

ISMAIL INDUSTRIES LIMITED

Quarterly (unaudited) Report
MARCH 2012

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COMPANY PROFILE

Board of Directors

Executive Directors

Mr. Muhammad M. Ismail
(Chairman)
Mr. Maqsood Ismail
(Chief Executive)
Mr. Miftah Ismail
Mr. Munsarim Saif

Non-Executive Directors

Ms. Rashida Iqbal
Ms. Anisa Naviwala
Ms. Nafisa Yousuf Palla
Ms. Uzma Arif

Audit Committee Members

Ms. Rashida Iqbal	Chairperson
Mr. Maqsood Ismail	Member
Ms. Uzma Arif	Member

Registered Office

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

Factory - 1

C-230, Hub H.I.T.E.,
Balochistan.

Factory - 2

B-140, Hub H.I.T.E.,
Balochistan.

Factory - 3

G-1, Hub H.I.T.E.,
Balochistan.

Factory - 4

G-22, Hub H.I.T.E.,
Balochistan.

Factory - 5

38C, Sundar Industrial Estate
Raiwind Road, Lahore.

CFO & Company Secretary

Mr. Ghulam Farooq

Auditor

Anjum Asim Shahid Rahman.
Chartered Accountants

Tax Advisor

Munaf Yusuf & Co.
Chartered Accountants

Legal Advisor

Farooq Rasheed & Co.

Share Registrar

THK Associates (Pvt.) Limited

Intellectual Property Advisor

Ali Associates

Bankers / Institutions

Allied Bank Limited
Bank Al-Habib Limited
Barclays Bank PLC, Pakistan
Bank Alfalah Limited
Burj Bank Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
First Habib Bank Modaraba
First Habib Modaraba
First National Bank Modaraba
First UDL Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NBP Leasing Ltd
NIB Bank Limited
Pak Brunei Investment Co Ltd
Pak Oman Investment Co. Ltd
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
Standard Chartered Modaraba
Silkbank Limited
The Bank of Punjab
United Bank Limited

DIRECTORS REVIEW

The Directors are pleased to present the un-audited financial statements of the company for the third quarter and nine months period ended March 31, 2012:

Overall Business Review

	Nine Months period ended March 31		
		(Rupees '000)	
	2012	2011	%
Gross sales	8,000,045	6,733,713	19%
Gross profit	1,380,026	964,648	43%
Profit before taxation	478,682	317,995	50%
Profit after taxation	291,038	254,743	14%
Earnings per share - basic & diluted	5.76	5.04	14%

Overall growth ratio of the company during the nine months period of the current financial year stood at 19% . Total turnover of the Company is Rs.8,000 million as compared to Rs.6,734 million in the corresponding period. The company has also achieved a significant growth in its pre-tax earnings Rs.479 million in comparison of Rs. 318 million earned in the same period of last year on the back of strong marketing efforts and operating efficiencies despite a highly challenging business environment.

Growth continues to result from a firm focus on innovation with a number of promising new brands in food segment. Steady investment remains behind base business to ensure its longevity and continues profitability.

Future Outlook

The business environment of the country is expected to remain challenging in the current fiscal year. Any improvement in the business environment will largely depend on the economic policies of the government and the implementation of key reforms. Overall persistent high inflation, prevailing security conditions and power outages pose significant challenges to business. Your Company's priorities will not change in the period ahead and will continue to deliver exceptional value to customers and shareholders.

The Board of Directors would like to express their gratitude to all employees who have worked hard to achieve our common objectives.

On behalf of the Board of Directors

(Muhammad M. Ismail)
Director

Karachi: April 25, 2012

Ismail Industries Limited

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012

	Note	March-12 Un-audited	June-11 Audited
-----Rupees-----			
ASSETS			
Non-Current Assets			
Property, plant and equipment	4	2,580,695,133	2,375,674,778
Long term investments	5	1,050,365,249	1,053,199,934
Long term deposits		41,563,279	36,018,562
Total non-current assets		3,672,623,661	3,464,893,274
Current Assets			
Stores and spares		74,296,738	42,450,083
Stock-in-trade		3,901,873,292	3,896,776,499
Trade debts		586,588,518	450,406,878
Advances - considered good		363,303,562	225,800,338
Trade deposits and short term prepayments		11,656,371	6,580,419
Other receivables		103,501,022	152,465,524
Advance tax - net of provision		70,161,337	71,040,756
Cash and bank balances	6	42,530,905	21,597,690
Total current assets		5,153,911,745	4,867,118,187
Total assets		8,826,535,406	8,332,011,461
EQUITY AND LIABILITIES			
Authorised share capital			
100,000,000 (June 30, 2011: 100,000,000) Ordinary shares of Rs. 10/- each.		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital			
50,520,750 (2011: 50,520,750) Ordinary shares of Rs.10/- each.		505,207,500	505,207,500
Capital reserve - share premium		579,265,000	579,265,000
Unappropriated profit		1,237,539,955	948,053,287
Total shareholder's equity		2,322,012,455	2,032,525,787
Non-Current Liabilities			
Directors' loan - subordinated		352,151,770	352,151,770
Long term finances - secured		773,178,065	1,000,721,513
Liabilities against assets subject to finance lease		156,068,747	160,002,875
Deferred liabilities		372,735,000	226,576,909
Total non-current liabilities		1,654,133,582	1,739,453,067
Current Liabilities			
Trade and other payables		810,636,687	1,034,996,890
Accrued mark-up		87,883,373	95,468,695
Short term finances - secured	7	3,300,082,330	2,775,463,012
Current Portion of :			
Long term finances		504,457,676	548,628,586
Liabilities against assets subject to finance lease		57,714,933	41,946,072
Advance from customers		89,614,370	63,529,352
Total current liabilities		4,850,389,369	4,560,032,607
Contingencies & Commitments	8		
Total equity and liabilities		8,826,535,406	8,332,011,461

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore these financial statements have been signed by two directors of the company as required under the section 241(2) of the Companies Ordinance, 1984.

Muhammad M. Ismail
Director

Munsarim Saif
Director

Ismail Industries Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Quarter ended		Nine months ended	
	March		March	
	2012	2011	2012	2011
	Rupees			
Sales	2,998,901,313	2,589,147,294	8,000,044,950	6,733,713,046
Less: sales tax	375,428,085	385,243,041	1,007,261,040	972,336,802
Net Sales	2,623,473,228	2,203,904,253	6,992,783,910	5,761,376,244
Cost of sales	2,100,237,084	1,847,252,205	5,612,757,646	4,796,728,549
Gross profit	523,236,144	356,652,048	1,380,026,264	964,647,695
Selling and distribution expenses	93,724,328	131,101,584	362,152,709	353,244,427
Administrative expenses	20,721,673	16,999,173	62,279,379	49,875,932
	114,446,001	148,100,757	424,432,088	403,120,359
Operating profit	408,790,143	208,551,291	955,594,176	561,527,336
Other operating (loss) / profit	(2,613,086)	5,107,300	16,631,692	60,729,635
	406,177,057	213,658,591	972,225,868	622,256,971
Finance cost	158,045,651	123,628,731	477,581,710	374,000,686
Other operating expenses	813,845	998,670	13,127,331	3,254,749
	158,859,496	124,627,401	490,709,041	377,255,435
	247,317,561	89,031,190	481,516,827	245,001,536
Share of profit / (loss) from associated undertaking	7,086,711	85,749,208	(2,834,685)	72,993,127
Profit before tax	254,404,272	174,780,398	478,682,142	317,994,663
Taxation expense	64,264,525	23,137,824	187,644,198	63,251,220
Profit for the period	190,139,747	151,642,574	291,037,944	254,743,443
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	190,139,747	151,642,574	291,037,944	254,743,443
Earnings per share - basic and diluted	9 3.76	3.00	5.76	5.04

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements

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Muhammad M. Ismail
Director

Munsarim Saif
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Issued, subscribed and paid up capital	Share premium	Un-appropriated profit	Total
	----- (R u p e e s) -----			
Balance as at June 30, 2010	505,207,500	579,265,000	643,195,493	1,727,667,993
Dividend for the year ended June 30, 2010	-	-	(880,324)	(880,324)
Total comprehensive income for the nine months period ended March 31, 2011	-	-	254,743,443	254,743,443
Balance as at March 31, 2011	<u>505,207,500</u>	<u>579,265,000</u>	<u>897,058,612</u>	<u>1,981,531,112</u>
Balance as at June 30, 2011	505,207,500	579,265,000	948,053,287	2,032,525,787
Dividend for the year ended June 30, 2011	-	-	(1,551,276)	(1,551,276)
Total comprehensive income for the nine months period ended March 31, 2012	-	-	291,037,944	291,037,944
Balance as at March 31, 2012	<u>505,207,500</u>	<u>579,265,000</u>	<u>1,237,539,955</u>	<u>2,322,012,455</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

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Muhammad M. Ismail
Director

Munsarim Saif
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	Note	March 2012	March 2011
		-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	10	754,092,838	599,901,894
Gratuity paid		(4,608,743)	(4,045,305)
Income tax paid (net of refund)		(53,882,785)	(62,199,581)
Net cash generated from operating activities		695,601,310	533,657,008
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(381,225,160)	(392,250,019)
Proceeds from disposal of property, plant & equipment		3,397,271	80,986,697
Long term deposits		(5,544,717)	(23,768,477)
Net cash used in investing activities		(383,372,606)	(335,031,799)
CASH FLOW FROM FINANCING ACTIVITIES			
Directors' loan		-	142,151,770
Long-term borrowings less repayments		(271,714,358)	(354,209,169)
Finance lease liability less repayments		11,834,733	184,597,629
Interest / mark- up paid		(485,167,032)	(370,524,914)
Dividend paid		(1,551,276)	(807,125)
Net cash used in financing activities		(746,597,933)	(398,791,809)
Net decrease in cash and cash equivalents		(434,369,229)	(200,166,600)
Cash and cash equivalents at beginning of the year		(821,693,751)	(894,576,492)
Cash and cash equivalents as at March 31	11	(1,256,062,980)	(1,094,743,092)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements

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CONDENSED INTERIM NOTES OF THE FINANCIAL STATEMENT (UN-AUDITED) FOR THE QUARTER AND MONTHS PERIOD ENDED MARCH 31, 2012

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 and its shares are quoted on the Karachi and Lahore stock exchanges. The registered office of the company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of the company are manufacturing and trading of sugar confectionery items, biscuits, potato chips and cast polypropylene film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astropack' respectively.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard 34 – Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This un-audited condensed interim financial information constitutes separate condensed interim financial statements of the Company and are being presented and submitted to the shareholders as required by Listing Regulations of Karachi and Lahore stock exchanges and under Section 245 of the Companies Ordinance, 1984. The condensed interim financial information do not include all information and disclosures required in the financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2011.

2.1 These condensed interim financial statements have been prepared under the accrual basis of accounting except for cash flow information.

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 for the year ended June 30, 2011.

Un-audited March 2012	Audited June 2011
----- (Rupees) -----	

4 PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment	2,296,373,667	2,270,610,246
Capital work-in-progress	284,321,466	105,064,532
	<u>2,580,695,133</u>	<u>2,375,674,778</u>

4.1 Detail of additions and disposal to operating assets during the nine months period ended March 31, 2012 are as follows;

	Un-audited March 2012		Audited June 2011	
	-----Rupees-----		-----Rupees-----	
	Additions	Disposals	Additions	Disposals
Leasehold land	-	-	28,909,249	33,185,448
Building	58,602,276	-	165,884,141	-
Plant and machinery	100,040,673	-	644,252,494	-
Furniture and fittings	3,283,582	-	3,106,124	-
Equipment	2,608,358	32,345	8,888,646	2,319
Computers	2,084,617	77,896	1,651,014	34,079
Vehicles	35,348,721	1,587,938	38,358,500	5,502,410
	<u>201,968,227</u>	<u>1,698,179</u>	<u>891,050,168</u>	<u>38,724,256</u>

Ismail Industries Limited

- 4.2 Detail of additions and disposal to capital work-in-progress during the nine months period ended March 31, 2012 are as follows;

	Un-audited March 2012		Audited June 2011	
	-----Rupees-----		-----Rupees-----	
	Additions	Transfers	Additions	Transfers
Civil works	171,070,507	58,098,661	171,970,087	139,218,318
Plant and machinery	119,761,126	49,040,025	418,736,030	645,254,794
Electric Installation	3,594,542	7,780,862	322,000	2,052,625
Furniture and fittings	4,955,872	5,069,564	3,676,731	-
Equipment	251,345	387,345	3,307,676	3,725,926
	<u>299,633,392</u>	<u>120,376,457</u>	<u>598,012,524</u>	<u>790,251,663</u>
	Un-audited March 2012		Audited June 2011	
	----- (Rupees) -----			

5 LONG TERM INVESTMENTS

Investment in associated undertakings

Novelty Enterprises (Private) Limited
The Bank of Khyber

229,724,069	229,724,069
<u>820,641,180</u>	<u>823,475,865</u>
<u>1,050,365,249</u>	<u>1,053,199,934</u>

5.1 Investment in associated undertakings

The company holds a 33% voting and equity interest in Novelty Enterprises (Private) Limited. The Company holds a 8.6% voting and equity interest in The Bank of Khyber. The investments are accounted for under the equity method. The reporting date of Novelty Enterprises (Private) Limited is June 30, 2011 while The Bank of Khyber concludes its annual financial results on December 31, 2011 as required by State bank of Pakistan for financial institutions.

The shares of Novelty Enterprises (Private) Limited are not publicly listed on a stock exchange and hence published price quotes are not available. The fair value of 8.6% holding in The Bank of Khyber as on March 31, 2012 were Rs. 531,503,355 (June 2011: Rs. 335,201,449). The aggregate amount of the associates can be summarised as follows:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	March 2012	June 2011	March 2012	June 2011
	-----Rupees-----			
As at July 01,	823,475,865	711,505,825	229,724,069	229,724,069
Acquisition of associates	-	-	-	-
Share of (loss) / profit	(2,834,685)	111,970,040	-	-
	<u>820,641,180</u>	<u>823,475,865</u>	<u>229,724,069</u>	<u>229,724,069</u>

Summarised financial information in respect of the Company's associates is set out below:

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	March 2012	June 2011	March 2012	June 2011
	-----Rs in '000'-----			
Assets	<u>58,125,399</u>	<u>601,545,584</u>	<u>561,877</u>	<u>561,877</u>
Liabilities	<u>48,465,931</u>	<u>50,241,393</u>	<u>100</u>	<u>200</u>
Revenue	<u>872,308</u>	<u>563,486</u>	<u>-</u>	<u>-</u>
(Loss) / profit attributable to the company	<u>(2,835)</u>	<u>111,970</u>	<u>-</u>	<u>-</u>

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to the approval by means of a resolution passed by the shareholders of the associates. The Company received dividends amounting to Rs. Nil (June 2011: Rs. Nil).

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

Novelty Enterprises (Private) Limited has not commenced operations as of the reporting date.

Ismail Industries Limited

	Note	Un-audited March 2012	Audited June 2011
		----- (Rupees) -----	
6 CASH AND BANK BALANCES			
Cash in hand		12,561,565	1,673,253
Cash with banks in current accounts		29,969,340	19,924,437
		<u>42,530,905</u>	<u>21,597,690</u>
7 SHORT TERM FINANCES - secured			
Term finances	7.1	1,691,488,445	1,189,337,764
Export refinances	7.2	310,000,000	310,000,000
Import finance		-	432,833,806
Running finance under mark-up arrangements	7.3	1,298,593,885	843,291,441
		<u>3,300,082,330</u>	<u>2,775,463,011</u>
7.1 The facilities for term finances from various banks aggregated to Rs. 2,205,000,000 (June 2011: Rs. 1,265,000,000). These facilities are secured against pari-passu/ranking hypothecation of stocks, book debts and personal guarantees of the directors. These facilities carry mark-up at the rates ranging from 12.86% to 15.06% per annum (June 2011: 13.52% to 15.24% per annum).			
7.2 The facilities for export refinance from various banks aggregated to Rs. 310,000,000 (June 2011: Rs. 310,000,000). These facilities are secured pari-passu against hypothecation of stocks, lien on export letters of credit and personal guarantees of the directors. These facilities carry mark-up at the rate of 1% above the SBP rate per annum (June 2011: 1% above SBP rate per annum)			
7.3 The facilities for running finances available from various banks aggregated to Rs. 1,252,000,000 (June 2011: Rs. 812,000,000). These facilities are secured against pari-passu/ranking hypothecation of stocks and book debts and personal guarantees of the directors. These facilities carry mark-up at the rates ranging from 12.79% to 15.54% per annum (June 2011: 13.29% to 15.52% per annum).			
8 CONTINGENCIES AND COMMITMENTS			
8.1 Contingencies			
8.1.1 The company has three labour matters pending in different courts of Balochistan for reinstatement. No liability has been booked against these claims as the management of the company, based on the advice of its legal advisor, is of the opinion that matters will be decided in the company's favour.			
8.1.2 The company has filed a suit against a debtor for recovery of Rs. 960,450. The suit was decreed in favour of the company but as the debtor didn't have any tangible property within the territorial jurisdiction of court at Hub the case has been transferred to the District Judge, Lahore for execution. As the case has been decided in favour of the company and the debtor is being pursued to pay the decretal amount, the amount due has not been written off.			
8.1.3 A suit for Rs. 200 million has been filed against the company and Lasbella Industrial Estates Development Authority for illegal allotment of Plot No. C-386 HITE. No provision has been made in these financial statements against this aforementioned amount as the management of the company, based on the advice of its legal counsel handling the case, is of the opinion that the case will be decided in the company's favour			
8.1.4 The company has not provided for Workers' Welfare Fund (WWF) in the current period amounting to Rs. 10.57 million in light of the judgement given by the Lahore High Court in W.P No. 8763/2011 whereby the amendments introduced in the WWF Ordinance through Finance Acts, 2006 and 2008 have been declared to be unconstitutional. The Company will also pursue for refunds for the amounts paid in prior years against WWF.			
		Un-audited March 2012	Audited June 2011
		----- (Rupees) -----	
8.2 Commitments			
Outstanding letters of guarantee		69,195,500	56,130,788
Outstanding letters of credit for:			
- capital expenditure		4,314,327	8,584,146
- others		170,171,806	329,575,539

Ismail Industries Limited

		Un-audited March 2012	Un-audited March 2011
		----- (Rupees) -----	
9	EARNING PER SHARE-Basic and Diluted		
	Basic earnings per share		
	Profit for the period	<u>291,037,944</u>	<u>254,743,443</u>
	Weighted average number of shares	<u>50,520,750</u>	<u>50,520,750</u>
	Earning per share	<u>5.76</u>	<u>5.04</u>
	Diluted earning per share		
	There is no dilution effect on the basic earning per share as the Company has no such commitments.		
		Un-audited March 2012	Un-audited March 2011
		----- (Rupees) -----	
10	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	478,682,142	317,994,663
	Adjustments for:		
	Depreciation	174,506,627	134,992,136
	Profit on disposal of property, plant & equipment	(1,699,092)	(43,804,867)
	Provision for staff retirement gratuity	17,884,839	13,672,580
	Share of loss / (profit) from associated undertaking	2,834,685	(72,993,127)
	Finance cost	477,581,710	374,000,686
	Working capital changes (note 10.1)	<u>(395,698,073)</u>	<u>(123,960,177)</u>
		<u>754,092,838</u>	<u>599,901,894</u>
10.1	Changes in working capital		
	(Increase)/ decrease in current assetes		
	Stores and spares	(31,846,655)	(9,119,305)
	Stock-in-trade	(5,096,793)	(779,717,432)
	Trade debts	(136,181,640)	105,465,005
	Advances-considered good	(137,503,224)	(65,340,387)
	Trade deposits and short-term prepayment	(5,075,952)	(4,553,871)
	Other receivables	<u>48,964,502</u>	<u>(76,173,065)</u>
		<u>(266,739,762)</u>	<u>(829,439,055)</u>
	Increase / (decrease) in current liabilities		
	Short-term finances	69,316,874	332,652,357
	Trade and other paybles	(224,360,203)	284,693,424
	Advance from customers	<u>26,085,018</u>	<u>88,133,097</u>
		<u>(128,958,311)</u>	<u>705,478,878</u>
	Net increase in working capital	<u>(395,698,073)</u>	<u>(123,960,177)</u>
11	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	6 42,530,905	48,798,575
	Running finances under mark-up arrangement	7 <u>(1,298,593,885)</u>	<u>(1,143,541,667)</u>
		<u>(1,256,062,980)</u>	<u>(1,094,743,092)</u>

12 SEGMENT OPERATING RESULTS

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 result 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

12.1

	Quarter ended				Nine Months ended			
	Food Processing		Plastic Film		Food Processing		Plastic Film	
	Mar-31 2012	Mar-31 2011	Mar-31 2012	Mar-31 2011	Mar-31 2012	Mar-31 2011	Mar-31 2012	Mar-31 2011
	Rupees-----							
Sales	2,695,663,276	2,265,710,776	371,972,069	392,536,226	3,067,635,345	2,658,247,002	7,149,433,003	5,910,250,823
Less: sales tax							1,059,439,792	961,224,135
Net sales	322,344,685	326,828,249	53,083,400	58,414,792	375,438,085	385,443,041	150,074,369	142,487,018
Cost of sales	1,900,303,452	1,626,504,914	268,667,964	289,846,999	2,168,971,116	1,916,351,913	5,059,336,540	4,229,404,857
Gross profit	473,015,439	312,377,613	50,220,705	44,274,435	523,236,144	356,652,048	1,232,909,792	850,996,182
Selling and distribution expenses	91,477,078	127,916,929	2,247,250	3,184,655	93,724,328	131,101,584	6,994,247	10,112,780
Administrative and general expenses	20,382,517	16,450,838	339,156	548,335	20,721,673	16,999,173	1,389,649	1,608,449
Segment operating profit	111,859,595	144,367,767	2,586,406	3,732,990	114,446,001	148,100,757	8,383,896	11,721,229
	361,195,844	168,009,846	47,634,299	40,541,445	408,790,143	208,351,291	138,732,576	101,930,284
							955,594,176	561,527,336
Unallocated income and expenses								
Other operating income							16,631,692	60,729,635
Finance cost							477,581,710	374,000,686
Other charges							13,127,331	3,254,749
Share of (loss) / profit from associated undertaking							(2,834,685)	72,993,127
Income tax expense							187,644,198	63,251,220
Profit for the period							291,037,944	254,743,443
Depreciation							157,878,187	174,506,627
Other non cash expenses							16,612,375	17,884,839
							1,272,464	1,236,256
							17,884,839	13,672,580

12.2 Segment assets and liabilities

	Rupees					
	Un-audited March 2012	Audited June 2011	Un-audited March 2012	Audited June 2011	Un-audited March 2012	Audited June 2011
Segment assets						
Unallocated assets						
Total Assets	6,166,525,909	5,749,942,396	1,515,842,163	1,473,636,391	7,682,368,072	7,223,578,787
Segment liabilities						
Unallocated liabilities						
Total liabilities	4,169,381,301	3,954,369,744	19,933,442	43,947,859	4,189,314,743	3,998,317,603
Additions in Segment assets						
	4,169,381,301	3,954,369,744	19,933,442	43,947,859	6,504,532,951	6,299,485,674
	377,258,558	684,106,397	3,966,602	14,695,885	381,225,160	698,802,282

12.3 Reconciliation of reportable segment sales and cost of sales

	Quarter ended		Nine Months ended	
	Mar-31 2012	Mar-31 2011	Mar-31 2012	Mar-31 2011
Sales net of sales return and discount				
Total sales for reportable segments	3,067,635,345	2,658,247,002	8,208,872,795	6,871,474,958
Elimination of inter-segments sales	68,734,032	69,099,708	208,827,845	137,761,912
Total sales	2,998,901,313	2,589,147,294	8,000,044,950	6,733,713,046
Cost of sales				
Total cost of sales for reportable segments	2,168,971,116	1,916,351,913	5,821,585,491	4,934,490,461
Elimination of inter-segments purchases	68,734,032	69,099,708	208,827,845	137,761,912
Total cost of sales	2,100,237,084	1,847,252,205	5,612,757,646	4,796,728,549

13 TRANSACTION WITH RELATED PARTIES

Related party comprise associates, directors and key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in the financial statements are as follows.

	Un-audited March 2012 ----- (Rupees) -----	Un-audited March 2011
Sale of land to associated undertaking	-	75,000,000
Rent paid to chief executive	900,000	525,000
Dividends paid to associated undertaking	783,720	-
13.1 Remuneration to directors and other key management personnel		
Chief Executive	2,025,000	1,575,000
Directors	5,400,000	4,050,000
Executives	30,417,969	25,335,161
	37,842,969	30,960,161

14 DATE OF AUTHORIZATION

The financial information was authorized for issue on April 25, 2012 by the Board of Directors of the Company.

15 GENERAL

Figures have been rounded off to the nearest rupee.

STATEMENT UNDER SECTION 241(2) OF THE COMPANIES ORDINANCE, 1984

As the Chief Executive is for the time being not in Pakistan, therefore these financial statements have been signed by two directors of the company as required under the section 241(2) of the Companies Ordinance, 1984.

Muhammad M. Ismail
Director

Munsarim Saif
Director

BOOK POST

Under Postal Certificate

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