Rs. 614.35 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 of 0.25% above the State Bank of Pakistan (SBP) rate per annum (2018: 0.25% to 0.50% above SBP rate per annum).

- 15.4 These facilities for running finances available from various banks aggregated to Rs. 4,675.65 million (2018: Rs. 4,525.65 million). These are secured against pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.02% to 8.26% per annum (2018: 6.27% to 7.17% per annum).

## 16 CONTINGENCIES AND COMMITMENTS

### 16.1 Contingencies

There are no material changes in the status of cotingencies as same reported in the annual audited financial statements of the Company from note 24.1.1 to 24.1.9.



	Note	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>16.2 Commitments</b>			
Outstanding letter of guarantees		801,263,116	717,831,941
Outstanding letter of credit for:			
- capital expenditures		3,099,249,260	1,368,181,418
- others		448,738,356	999,649,684
		(Un-audited) September 30, 2018 Rupees	(Un-audited) September 30, 2017 Rupees
<b>17 EARNINGS PER SHARE-Basic and Diluted</b>			
There is no dilutive effect on the basic earnings per share of the company which is based on:			
<b>Basic earnings per share</b>			
Profit for the period		391,770,523	281,695,427
		----- (Number) -----	
Weighted average number of ordinary shares during the period		63,804,750	63,804,750
		----- (Rupees) -----	
Basic earnings per share		6.14	4.41
		(Un-audited) September 30, 2018 Rupees	(Un-audited) September 30, 2017 Rupees
<b>18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>	Note		
Profit before income tax		578,692,189	410,541,018
<b>Adjustments for non-cash and other items:</b>			
Depreciation		260,491,168	217,170,636
Gain on disposal of property, plant and equipments - net		-	(38,171)
Provision for staff retirement gratuity		22,482,920	15,436,894
Share of profit from associated undertaking		(36,564,047)	(105,386,049)
Finance cost		190,124,509	177,861,725
Net decrease in working capital	18.1	(917,623,635)	(859,453,752)
		97,603,104	(143,867,699)
<b>18.1 Working capital changes</b>			
<b>Current assets</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores and spares		(1,487,966)	(16,222,779)
Stock-in-trade		(74,913,236)	246,507,873
Trade debts		(214,981,642)	(1,120,951)
Advances - considered good		(73,529,161)	44,046,506
Trade deposits and short-term prepayments		(6,585,150)	(26,460,070)
Other receivables		(13,621,045)	(17,594,921)
		(385,118,200)	229,155,658
<b>Current liabilities</b>			
<b>(Decrease) / Increase in current liabilities</b>			
Trade and other payables		(546,070,417)	222,201,665
Short-term finances		76,026,836	(1,300,532,743)
Advance from customers		(62,461,854)	(10,278,332)
		(532,505,435)	(1,088,609,410)
Net decrease in working capital		(917,623,635)	(859,453,752)
<b>19 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	11	60,763,294	33,305,354
Running finances under mark-up arrangement	15.4	(1,914,073,788)	(1,695,898,281)
		(1,853,310,494)	(1,662,592,927)

## 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 incur expenses and its results are regularly reviewed by the Company's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

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

- Food segment
- Plastic 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

	(Un-audited)					
	Quarter ended					
	Food Segment		Plastic Segment		Total	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
Rupees						
Sales						
Local	6,470,451,871	4,905,477,740	1,889,452,415	1,324,542,464	8,359,904,286	6,230,020,204
Export	175,418,477	188,179,541	24,589,384	22,550,199	200,007,861	210,729,740
Export rebates	2,544,202	2,324,460	-	-	2,544,202	2,324,460
	6,648,414,550	5,095,981,741	1,914,041,799	1,347,092,663	8,562,456,349	6,443,074,404
Less:						
Sales return and discounts	(459,586,755)	(570,629,363)	(70,031,640)	(85,064,034)	(529,618,395)	(655,693,397)
Sales tax	(934,576,805)	(675,587,790)	(277,707,302)	(186,213,069)	(1,212,284,107)	(861,800,859)
	(1,394,163,560)	(1,246,217,153)	(347,738,942)	(271,277,103)	(1,741,902,502)	(1,517,494,256)
Net sales	5,254,250,990	3,849,764,588	1,566,302,857	1,075,815,560	6,820,553,847	4,925,580,148
Cost of sales	(3,869,332,114)	(2,806,177,482)	(1,375,181,607)	(933,396,964)	(5,244,513,721)	(3,739,574,446)
Selling and distribution	(660,498,596)	(545,734,059)	(31,123,911)	(37,599,445)	(691,622,507)	(583,333,504)
Administrative expenses	(110,524,917)	(99,041,018)	(9,973,421)	(2,915,634)	(120,498,338)	(101,956,652)
	2,014,840,555,627	(3,450,952,559)	(1,416,278,939)	(973,912,043)	(6,056,634,566)	(4,424,864,602)
Segment result	613,895,363	398,812,029	150,023,918	101,903,517	763,919,281	500,715,546
Unallocated income and expenses						
Other operating income					43,317,696	28,877,635
Finance cost					(190,124,509)	(177,861,725)
Other operating expenses					(74,984,326)	(46,576,487)
Share of profit from associated undertakings					36,564,047	105,386,049
Profit before taxation					578,692,189	410,541,018
Income tax expense					(186,921,666)	(128,845,591)
Profit for the period					391,770,523	281,695,427

	(Un-audited)		(Audited)		(Un-audited)		(Audited)		(Un-audited)		(Audited)	
	Food Segment		Plastic Segment		Total		Total		Total		Total	
	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018
	Rupees											
20.2 Segment assets	12,975,561,291	12,929,984,078	6,366,194,350	6,343,832,820	19,341,755,641	19,273,816,898						
20.3 Unallocated assets	-	-	-	-	3,734,448,330	3,798,631,772						
	12,975,561,291	12,929,984,078	6,366,194,350	6,343,832,820	23,076,203,971	23,072,448,670						
20.4 Segment liabilities	2,394,977,362	2,519,611,492	3,391,582,320	3,568,079,568	5,786,559,682	6,087,691,060						
20.5 Unallocated liabilities	-	-	-	-	10,154,567,045	9,764,726,298						
	2,394,977,362	2,519,611,492	3,391,582,320	3,568,079,568	15,941,126,727	15,852,417,358						

### 20.6 Inter-segment pricing

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.

		(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES</b>			
<b>Assets</b>			
Total assets for reportable segments	20.2	19,341,755,641	19,273,816,898
Administrative capital assets		496,041,510	238,170,690
Long term investment	7	3,238,406,820	3,560,461,082
Total assets		23,076,203,971	23,072,448,670
<b>Liabilities</b>			
Total liabilities for reportable segments	20.4	5,786,559,682	6,087,691,060
Sponsors' loan - subordinated		902,151,770	902,151,770
Deferred liabilities		1,288,726,564	1,199,724,005
Long term finance	13	7,488,282,793	7,163,785,036
Liabilities against assets subject to finance lease		475,405,918	499,065,487
Total liabilities		15,941,126,727	15,852,417,358

## 21 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited) September 30, 2018 Rupees	September 30, 2017 Rupees
<b>Associated Company - Plastiflex Films (Private) Limited (Common Directorship)</b>		
- Payment against purchases	3,222,855	7,910,009
- Purchases	14,223,096	8,394,028
<b>Others</b>		
<b>Remuneration to directors and other key management personnel:</b>		
Chief Executive Officer	1,750,000	1,750,000
Directors	2,775,000	2,775,000
Executives	83,485,489	52,770,279
	88,010,489	57,295,279
<b>Creditors - associated company</b>		
- Payable to associate	16,497,356	5,497,115
<b>Sponsors' subordinated - loan</b>		
Payable to director's	902,151,770	902,151,770

## 22 DATE OF AUTHORIZATION FOR ISSUE

This unconsolidated condensed interim financial information was authorized for issue on 27th October, 2018 by the Board of the Company.

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION  
FOR THE QUARTER  
ENDED SEPTEMBER 30, 2018

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SETEMBER 30, 2018

	Note	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	12,129,889,624	12,238,386,373
Good will		11,959,187	11,959,187
Long term investments	7	2,632,422,820	2,954,477,082
Long term deposits		42,996,197	42,996,197
<b>Total non-current assets</b>		<b>14,817,267,828</b>	<b>15,247,818,839</b>
<b>Current assets</b>			
Stores and spares	8	201,534,032	195,891,564
Stock-in-trade	9	5,087,498,092	5,007,426,291
Trade debts	10	1,789,779,364	1,569,862,225
Loans and advances		812,569,637	738,012,983
Trade deposits and short term prepayments		24,133,491	13,170,300
Other receivables		151,053,612	136,230,676
Taxation-net		870,602,880	861,475,370
Cash and bank balances	11	69,272,252	81,115,556
<b>Total current assets</b>		<b>9,006,443,360</b>	<b>8,603,184,965</b>
<b>Total assets</b>		<b>23,823,711,188</b>	<b>23,851,003,804</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Authorized capital 250,000,000 (2018: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital Capital to be issued pursuant to amalgamation		638,047,500	638,047,500
Non-controlling interest		205,454,784	220,543,953
Reserves		6,413,226,849	6,535,653,031
<b>Total shareholders' equity</b>		<b>7,256,729,133</b>	<b>7,394,244,484</b>
<b>Non-current liabilities</b>			
Sponsors' loan-subordinated		960,357,737	915,357,737
Long term finances-secured	13	5,815,746,314	5,230,767,470
Liabilities against assets subject to finance lease		382,129,636	403,658,251
Deferred liabilities		1,539,300,436	1,439,275,898
<b>Total non-current liabilities</b>		<b>8,697,534,123</b>	<b>7,989,059,356</b>
<b>Current liabilities</b>			
Trade and other payables	14	1,184,858,394	1,454,810,499
Accrued mark-up		90,485,230	103,908,088
Short term finances-secured	15	4,214,125,624	4,191,428,798
Current portion of:			
- long term finances	13	2,210,036,479	2,483,017,566
- liabilities against assets subject to finance lease		93,276,282	95,407,236
Unclaimed Dividend		1,818,498	1,818,498
Advances from customers		74,847,425	137,309,279
<b>Total current liabilities</b>		<b>7,869,447,932</b>	<b>8,467,699,964</b>
<b>Total liabilities</b>		<b>16,566,982,055</b>	<b>16,456,759,320</b>
Contingencies and commitments	16		
<b>Total equity and liabilities</b>		<b>23,823,711,188</b>	<b>23,851,003,804</b>

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

**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 QUARTER ENDED SETEMBER 30, 2018

	Note	September 30, 2018 Rupees	September 30, 2017 Rupees
<b>Sales - gross</b>	20.1	8,571,760,030	6,440,749,944
Sales returns and discounts		(529,618,395)	(655,693,397)
Export Rebate		2,544,202	2,324,460
		(527,074,193)	(653,368,937)
		8,044,685,837	5,787,381,007
Sales tax		(1,212,284,107)	(861,800,859)
<b>Sales - net</b>		6,832,401,730	4,925,580,148
Cost of sales	20.1	(5,266,420,126)	(3,739,574,446)
<b>Gross profit</b>		1,565,981,604	1,186,005,702
Selling and distribution expenses		(715,407,875)	(583,333,504)
Administrative expenses		(129,108,135)	(111,197,604)
<b>Operating profit</b>		721,465,594	491,474,594
Other operating expenses		(74,984,326)	(46,576,487)
Other income		43,673,189	28,877,635
		690,154,457	473,775,742
Finance cost		(200,587,598)	(177,978,047)
		489,566,859	295,797,695
Share of profit from associated undertaking		36,564,047	105,386,049
<b>Profit before taxation</b>		526,130,906	401,183,744
Taxation		(186,921,666)	(128,845,591)
<b>Profit after taxation</b>		339,209,240	272,338,153
<b>Profit for the period attributable to:</b>			
Shareholders of the Holding Company		354,298,409	275,024,417
Non-controlling interest		(15,089,169)	(2,686,264)
		339,209,240	272,338,153
<b>Earnings per share - basic and diluted</b>	17	5.32	4.27

The annexed selected notes from 1 to 22 form an integral part of these 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 QUARTER ENDED SETEMBER 30, 2018

	Note	September 30, 2018 Rupees	September 30, 2017 Rupees
Profit after taxation		339,209,240	272,338,153
<b>Other comprehensive income:</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Unrealized appreciation during the year on re-measurement of investment classified as available for sale-net of tax	7.2.1	-	35,280,000
Realized appreciation during the year on disposal of investment classified as available for sale-net of tax		(26,092,557)	-
Share of other comprehensive loss from associate-net of tax	7.1.3	(163,510,659)	(125,856,128)
<b>Other comprehensive loss - net of tax</b>		<b>(189,603,216)</b>	<b>(90,576,128)</b>
<b>Total comprehensive income for the year</b>		<b>149,606,024</b>	<b>181,762,025</b>

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

**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 QUARTER ENDED SEPTEMBER 30, 2018

[illegible]

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

**Munsarim Saifullah**  
Chief Executive Officer

Maqsood Ismail  
Director

**Abdul Qadir**  
Chief Financial Officer



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018 Rupees	September 30, 2017 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	18	58,175,869	(82,422,797)
Gratuity paid		(12,306,940)	(8,027,534)
Income tax paid (net of refund)		(101,301,524)	(60,980,155)
Long term deposits (paid) / received		-	(14,878,798)
<b>Net cash generated from operating activities</b>		<b>(55,432,595)</b>	<b>(166,309,284)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)		(187,384,820)	(390,479,740)
Long term investment		163,270,000	-
Proceeds from disposal of property, plant and equipment		1,706,389	490,500
<b>Net cash used in investing activities</b>		<b>(22,408,431)</b>	<b>(389,989,240)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Sponsors' loan - subordinated		45,000,000	-
Receipts from long term financing-net		311,997,757	(173,051,020)
Lease repayments		(23,659,569)	35,245,855
Interest / mark-up paid		(214,010,456)	(191,166,519)
<b>Net cash (used in) / generated from financing activities</b>		<b>119,327,732</b>	<b>(328,971,684)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>41,486,706</b>	<b>(885,270,208)</b>
Cash and cash equivalents at beginning of the year		(1,886,288,242)	(772,090,557)
<b>Cash and cash equivalents as at end of the year</b>		<b>(1,844,801,536)</b>	<b>(1,657,360,765)</b>

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

**Munsarim Saifullah**  
Chief Executive Officer

**Maqsood Ismail**  
Director

**Abdul Qadir**  
Chief Financial Officer

# SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SETEMBER 30, 2018

## 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 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.

Geographical location and addresses of business units including manufacturing units of the Holding Company are as under:

#### Head Office:

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

#### Factories:

<b>Unit-1</b>	<b>Unit-5</b>
C-230, Hub H.I.T.E., Balochistan.	38-C, Sundar Industrial Estate, Raiwind Road, Lahore.
<b>Unit-2</b>	<b>Unit-6</b>
B-140, Hub H.I.T.E., Balochistan.	D-91, D-92 & D-94 North Western Zone, Port Qasim.
<b>Unit-3</b>	<b>Unit-7</b>
G-1, Hub H.I.T.E., Balochistan.	E164-168, North Western Zone, Port Qasim.
<b>Unit-4</b>	<b>Unit-8</b>
G-22, Hub H.I.T.E., Balochistan.	E154-157, North Western Zone, Port Qasim.

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

The Subsidiary 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 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.

Geographical location and addresses of business units including manufacturing units of the Company are as under:

#### Head Office:

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

#### Factory:

D-93, North Western Industrial Zone, Port Qasim

## 2 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the Group for the three months ended September 30, 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards 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 provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This consolidated condensed interim financial statements should be read in conjunction with the financial statements for the year ended June 30, 2018, which have been prepared in accordance with approved accounting standards as applicable in Pakistan.

## 2.1 Basis of measurement

The consolidated condensed interim financial information has been prepared under the historical cost convention except certain financial assets and liabilities which have been stated at fair value or amortized cost and staff retirement benefits which have been recognized at values determined by independent actuary.

The consolidated condensed interim financial information comprise condensed interim statement of financial position, condensed interim statement of profit and loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and selected notes to the financial statements and have been prepared under the accrual basis of accounting except for cash flow information.

## 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, 2018.
- 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, 2018.

## 5 FUNCTIONAL AND PRESENTATION CURRENCY

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

## 6 PROPERTY, PLANT AND EQUIPMENTS

	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
Operating fixed assets	11,758,891,344	12,039,726,243
Capital work in progress	370,998,280	198,660,130
	<b>12,129,889,624</b>	<b>12,238,386,373</b>

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----		-----At net book value-----	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- Rupees -----			
<b>Owned assets</b>				
Buildig on leasehold land	-	96,973,758	-	-
Plant and machinery	854,500	46,053,404	-	-
Furniture and fittings	-	6,292,000	-	-
Equipment	562,898	83,361,850	-	-
Computers	715,068	4,041,995	-	-
Vehicles	7,057,203	7,301,190	-	452,329
	<b>9,189,669</b>	<b>244,024,197</b>	<b>-</b>	<b>452,329</b>
<b>Leased assets</b>				
Vehicles	5,857,000	52,230,000	-	-
	<b>5,857,000</b>	<b>52,230,000</b>	<b>-</b>	<b>-</b>
	<b>15,046,669</b>	<b>296,254,197</b>	<b>-</b>	<b>452,329</b>

6.2 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, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	----- Rupees -----			
Civil works	42,329,886	128,632,952	-	96,973,758
Plant and machinery	115,058,264	182,566,979	-	46,053,404
Electric insallation	-	5,372,424	-	-
Equipments and fixtures	-	6,412,000	-	89,653,850
Software development	14,950,000	3,922,200	-	-
	172,338,150	326,906,555	-	232,681,012
			(Un-audited) September 30, 2018	(Audited) June 30, 2018
		Note	-----Rupees-----	

Note

## 7 LONG TERM INVESTMENTS

### 7.1 Investment in associated undertakings

Novelty Enterprises (Private) Limited	7.1.1	228,727,912	228,727,912
The Bank of Khyber	7.1.2	2,403,694,908	2,530,641,520
		<b>2,632,422,820</b>	<b>2,759,369,432</b>
7.2 Other investment - Available for sale			
BankIslami Pakistan Limited	7.2.1	-	195,107,650
		<b>2,632,422,820</b>	<b>2,954,477,082</b>

#### 7.1.1 Novelty Enterprises (Private) Limited

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

NEL has not commenced operations as of the reporting date and hence the investment is stated at cost.

#### 7.1.2 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 (2018: 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-month periods ended September 30, 2018 and reviewed condensed interim financial information for the six-month periods ended June 30, 2018. 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, 2018 was Rs. 3,201.717 million (June 30, 2018: Rs. 3,298.373 million)

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

### 7.1.3

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018
	-----Rupees-----			
Balance as at July 1	2,530,641,520	2,782,115,507	228,727,912	228,737,812
Purchase during the year	-	-	-	-
Share of profit/(loss) relating to profit and loss account	36,564,047	393,221,050	-	(9,900)
Dividend received	-	(362,458,547)	-	-
Share of other comprehensive income/(loss)	(186,869,324)	(322,555,988)	-	-
Related deferred tax on OCI	23,358,665	40,319,498	-	-
	(163,510,659)	(282,236,490)	-	-
Balance as at June 30	2,403,694,908	2,530,641,520	228,727,912	228,727,912

The Holding Company has not incurred any contingent liabilities or other commitments relating to its investment in associates.

	(Un-audited)	(Audited)
	September 30, 2018	June 30, 2018
	-----Rupees-----	

Note

### 7.2.1 BankIslami Pakistan Limited

Carrying value of investment	195,107,650	308,840,000
Less: Sale of investment at carrying value	(195,107,650)	(128,753,190)
Unrealized appreciation in value of investments	-	15,020,840
Fair value of investments	-	195,107,650

## 8 STORES AND SPARES

Stores	97,985,720	92,902,196
Spare parts	111,720,290	111,164,468
Diesel and liquefied petroleum gas (LPG)	419,442	416,320
Provision for slow moving spare parts	(8,591,420)	(8,591,420)
	201,534,032	195,891,564

### 8.1 Reconciliation of provision for slow moving spare parts

Opening provision	(8,591,420)	(8,051,420)
Charge for the period / year	-	(540,000)
Closing provision	(8,591,420)	(8,591,420)

## 9 STOCK-IN-TRADE

Raw materials	9.1	3,234,884,244	3,194,941,766
Packing materials	9.1	318,001,868	312,061,635
Work-in-process		126,421,714	129,522,332
Finished goods		1,408,190,266	1,370,900,558
		5,087,498,092	5,007,426,291

9.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs. 13,384,583 (June 30, 2018: Rs.13,384,583) and Rs. 128,735,038 (June 30, 2018: Rs. 128,735,038) respectively.

	(Un-audited)	(Audited)
	September 30, 2018	June 30, 2018
	-----Rupees-----	

Note

## 10 TRADE DEBTS

Considered good	91,559,426	311,568,772
-export-secured	1,698,219,938	1,258,293,453
-local- unsecured	1,789,779,364	1,569,862,225
Considered doubtful	54,363,694	51,963,694
Trade debts - gross	1,844,143,058	1,621,825,919
Provision for doubtful debts - closing balance	(54,363,694)	(51,963,694)
Trade debts - net	1,789,779,364	1,569,862,225

## 11 CASH AND BANK BALANCES

Cash in hand	8,257,604	6,906,185
Cash with banks in:		
- current accounts - conventional	28,741,550	47,327,427
- current accounts - Islamic	32,273,098	26,881,944
	69,272,252	81,115,556

## 12 SPONSORS' LOAN - subordinated

The Group has obtained interest free loan from its sponsors. The sponsors have entered into agreements with the Group and various banks in which they have undertaken to sub-ordinate their loans and their claims over the Group's assets. Subsequently these loans will be converted into ordinary shares under special resolution to its existing sponsors with the special approval of the Securities Exchange Commission of Pakistan.

## 13 LONG TERM FINANCES - secured

	(Un-audited)			(Audited)		
	September 30, 2018			June 30, 2018		
	Rupees					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	4,629,479,472	2,534,305,564	7,163,785,036	5,354,568,968	3,398,333,326	8,752,902,294
Obtained during the period / year	1,223,709,000	500,000,000	1,723,709,000	1,027,481,000	-	1,027,481,000
Repaid during the period / year	(373,89,707)	(488,521,536)	(861,711,243)	(1,202,570,496)	(864,027,622)	(2,066,598,258)
	5,479,998,765	2,545,784,028	8,025,782,793	5,179,479,472	2,534,305,564	7,713,785,036
Less: Current maturity	(1,185,919,139)	(1,024,117,340)	(2,210,036,479)	(1,253,850,907)	(1,229,166,659)	(2,483,017,566)
	4,294,079,626	1,521,666,688	5,815,746,314	3,925,628,565	1,305,138,905	5,230,767,470

- 13.1 These represent financings for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.25% to 3 month KIBOR + .50% and from 0.25% to 0.75% above the State Bank of Pakistan rate for LTFF.

	Note	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>14 TRADE AND OTHER PAYABLES</b>			
Trade creditors		837,429,075	1,015,598,798
Other liabilities		347,429,319	439,211,701
		<b>1,184,858,394</b>	<b>1,454,810,499</b>
<b>15 SHORT TERM FINANCES - Secured</b>			
Term finances-conventional	15.1	132,126,003	939,675,000
Term finances-islamic	15.2	1,733,575,833	850,000,000
Export refinances	15.3	434,350,000	434,350,000
Running finance utilized under mark-up arrangement	15.4	1,914,073,788	1,967,403,798
		<b>4,214,125,624</b>	<b>4,191,428,798</b>

- 15.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 1,200 million (2018: Rs. 1,200 million). These are secured against pari-passu / ranking 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 6.24% to 8.69% per annum (2018: 5.98% to 6.24% per annum).

- 15.2 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,100 million (2018: 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 6.56% to 8.30% per annum (2018: 6.26% to 7.13% per annum).

- 15.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 614.35 million (2018: Rs. 614.35 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 of 0.25% above the State Bank of Pakistan (SBP) rate per annum (2018: 0.25% to 0.50% above SBP rate per annum).

- 15.4 These facilities for running finances available from various banks aggregated to Rs. 4,675.65 million (2018: Rs. 4,525.65 million). These are secured against pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 7.02% to 8.26% per annum (2018: 6.27% to 7.17% 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 Group from note 24.1.1 to 24.1.9.

	Note	(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>16.2 Commitments</b>			
Outstanding letter of guarantees		801,263,116	717,831,941
Outstanding letter of credit for:			
- capital expenditures		3,099,249,260	1,368,181,418
- others		448,738,356	999,649,684
<b>17 EARNINGS PER SHARE-Basic and Diluted</b>			
There is no dilutive effect on the basic earnings per share of the Group which is based on: <b>Basic earnings per share</b>			
Profit for the period		339,209,240	272,338,153
		------(Number)-----	
Weighted average number of ordinary shares during the period		63,804,750	63,804,750
		------(Rupees)-----	
Basic earnings per share		5.32	4.27
		(Un-audited) September 30, 2018 Rupees	(Un-audited) September 30, 2017 Rupees
<b>18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>			
Profit before income tax		526,130,906	401,183,744
<b>Adjustments for non-cash and other items:</b>			
Depreciation		294,530,672	218,315,511
Gain on disposal of property, plant and equipments - net		(355,493)	(38,171)
Provision for staff retirement gratuity		23,328,920	15,867,340
Share of profit from associated undertaking		(36,564,047)	(105,386,049)
Finance cost		200,587,598	177,978,047
Net decrease in working capital	18.1	(949,482,687)	(790,343,219)
		58,175,869	(82,422,797)
<b>18.1 Working capital changes</b>			
<b>Current assets</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores and spares		(5,642,468)	(16,222,779)
Stock-in-trade		(80,071,801)	246,507,873
Trade debts		(219,917,139)	(1,120,951)
Advances - considered good		(74,556,654)	27,496,731
Trade deposits and short-term prepayments		(10,963,191)	(26,918,720)
Other receivables		(14,822,936)	(17,560,980)
		(405,974,189)	212,181,174
<b>Current liabilities</b>			
<b>(Decrease) / Increase in current liabilities</b>			
Trade and other payables		(557,073,480)	308,286,682
Short-term finances		76,026,836	(1,300,532,743)
Advance from customers		(62,461,854)	(10,278,332)
		(543,508,498)	(1,002,524,393)
<b>Net decrease in working capital</b>		(949,482,687)	(790,343,219)
<b>19 CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	11	69,272,252	38,537,517
Running finances under mark-up arrangement	15.4	(1,914,073,788)	(1,695,898,281)
		(1,844,801,536)	(1,657,360,764)

## 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 incur 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 three operating segments:

- Food processing
- Plastic film
- Pharmaceutical

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

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

	(Un-audited)							
	Quarter ended							
	Food Processing		Plastic Film		Pharmaceutical		Total	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	Rupees							
Sales								
Local	6,470,451,871	4,905,477,740	1,889,452,415	1,324,542,464	11,847,883	-	8,371,752,169	6,230,020,204
Export	175,418,477	188,179,541	24,589,384	22,550,199	-	-	200,007,861	210,729,740
Export rebates	2,544,202	2,324,460	-	-	-	-	2,544,202	2,324,460
	6,648,414,550	5,095,981,741	1,914,041,799	1,347,092,663	11,847,883	-	8,574,304,232	6,443,074,404
Less:								
Sales return and discounts	(459,586,755)	(570,629,363)	(70,031,640)	(85,064,034)	-	-	(529,618,395)	(655,693,397)
Sales tax	(934,576,805)	(675,587,790)	(277,707,302)	(186,213,069)	-	-	(1,212,284,107)	(861,800,859)
	(1,394,163,560)	(1,246,217,153)	(347,738,942)	(271,277,103)	-	-	(1,741,902,502)	(1,517,494,256)
Net sales	5,254,250,990	3,849,764,588	1,566,302,857	1,075,815,560	11,847,883	-	6,832,401,730	4,925,580,148
Cost of sales	(3,869,332,114)	(2,806,177,482)	(1,375,181,607)	(933,396,964)	(21,906,405)	-	(5,266,420,126)	(3,739,574,446)
Selling and distribution	(660,498,596)	(545,734,059)	(31,123,911)	(37,599,445)	(23,785,368)	-	(715,407,675)	(583,333,504)
Administrative expenses	(110,524,917)	(99,041,018)	(9,973,421)	(2,915,634)	(8,609,797)	(9,240,952)	(129,108,135)	(111,197,604)
	(4,640,355,627)	(3,450,952,559)	(1,416,278,939)	(973,912,043)	(54,301,570)	(9,240,952)	(6,110,936,136)	(4,434,105,554)
Segment result	613,895,363	398,812,029	150,023,918	101,903,517	(42,453,687)	-	721,465,594	491,474,594
Unallocated income and expenses								
Other operating income							43,673,189	28,877,635
Finance cost							(200,587,598)	(177,978,047)
Other operating expenses							(74,984,326)	(46,576,487)
Share of profit from associated undertakings							36,564,047	105,386,049
Profit before taxation							526,130,906	401,183,744
Income tax expense							(186,921,666)	(128,845,591)
Profit for the period							339,209,240	272,338,153

	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Food Processing		Plastic Film		Pharmaceutical		Total	
	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018	September 30, 2018	June 30, 2018
	Rupees							
20.2 Segment assets	12,975,561,290	12,929,945,715	6,366,194,350	6,343,832,820	1,341,532,031	1,372,579,947	20,683,287,671	20,646,358,482
20.3 Unallocated assets	-	-	-	-	-	-	3,140,423,517	3,204,645,322
	12,975,561,290	12,929,945,715	6,366,194,350	6,343,832,820	1,341,532,031	1,372,579,947	23,823,711,188	23,851,003,804
20.4 Segment liabilities	2,044,713,792	2,217,367,490	2,895,566,052	3,140,064,911	625,855,327	531,842,761	5,566,135,171	5,889,275,162
20.5 Unallocated liabilities	-	-	-	-	-	-	11,000,846,884	10,567,484,158
	2,044,713,792	2,217,367,490	2,895,566,052	3,140,064,911	625,855,327	531,842,761	16,566,982,055	16,456,759,320

### 20.6 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

20.7 The Holding 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 Holding Company which formed 10 percent or more of the Holding Company's revenue.



		(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>20.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES</b>			
<b>Assets</b>			
Total assets for reportable segments	20.2	20,683,287,671	20,646,358,482
Administrative capital assets		496,041,510	238,209,053
Good will		11,959,187	11,959,187
Long term investment	7	2,632,422,820	2,954,477,082
Total assets		<u>23,823,711,188</u>	<u>23,851,003,804</u>
<b>Liabilities</b>			
Total liabilities for reportable segments	20.4	5,566,135,171	5,889,275,162
Sponsors' loan - subordinated		960,357,737	915,357,737
Deferred liabilities		1,539,300,436	1,439,275,898
Long term finance	13	8,025,782,793	7,713,785,036
Liabilities against assets subject to finance lease		475,405,918	499,065,487
Total liabilities		<u>16,566,982,055</u>	<u>16,456,759,320</u>

## 21 TRANSACTIONS WITH RELATED PARTIES

Details of transactions 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) September 30, 2018 Rupees	September 30, 2017 Rupees
<b>Associated Company - Plastiflex Films (Private) Limited (Common Directorship)</b>			
- Payment against purchases		3,222,855	7,910,009
- Purchases		<u>14,223,096</u>	<u>8,394,028</u>
<b>Others</b>			
<b>Remuneration to directors and other key management personnel:</b>			
Chief Executive Officer		4,000,000	1,750,000
Directors		2,775,000	2,775,000
Executives		89,636,111	52,770,279
		<u>96,411,111</u>	<u>57,295,279</u>
		(Un-audited) September 30, 2018 Rupees	(Audited) June 30, 2018 Rupees
<b>Creditors - associated company</b>			
- Payable to associate		16,497,356	5,497,115
<b>Sponsors' subordinated - loan</b>			
Payable to director's		<u>960,357,737</u>	<u>902,151,770</u>

## 22 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 27th October, 2018 by the Board of the Group.

Munsarim Saifullah  
Chief Executive Officer

Maqsood Ismail  
Director

Abdul Qadir  
Chief Financial Officer

# ISMAIL INDUSTRIES LIMITED

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