



ISMAIL
INDUSTRIES
LIMITED

Focused on
Success



Quarterly Report
March 2017

Ismail Industries Limited

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Ismail Industries Limited

COMPANY PROFILE

Board of Directors

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

Audit Committee Members

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

Registered Office

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

Factories

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

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

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

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

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

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

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

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

Human Resource Committee

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

Company Secretary

Mr. Ghulam Farooq

Chief Financial Officer

Mr. Abdul Qadir

Auditor

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.

Share Registrar

THK Associates (Pvt.) Limited

Bankers / Institutions

Allied Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Industrial & Commercial Bank of China Limited
JS Bank Limited
Meezan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
National Bank of Pakistan
Pak Brunei Investment Co Ltd
Pak Oman Investment Co. Ltd
Standard Chartered Bank (Pakistan) Limited
Summit Bank Limited

Ismail Industries Limited

DIRECTORS REVIEW

DIRECTORS REVIEW

The Directors of the Company are pleased to present the stand alone and consolidated un-audited condensed interim financial statements of the Company for the quarter and nine-month period ended March 31, 2017. The financial performance of the Company for the period under review is summarized below:

Description	31-Mar-17	31-Mar-16	Change in
	PKR in Million		%
Turnover	17,027	15,403	10.54%
Gross Profit	2,762	2,385	15.81%
Operating Profit	1,160	1,206	-3.81%
Profit before tax	1,046	899	16.35%
Profit after tax	861	693	24.24%
Earnings per share – Rupees	13.50	10.87	24.20%

Though the period under review was challenging for the country with volatile social, economic and business conditions, despite all these circumstances, the overall performance of Company's food and plastic division was quite satisfactory. The Company has closed its nine-month period with a steady growth of around 11% in sales over the same period of last year. With a high sales season around the corner, the Company has strategically started building brand and consumer engagements to strongly close the nine month with better results.

On the profitability front, through effective management of cost of goods sold, the Company has maintained the gross margins. Efficiency in sales as well as production showed improvements through introduction of new products, prudent management of funds, and cost control. Cost rationalization initiatives across the entire spectrum of business will continue to remain our priority and this has reflected in our earnings after tax for the period under review which is Rs. 861 million in comparison of Rs. 693 million earned in same period last year.

Future Outlook

The Company have optimistic and aggressive view on its growth prospects. The management continues to create value through investments, innovations and improvements in operations. We will continue to follow a focused approach to aggressively grow the business by driving volumes and reaping the benefits of economies of high scales. The management is hopeful to counter the economic and competitive challenges and continue the path of growth in the period ahead.

Acknowledgement

Directors acknowledge the trust and continued support of valuable customers, financial institutions and shareholders towards the Company. They would also like to place on record their appreciation to all employees of the Company for their dedication, diligence and hard work.

On behalf of the Board of Directors

Karachi: April 24, 2017

Munsarim Saifullah
Chief Executive

Ismail Industries Limited

ڈائریکٹر کا جائزہ

کمپنی کے ڈائریکٹر زمرست کے ساتھ 31 مارچ 2017 کو اختتام شدہ سہ ماہی نو ماہ کے لیے کمپنی کے کاروباری اور باجی (ایگریڈ) گوشوارے پیش کرتے ہیں۔ مذکورہ دورانیہ کے کمپنی کی مالیاتی کارکردگی مندرجہ ذیل ہیں۔

تفصیل	31 مارچ 2017	31 مارچ 2016	تبدیلی
	ملین پاکستانی روپے	ملین پاکستانی روپے	فیصد
مجموعی فروخت	17,027	15,403	10.54%
مجموعی منافع	2,762	2,385	15.81%
خام منافع	1,160	1,206	-3.81%
قبل از محصول منافع	1,046	899	16.35%
بعد از محصول منافع	861	693	24.24%
فی ص آداں - روپے	13.50	10.87	24.20%

زیر جائزہ عرصہ میں ملک میں سماجی، معاشی، کاروباری و دیگر عوامل کے عدم استحکام کے باوجود کمپنی کی غذائی اور پلاسٹک شعبہ جات کی مجموعی کارکردگی کافی اطمینان بخش رہی۔ سال گزشتہ کے اہدائی نو ماہ کی فروخت کے مقابلہ میں اس سال اسی عرصہ میں فروخت 11 فیصد اضافی رہی۔ عرصہ زائد الفروخت میں کمپنی نے برآمد کی تشہیر و صارفین سے رابطہ کی حکمت عملی کے ذریعہ نو ماہ میں بہترین نتائج حاصل کئے ہیں۔

بہ اعتبار منفعت، کمپنی نے موثر انتظام ہر اے پیداواری لاگت کے ذریعہ مجموعی سطح پر قرار رکھی ہیں۔ نئی مصنوعات جتنا طر انتظام زراور لائی قابو کے ذریعہ موثر فروخت و پیداوار کارخانہ رہا ہے۔ کاروباری مجموعی فضا میں معقول لاگت فیصلے ہماری بنیادی ترجیح رہی ہے، گزشتہ سال کے اسی عرصہ کے 693 ملین روپے کے مقابلہ میں اس سال کے 861 ملین روپے کا بعد از محصول منافع اسی امر کا عکاس ہے۔

مستقبل کی پیش بینی

کمپنی نمونہ کے امکانات پر امید افزا و سر بل نظر رکھے ہوئے ہے۔ انتظامیہ کاروباری عمل میں سرمایہ کاری، جدت اور بہتری کے ذریعہ بہترین قدروں کا تسلسل جاری رکھے ہوئے ہے۔ ہم بہترین معاشی اعداد و اربوں کے منفعت بخش حصول کے لئے سر بل نمونہ پر اپنی نظر کو مرکوز رکھے ہوئے اپنی استعداد کو بروئے کار لائیں گے۔ انتظامیہ معاشی و مسابقتی تقابل کے ساتھ ساتھ آئندہ عرصہ کی ترقی نمونہ کے لئے بھی پرامید ہے۔

خراج تحسین

ڈائریکٹر زمرست نے قابل احترام صارفین، حصص داران اور مالیاتی اداروں کا ان کے اعتماد اور مسلسل اعانت کے تہدول سے مشکور ہیں۔ جائزہ دہنی اور انتہائی محنت کے صلہ میں ملازمین بھی تحسین کے مستحق ہیں۔

منجانب بورڈ آف ڈائریکٹر

منصرم سیف اللہ

چیف ایگزیکٹو

کراچی: 24 اپریل 2017

**STANDALONE CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTH PERIOD
ENDED MARCH 31, 2017**

Ismail Industries Limited

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2017

	Note	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
ASSETS			
Non-current assets			
Property, plant and equipments	6	9,653,489,840	7,978,134,510
Long-term investments	7	4,025,781,209	4,272,437,640
Long-term deposits		42,763,963	56,549,476
Total non-current assets		13,722,035,012	12,307,121,626
Current assets			
Stores and spares	8	168,142,913	152,434,952
Stock-in-trade	9	5,663,158,867	5,749,920,212
Trade debts	10	916,601,810	1,181,827,121
Advances - considered good		195,756,091	143,600,964
Short term investments		-	37,447,999
Trade deposits and short-term prepayments		47,826,089	32,346,886
Other receivables		510,276,806	439,041,263
Taxation - net		691,788,232	499,693,704
Cash and bank balances	11	77,889,726	60,140,043
Total current assets		8,271,440,534	8,296,453,144
Total assets		21,993,475,546	20,603,574,770
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2016: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital			
63,804,750 (June 30, 2016: 50,520,750) ordinary shares of Rs.10 each			
full paid in cash		638,047,500	505,207,500
Capital to be issued pursuant to amalgamation		-	132,840,000
Reserves		5,508,345,716	5,360,837,355
Total shareholders' equity		6,146,393,216	5,998,884,855
Non-current liabilities			
Sponsors' loan - subordinated		902,151,770	902,151,770
Long-term finances - secured	13	5,680,724,262	4,346,412,901
Liabilities against assets subject to finance lease		181,825,733	148,441,628
Deferred liabilities		906,197,469	800,247,964
Total non-current liabilities		7,670,899,234	6,197,254,263
Current liabilities			
Trade and other payables	14	1,294,013,212	1,583,216,525
Accrued mark-up		101,872,423	80,996,630
Short-term finance - secured	15	4,810,619,896	4,447,779,750
Current portion of:			
- long-term finances - secured	13	1,759,804,796	2,073,367,018
- liabilities against assets subject to finance lease		73,994,679	112,247,286
Advances from customers		135,878,090	109,828,443
Total current liabilities		8,176,183,096	8,407,435,652
Total liabilities		15,847,082,330	14,604,689,915
Contingencies and commitments	16		
Total equity and liabilities		21,993,475,546	20,603,574,770

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

Ismail Industries Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2017

	Note	Nine-month Period ended		Quarter ended	
		March 31, 2017 Rupees	March 31, 2016 Rupees (Restated)	March 31, 2017 Rupees	March 31, 2016 Rupees (Restated)
Sales	20.2	17,026,716,993	15,402,632,701	5,948,095,874	5,578,534,060
Sales tax		(2,572,307,126)	(2,313,674,406)	(902,838,925)	(835,768,749)
Net sales		14,454,409,867	13,088,958,295	5,045,256,949	4,742,765,311
Cost of sales	20.2	(11,692,872,993)	(10,704,273,320)	(4,284,005,253)	(3,851,603,753)
Gross profit		2,761,536,874	2,384,684,975	761,251,696	891,161,558
Selling and distribution expenses		(1,381,650,115)	(1,039,067,754)	(571,610,330)	(422,851,074)
Administrative expenses		(219,592,734)	(139,196,922)	(76,149,033)	(42,557,579)
		(1,601,242,849)	(1,178,264,676)	(647,759,363)	(465,408,653)
Operating profit		1,160,294,025	1,206,420,299	113,492,333	425,752,905
Other expenses		(94,461,493)	(76,997,180)	(20,810,517)	(31,790,266)
		1,065,832,532	1,129,423,119	92,681,816	393,962,639
Other income		156,952,004	137,291,257	79,730,736	78,854,224
		1,222,784,536	1,266,714,376	172,412,552	472,816,863
Finance cost		(504,660,271)	(628,658,534)	(135,794,499)	(200,598,438)
		718,124,265	638,055,842	36,618,053	272,218,425
Share of profit from associate		327,985,315	260,705,965	219,517,492	141,739,885
Profit before income tax		1,046,109,580	898,761,807	256,135,545	413,958,310
Income tax expense		(185,058,225)	(205,309,026)	(3,419,409)	(91,950,194)
Profit for the period		861,051,355	693,452,781	252,716,136	322,008,116
Earnings per share - basic and diluted	17	13.50	10.87	3.96	5.05

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

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Ismail Industries Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

		Nine-month period ended		Quarter ended	
		March 31, 2017 Rupees	March 31, 2016 Rupees (Restated)	March 31, 2017 Rupees	March 31, 2016 Rupees (Restated)
Profit for the period		861,051,355	693,452,781	252,716,136	322,008,116
Unrealized appreciation / (diminution) on available for sale investment	7.5	69,160,000	15,400,000	(10,080,000)	(21,000,000)
Share of other comprehensive income from associated undertaking - net of tax	7.4	(367,972,119)	(23,455,237)	(422,229,131)	(85,666,931)
Other comprehensive income for the period - net of tax		(298,812,119)	(8,055,237)	(432,309,131)	(106,666,931)
Total comprehensive income for the period		562,239,236	685,397,544	(179,592,995)	215,341,185

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

Ismail Industries Limited

CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	Note	Un-audited March 31, 2017 Rupees	Un-audited March 31, 2016 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	18	3,712,226,873	1,837,271,056
Gratuity paid		(21,172,808)	(12,414,044)
Taxes paid		(315,461,225)	(131,629,352)
Long-term deposits received /(paid)		13,785,513	(3,053,930)
Net cash generated from operating activities		3,389,378,353	1,690,173,730
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(2,224,465,479)	(805,471,655)
Proceeds from sale of investment		37,316,032	-
Proceeds from disposal of property, plant and equipments		6,494,672	4,070,843
Net cash used in investing activities		(2,180,654,775)	(801,400,812)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Rental paid)/ lease obtained		(4,868,502)	73,607,035
Dividends paid		(413,974,303)	(303,926,052)
Long-term finance less repayments		1,020,749,139	(174,446,353)
Financial charges paid		(483,784,478)	(585,362,863)
Net cash from/(used in) financing activities		118,121,856	(990,128,233)
Net increase in cash and cash equivalents		1,326,845,434	(101,355,316)
Cash and cash equivalents at the beginning of the period		(1,646,925,147)	(2,055,771,075)
Cash and cash equivalents at the end of the period	19	(320,079,713)	(2,157,126,391)

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

Ismail Industries Limited

CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	Issued, subscribed and paid up capital	Capital to be Issued pursuant to amalgamation	Reserves				Total reserves	Share holders' equity
			Share premium	Other comprehensive income	Amalgamation reserves	Unappropriated profit		
Balance as at June 30, 2015								
	505,207,500	-	579,265,000	108,298,558	-	2,782,391,410	3,469,954,968	3,975,162,468
Total comprehensive income for the period								
	-	-	-	-	-	693,452,781	693,452,781	693,452,781
	-	-	-	(8,055,237)	-	-	(8,055,237)	(8,055,237)
	-	-	-	(8,055,237)	-	693,452,781	685,397,544	685,397,544
Transaction with owners								
	-	-	-	-	-	-	-	-
	505,207,500	-	579,265,000	100,243,321	-	3,172,719,691	3,852,228,012	4,357,435,512
Balance as at June 30, 2016								
	505,207,500	132,840,000	579,265,000	382,805,697	916,862,067	3,481,904,591	5,360,837,355	5,998,884,855
	132,840,000	(132,840,000)	-	-	-	-	-	-
Total comprehensive income for the period								
	-	-	-	-	-	861,051,355	861,051,355	861,051,355
	-	-	-	-	-	-	(298,812,119)	(298,812,119)
	-	-	-	(298,812,119)	-	861,051,355	562,239,236	562,239,236
Transaction with owners								
	-	-	-	-	-	-	-	-
	638,047,500	-	579,265,000	83,993,578	916,862,067	3,928,223,071	5,505,345,716	6,146,393,516

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

1 LEGAL STATUS AND OPERATIONS

Ismail Industries Limited (the Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office of the Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Previously the shares of the Company were listed on the Karachi and Lahore Stock Exchanges. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange effective January 11, 2016 the shares of the company are now quoted on Pakistan Stock Exchange. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astro films' respectively.

- 1.1 The High Court of Sindh through its order dated September 22, 2016 has sanctioned the scheme of merger of Astro Plastics (Private) Limited (APL) with and into Ismail Industries Limited (IIL). Pursuant to this sanction, the entire business of APL including Properties, Assets, Liabilities, and the Rights and Obligations have been amalgamated with and into and vest in the IIL with effect from the effective date as mentioned in the scheme i.e., on July 1, 2015. The relevant details of the transactions are more clearly explained in note 1.2 to the financial statements for the year ended June 30, 2016. Consequently, the comparative results in these financial information have been restated to reflect the financial results and cash flows of APL from January 01, 2016 to March 31, 2016 and from July 01, 2015 to March 31, 2016 respectively (as referred in note 21).

2 STATEMENT OF COMPLIANCE

The condensed interim financial information of the Company for the nine month period ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 – "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 or directives of Securities and Exchange Commission of Pakistan (SECP) have been followed.

This condensed interim financial statements is being submitted to the shareholders as required by section 245 of Companies Ordinance, 1984 and the Listing Regulation of Pakistan Stock Exchange Limited.

The condensed interim financial information does not include all of the information required for complete set of annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2016.

2.1 Basis of measurement

The 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.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

The condensed interim financial information comprise condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, 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 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, 2016.
- 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 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, 2016.

5 FUNCTIONAL AND PRESENTATION CURRENCY

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

6 PROPERTY, PLANT AND EQUIPMENTS

	Note	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
Operating fixed assets	6.1	7,824,614,841	7,277,200,910
Capital work in progress	6.2	1,828,874,999	700,933,600
		<u>9,653,489,840</u>	<u>7,978,134,510</u>

Ismail Industries Limited

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----		-----At net book value-----	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	Rupees			
	(Restated)		(Restated)	
Owned assets				
Leashold land	123,244,641	-	-	-
Bulidig on leasehold land	154,192,765	1,122,640	-	-
Plant and machinery	678,945,112	471,094,603	-	-
Furniture and fittings	657,715	344,707	-	-
Equipment	3,375,557	10,021,382	-	-
Computers	1,491,038	2,072,139	43,396	34,878
Vehicles	97,169,967	820,512	2,667,468	1,586,180
	<u>1,059,076,795</u>	<u>485,475,983</u>	<u>2,710,864</u>	<u>1,621,058</u>
Leased assets				
Plant and machinery	-	64,098,224	-	-
Vehicles	37,447,285	9,656,325	-	-
	<u>37,447,285</u>	<u>73,754,549</u>	<u>-</u>	<u>-</u>
	<u>1,096,524,080</u>	<u>559,230,532</u>	<u>2,710,864</u>	<u>1,621,058</u>

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	-----Rupees-----			
	(Restated)		(Restated)	
Civil works	474,310,130	213,628,696	154,192,765	1,122,640
Plant and machinery	1,433,886,515	501,442,184	676,269,063	471,094,603
Electric insallation	33,059,268	-	2,676,049	-
Equipments and fixtures	18,194,195	13,753,576	4,033,272	10,366,089
Software development	5,662,440	-	-	-
	1,965,112,548	728,824,456	837,171,149	482,583,332

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	Note	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
7 LONG-TERM INVESTMENTS			
Investment in subsidiary Company- unquoted shares			
Hudson Pharma (Private) Limited	7.1	605,984,000	605,984,000
Investment in associated undertakings			
Novelty Enterprises (Private) Limited	7.2	228,763,991	228,763,991
The Bank of Khyber	7.3	2,827,033,218	3,142,849,649
		3,055,797,209	3,371,613,640
Other investment-Available for sale			
Bank Islami Pakistan Limited	7.5	364,000,000	294,840,000
		4,025,781,209	4,272,437,640

7.1 Hudson Pharma (Private) Limited

The Company holds 71.29% (June 30, 2016: 71.29%) voting and equity interest in Hudson Pharma (Private) Limited (HPL). HPL was incorporated under Company Ordinance 1984 as private company Limited by shares and the principal activities of the company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical drugs and medicines. However, the company has not commenced commercial operations yet and investment is stated at cost. The shares of Hudson Pharma (Private) Limited are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of Hudson Pharma (Private) Limited is June 30.

7.2 Novelty Enterprises (Private) Limited

The Company holds 33% (June 30, 2016: 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, 2016 based on un-audited financial statements amounted to Rs. 561.53 million (2016: Rs. 561.53 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.1,241.907 million (June 2016: Rs. 758.34 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 and hence the investment is stated at cost.

7.3 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (June 30, 2016: 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 annual audited financial statements of the Bank for the year ended December 31, 2016 and March 31, 2017. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on March 31, 2017 was Rs. 3,622.17 million (June 30, 2016: Rs. 3,032.57 million).

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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31,	June 30,	March 31,	June 30,
	2017	2016	2017	2016
Carrying value at beginning of the period	3,142,849,649	2,663,030,998	228,763,991	229,724,069
Purchase during the period		-		
Share of profit relating to profit and loss account	327,985,315	507,360,301	-	(960,078)
Dividend received	(275,829,627)	(302,048,789)	-	-
Share of (loss)/profit relating to other comprehensive income - net of tax	(367,972,119)	274,507,139	-	-
Carrying value at end of the period	2,827,033,218	3,142,849,649	228,763,991	228,763,991

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

		(Un-audited)	(Audited)
		March 31,	June 30,
		2017	2016
		Rupees	Rupees
7.5 Bank Islami Pakistan Limited			
Carrying Value		294,840,000	285,600,000
Unrealized appreciation in value of investment		69,160,000	9,240,000
Fair value of investment		364,000,000	294,840,000
8 STORES AND SPARES			
Stores and spare parts - gross		172,385,738	149,193,880
Diesel and liquified petroleum gas		1,289,995	1,252,300
Others		2,383,600	9,500,192
Provision for slow moving spare parts	8.1	(7,916,420)	(7,511,420)
Store and spares - net		168,142,913	152,434,952
8.1 Reconciliation of provision for slow moving spare parts			
Opening provision		(7,511,420)	(6,971,420)
Charge for the period / year		(405,000)	(540,000)
Closing provision		(7,916,420)	(7,511,420)
9 STOCK-IN-TRADE			
Raw materials	9.1	4,415,648,802	3,951,251,890
Packing materials	9.1	366,853,991	354,703,036
Work-in-process		80,355,543	65,927,451
Finished goods		800,300,531	1,378,037,835
		5,663,158,867	5,749,920,212

- 9.1 Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,404,278 (June 30, 2016: Rs.13,404,278) and Rs.161,132,105 (June 30, 2016: Rs. 150,332,105) respectively.

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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
10 TRADE DEBTS		
Considered good		
- secured (export debtors)	90,199,863	138,962,888
- unsecured	826,401,947	1,042,864,233
	916,601,810	1,181,827,121
Considered doubtful	42,664,885	39,964,885
Trade debts - gross	959,266,695	1,221,792,006
Provision for doubtful debts	(42,664,885)	(39,964,885)
Trade debts - net	916,601,810	1,181,827,121
11 CASH AND BANK BALANCES		
Cash in hand	3,110,326	2,460,524
Cash with banks in:		
- current accounts- <i>conventional</i>	43,278,974	47,091,543
- current accounts- <i>islamic</i>	31,500,426	10,587,976
	77,889,726	60,140,043

12 SPONSORS' LOAN - SUBORDINATED

The company has obtained interest free loan from its sponsors. The sponsors have entered into agreements with the company and various banks in which they have undertaken to sub-ordinate their loans and their claims over the company's assets. These loans will convert within one year to ordinary shares after the merger of Astro Plastics (Private) Limited with the company and are under advance stage of discussion for conversion to ordinary shares. The required formalities would be completed once final decision and agreement has been reached.

13 LONG TERM FINANCES - secured

	(Un-audited) March 31, 2017			(Audited) June 30, 2016		
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	4,740,613,260	1,679,166,659	6,419,779,919	2,239,035,917	1,595,745,610	3,834,781,527
Obtained during the period / year	5,062,194,491	450,000,000	5,512,194,491	4,452,854,371	350,000,000	4,802,854,371
Repaid during the period / year	(4,323,945,353)	(167,500,000)	(4,491,445,353)	(1,951,277,028)	(266,578,951)	(2,217,855,979)
	5,478,862,398	1,961,666,659	7,440,529,058	4,740,613,260	1,679,166,659	6,419,779,919
Less: Current maturity	(1,259,804,793)	(500,000,003)	(1,759,804,796)	(1,725,867,014)	(347,500,004)	(2,073,367,018)
	4,219,057,605	1,461,666,656	5,680,724,262	3,014,746,246	1,331,666,655	4,346,412,901

- 13.1 These represent term finance facilities obtained for property, plant, and equipments. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over property, plant and equipments of the company and personal guarantees of the directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.20% to 3 month KIBOR + 1.25% and from 0.75% to 1 % above the State Bank of Pakistan rate for LTFF.

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SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

		(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
14	TRADE AND OTHER PAYABLES		
	Trade creditors	1,064,304,145	1,345,421,041
	Other liabilities	229,709,067	237,795,484
		<u>1,294,013,212</u>	<u>1,583,216,525</u>
15	SHORT TERM FINANCES - Secured		
	Term finances-conventional	15.1 1,830,720,009	1,573,404,789
	Term finances-islamic	15.2 2,130,930,448	999,309,771
	Export refinances	15.3 451,000,000	168,000,000
	Running finance utilized under mark-up arrangement	15.4 397,969,439	1,707,065,190
		<u>4,810,619,896</u>	<u>4,447,779,750</u>

15.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 3,055 million (2016: Rs. 3,825 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 5.98% to 7.05% per annum (2016: 6.42% to 7.49% per annum).

15.2 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,800 million (2016: Rs. 2,700 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 6.22% to 6.31% per annum (2016: 6.39% to 7.86% per annum).

15.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 451 million (2016: Rs. 490 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.50% to 1% above the State Bank of Pakistan (SBP) rate per annum (2016: 0.75% to 1% above SBP rate per annum).

15.4 These facilities for running finances available from various banks aggregated to Rs. 2,404 million (2016: Rs. 3,325 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 6.27% to 7.30% per annum (2016: 6.50% to 8.51% per annum).

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 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 did not 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.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

- 16.1.2** Suit no. 17 of 2009 was filed against the Company and Lasbella Industrial Estates Development Authority (LIEDA) for illegal allotment of Plot No. C-386 Hub Industrial Trading Estate (HITE) which was set aside by the High Court of Balochistan, Quetta and the Court of Senior Civil Judge decreed in favor of plaintiff.

The Company has preferred appeal to High Court of Balochistan, Quetta. No provision has been made in these financial statements against this aforementioned suit as the management of the Company, based on the advice of its legal counsel, is of the opinion that the abovementioned judgment is contrary to the facts and law and not based on proper appraisal of evidence and correct appreciation of law. Further, the Company has completed construction and is running factory on the land in dispute, therefore, it is not viable to restore possession of the suit property to the plaintiff and the Company shall contest the case in the higher Courts if warranted. The High Court of Balochistan, Quetta has set aside the case on February 24, 2014 and the case shall start afresh in the next hearing.

Further, in case of any adverse decision, LIEDA would be required to allot alternative plot to the plaintiff and the Company would not be affected by any adverse decision of the Court.

- 16.1.3** The Company has filed appeal before the Commissioner (Appeals), LTU, Karachi against certain add-backs out of expenses claimed and short tax credit allowed during the proceeding u/s 122 5A of the Ordinance. As per the tax advisor of the Company the order by the commissioner will not have any impact on the tax liability of the Company as its falls under minimum tax. However, if tax credit is allowed by the commissioner Appeal the Company's tax refund of tax year 2014 will increase by Rs. 26.376 million.

- 16.1.4** As the Ministry of Industries has declared BOPET film manufacturing project of the Company as Pioneer industry, after which imports of capital goods shall be duty free. The Company approached Board of Investment (BOI) for the permission of imports who entertained the request and is in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Company imported some capital goods and as per section 81 of The Customs Act, 1969, issued post dated cheques amounting to Rs. 557.403 million (June 2016: Rs. 557.403 million) for provisional clearance in favour of Collector of Custom. However, due to delay on part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The company had filed the subject petition to refrain FBR and Pakistan Customs to encash the securities, submitted against the provisional release of the plant and machineries, and also to issue formal notification to endorse the earlier decision of Ministry of Industries dated August 15, 2012. The Hon'ble High Court vide order dated May 13, 2015, has passed interim orders in favor of the company, which are still operative. The management of the Company, based on legal counsel's opinion, is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospectively.

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

16.1.5 The Company has filed suit against Federation of Pakistan, Federal Board of Revenue, Collectors of Custom and Collectorate of Custom in Sindh High Court against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% import duty on import of Poly Ethylene Terephthalate (PET). In this connection Sindh High Court vide order dated March 12, 2013 directed that custom duties at the rate of 3% to be paid by the Company and insofar as differential amount is concerned 2.5% shall be deposited in cash with the Nazir of the Honorable High Court and 2.5% shall be paid through post dated cheques to the Nazir. In this connection the Company has deposited pay orders amounting to Rs. 109.383 million (June 2016: Rs. 100.217 million) and issued post dated cheques amounting to Rs. 109.383 million (June 2016: Rs. 100.217 million) in favour of Nazir of High Court as directed. Further, the Company has filed petition for rationalization of duty structure on PET Resin. Subsequent to the year end, the main grievance of the Company for classifying the Pet Resin (Film Grade) and Pet Resin (Yarn Grade) under the same PCT Heading has already been redresses in Fiscal Budget (2015-16) and from 01st July, 2015, the major raw material for BOPET film manufacturing i.e. PET Resin – Film Grade is being imported on the same rate as applicable to PET Resin – Yarn Grade. However, the retrospective relief on the previous consignments has been regretd by the Honorable High Court which has been challenged in Honorable Supreme Court of Pakistan. As per legal Counsel, there is no immediate financial liability against the Company in the abovementioned matter and has a good prima facie case.

	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
16.2 Commitments		
Outstanding letter of guarantees	<u>526,229,560</u>	<u>432,740,600</u>
Outstanding letter of credit for:		
- capital expenditures	<u>483,223,219</u>	<u>1,345,595,856</u>
- others	<u>340,182,038</u>	<u>1,819,393,537</u>
Rentals under Ijarah contract		
Not later than one year	-	44,412,224
Over one year to five years	-	63,633,725
	<u>-</u>	<u>108,045,949</u>

17 EARNINGS PER SHARE-Basic and Diluted

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

	(Un-audited) March 31, 2017 Rupees	(Un-audited) March 31, 2016 Rupees (Restated)
Basic earnings per share		
Profit for the period	<u>861,051,355</u>	<u>693,452,781</u>
	----- (Number) -----	
Weighted average number of ordinary shares during the period	<u>63,804,750</u>	<u>63,804,750</u>
	----- (Rupees) -----	
Basic earnings per share	<u>13.50</u>	<u>10.87</u>

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		(Un-audited) March 31, 2017 Rupees	(Un-audited) March 31, 2016 Rupees
18	CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES		
	Profit before income tax	1,046,109,580	898,761,807
	Adjustments for non-cash and other items:		
	Depreciation	546,399,285	532,537,711
	Gain on disposal of property, plant and equipments - net loss on sale of investment	(3,783,808) 131,967	(2,449,785) -
	Provision for staff retirement gratuity	65,347,972	65,476,516
	Share of profit from associated undertaking	(327,985,315)	(260,705,965)
	Dividend receivable	275,829,627	-
	Finance cost	504,660,271	628,658,534
	Net increase in working capital	18.1 1,605,517,294	(25,007,761)
		<u>3,712,226,873</u>	<u>1,837,271,057</u>
18.1	Working capital changes		
	Current assets		
	(Increase) / Decrease in current assets		
	Stores and spares	(15,707,961)	(27,676,025)
	Stock-in-trade	86,761,345	512,227,641
	Trade debts	265,225,311	(413,975,547)
	Advances - considered good	(52,155,127)	(117,808,792)
	Trade deposits and short-term prepayments	(15,479,203)	11,981,663
	Other receivables	(71,235,543)	22,336,317
		<u>197,408,822</u>	<u>(12,914,743)</u>
	Current liabilities		
	Increase / (Decrease) in current liabilities		
	Trade and other payables	(289,877,072)	392,008,709
	Short-term finances	1,671,935,897	(672,153,591)
	Advance from customers	26,049,647	268,051,863
		<u>1,408,108,472</u>	<u>(12,093,019)</u>
	Net increase in working capital	<u>1,605,517,294</u>	<u>(25,007,761)</u>
19	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	11 77,889,726	132,763,411
	Running finances under mark-up arrangement	15 (397,969,439)	(2,289,889,802)
		<u>(320,079,713)</u>	<u>(2,157,126,391)</u>

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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

20 SEGMENT INFORMATION

A segment is a distinguishable component of the company that is engaged in business activities from which the company earns revenues and incurs expenses and its results are regularly reviewed by the company's chief operating decision maker to make decision about performance. The company has two reportable segments, namely, Food Processing and Plastic Film.

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

- Food processing
- Plastic film

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

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

	Quarter ended				Nine month ended			
	Food Processing		Plastic Film		Food Processing		Plastic Film	
	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017
Total	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017
Revenues								
Sales								
Local	4,429,084,930	1,261,120,425	6,238,153,778	5,633,672,324	13,726,165,863	11,936,469,010	3,839,341,008	3,470,770,462
Export	200,085,631	78,038,622	273,162,953	192,844,742	496,706,460	355,862,592	181,062,762	242,942,387
Export rebates	3,501,049	-	3,501,049	3,250,517	8,784,756	8,032,022	-	598,905,179
Inter-segment sales	-	-	-	-	-	-	-	-
Total	5,166,426,033	1,339,151,047	6,514,817,780	5,849,737,586	14,231,656,079	12,300,363,624	4,020,403,800	3,740,490,603
Expenses								
Less:								
Sales return and discounts	(556,327,149)	(33,148,037)	(559,475,206)	(271,203,520)	(1,206,601,938)	(596,963,258)	(79,331,948)	(1,225,342,886)
Sales tax	(714,050,827)	(655,411,935)	(1,801,356,814)	(835,768,719)	(1,995,178,157)	(1,795,645,045)	(677,128,969)	(3,182,029,401)
Net sales	3,899,048,057	599,791,075	4,142,184,862	4,742,765,347	11,030,466,984	9,507,756,317	3,423,942,883	3,234,662,934
Cost of sales	(3,246,075,315)	(1,037,929,938)	(4,234,005,253)	(3,531,653,753)	(8,646,466,876)	(7,963,791,772)	(3,046,406,117)	(10,272,733,320)
Selling and distribution	(64,343,416)	(27,643,813)	(77,984,841)	(40,643,813)	(186,653,379)	(121,671,688)	(73,292,517)	(116,848,413)
Administrative expenses	(84,470,406)	(30,384,343)	(1,149,033)	(42,557,579)	(189,653,379)	(121,671,688)	(73,292,517)	(139,196,923)
Depreciation	(3,844,620,027)	(2,269,303,490)	(4,031,764,636)	(4,137,012,400)	(103,300,923,855)	(89,332,411,773)	(3,164,056,535)	(3,294,115,842)
Segment result	43,422,030	76,070,303	58,653,027	425,752,905	900,407,699	975,413,584	259,866,326	231,006,711
Unallocated income and expenses								
Other operating income	367,689,878	-	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-
Share of profit from associated undertakings	-	-	-	-	-	-	-	-
Profit before taxation	43,422,030	76,070,303	58,653,027	425,752,905	900,407,699	975,413,584	259,866,326	231,006,711
Profit for the period	43,422,030	76,070,303	58,653,027	425,752,905	900,407,699	975,413,584	259,866,326	231,006,711
20.2 Reconciliation of reportable segment sales and cost of sales								
Sales net of sales return and discount								
Total sales for reportable segments	5,166,426,033	1,339,151,047	6,514,817,780	5,849,737,586	14,231,656,079	12,300,363,624	4,020,403,800	3,740,490,603
Add: Sales tax	714,050,827	655,411,935	1,801,356,814	835,768,719	1,995,178,157	1,795,645,045	677,128,969	3,182,029,401
Less: Elimination of inter-segments sales	(3,501,049)	-	(3,501,049)	-	(8,784,756)	-	-	-
Total sales	5,844,475,811	2,000,562,982	8,312,673,545	6,685,506,305	16,126,049,480	14,095,603,669	4,700,532,769	6,922,519,004
Cost of sales								
Total cost of sales for reportable segments	(3,246,075,315)	(1,037,929,938)	(4,234,005,253)	(3,531,653,753)	(8,646,466,876)	(7,963,791,772)	(3,046,406,117)	(10,272,733,320)
Elimination of inter-segments purchases	(64,343,416)	(27,643,813)	(77,984,841)	(40,643,813)	(186,653,379)	(121,671,688)	(73,292,517)	(116,848,413)
Total cost of sales	(3,310,418,731)	(1,065,573,751)	(4,311,990,094)	(3,572,307,566)	(8,833,120,255)	(8,085,463,460)	(3,119,698,634)	(10,389,581,733)

Ismail Industries Limited

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Food Segment		Plastic Segment		Total	
	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016
Rupees						
20.3 Segment assets	7,205,743,134	9,583,674,404	10,394,438,211	6,405,019,562	17,600,181,345	15,988,693,966
20.4 Unallocated assets	-	-	-	-	4,393,294,201	4,614,880,804
	7,205,743,134	9,583,674,404	10,394,438,211	6,405,019,562	21,993,475,546	20,603,574,770
20.5 Segment liabilities	1,335,473,170	1,775,537,286	5,006,910,451	4,572,015,250	6,342,383,621	6,347,552,536
20.6 Unallocated liabilities	-	-	-	-	9,504,698,709	8,257,137,379
	1,335,473,170	1,775,537,286	5,006,910,451	4,572,015,250	15,847,082,330	14,604,689,915

20.7 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

20.8 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.

20.9 There were no major customers of the company which formed 10 percent or more of the company's revenue.

	(Un-audited)	(Audited)
	March 31, 2017	June 30, 2016
	Rupees	Rupees

20.10 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

20.11 Assets

Total assets for reportable segments	20.3	17,600,181,345	15,988,693,966
Administrative capital assets		367,512,992	342,443,164
Long term investment	7	4,025,781,209	4,272,437,640
Total assets		21,993,475,546	20,603,574,770

20.12 Liabilities

Total liabilities for reportable segments	20.5	6,342,383,621	6,347,552,536
Sponsors' loan - subordinated		902,151,770	902,151,770
Deferred liabilities		906,197,469	674,516,776
Long term finance	13	7,440,529,058	6,419,779,919
Liabilities against assets subject to finance lease		255,820,412	260,688,914
Total liabilities		15,847,082,330	14,604,689,915

21 STATEMENT OF COMPARATIVE FIGURE

Following figures of Astro Plastic (Private) Limited for the quarter and nine-month ended of the corresponding period has been added to plastic segment by virtue of amalgamation of it with and into Ismail Industries Limited (as referred in note 1.1 and 20.1.)

	(Un-audited)	
	Nine-month Period ended	Quarter ended
	March 31, 2016 Rupees	March 31, 2016 Rupees
Sales		
Local	2,563,210,992	1,033,882,914
Export	201,295,829	58,773,558
	2,764,506,821	1,092,656,473
Less:		
Sales return and discounts	(11,005,559)	(6,168,278)
Sales tax	(386,311,032)	(156,513,586)
	(397,316,591)	(162,681,864)
Net sales	2,367,190,230	929,974,609
Cost of sales	(2,103,808,983)	(853,773,888)
Selling and distribution expenses	(60,980,301)	(24,620,042)
Administrative expenses	(16,348,227)	(2,692,497)
	(2,181,137,511)	(881,086,427)
Operating profit	186,052,720	48,888,182
Other operating income	49,546,499	27,321,466
Finance cost	(178,010,241)	(49,615,640)
Profit before taxation	57,588,978	26,594,008
Income tax expense	(15,106,373)	(16,708,948)
Profit for the period	42,482,605	9,885,060

Ismail Industries Limited

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

22 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)	
	March 31, 2017 Rupees	March 31, 2016 Rupees
Transactions		
Rent paid to Chief Executive Officer	-	1,058,750
Plasitflex Films (Private) Limited <i>(formerly Flexipack Films (Private) Limited)</i>		
Close family relationship		
- Payment against purchases	34,922,317	35,951,722
- Purchases	22,919,013	-
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	3,250,000	2,700,000
Directors	7,724,997	4,500,000
Executives	96,189,367	81,516,413
	107,164,364	88,716,413
	March 31, 2017 Rupees	June 30, 2016 Rupees
Creditors - associated company		
- Payable to associate	5,529,568	17,532,872
Sponsors' subordinated - loan		
At beginning of the period / year	902,151,770	602,151,770
Transfer from APL	-	300,000,000
At the end of the period / year	902,151,770	902,151,770

23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 24th April 2017 by the Board of the Company.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE NINE MONTH PERIOD
ENDED MARCH 31, 2017**

Ismail Industries Limited

CONSOLIDATED CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2017

	Note	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
ASSETS			
Non-current assets			
Property, plant and equipments	6	10,577,414,371	8,803,735,131
Goodwill		11,959,187	11,959,187
Long-term investments	7	3,419,797,209	3,666,453,640
Long-term deposits		44,839,021	58,594,534
Total non-current assets		14,054,009,788	12,540,742,492
Current assets			
Stores and spares	8	168,142,913	152,434,952
Stock-in-trade	9	5,663,158,867	5,749,920,212
Trade debts	10	916,601,810	1,181,827,121
Advances - considered good		209,530,741	167,254,994
Short term investments		-	37,447,999
Trade deposits and short-term prepayments		47,826,089	32,346,886
Other receivables		510,276,806	439,047,661
Taxation - net		699,582,794	505,359,100
Cash and bank balances	11	85,320,377	61,458,777
Total current assets		8,300,440,397	8,327,097,702
Total assets		22,354,450,185	20,867,840,194
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
250,000,000 (June 30, 2016: 250,000,000) ordinary share of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital			
63,804,750 (June 30, 2016: 50,520,750) ordinary shares of Rs.10 each			
full paid in cash		638,047,500	505,207,500
Capital to be issued pursuant to amalgamation		-	132,840,000
Reserves		5,494,217,619	5,360,837,355
Non-controlling interest		233,536,748	239,226,433
Total shareholders' equity		6,365,801,867	6,238,111,288
Non-current liabilities			
Sponsors' loan - subordinated		902,151,770	902,151,770
Long-term finances - secured	13	5,680,724,262	4,346,412,901
Liabilities against assets subject to finance lease		181,825,733	148,441,628
Deferred liabilities		907,932,498	801,197,655
Total non-current liabilities		7,672,634,263	6,198,203,954
Current liabilities			
Trade and other payables	14	1,433,844,172	1,607,305,825
Accrued mark-up		101,872,423	80,996,630
Short-term finance - secured	15	4,810,619,896	4,447,779,750
Current portion of:			
- long-term finances - secured	13	1,759,804,796	2,073,367,018
- liabilities against assets subject to finance lease		73,994,679	112,247,286
Advances from customers		135,878,090	109,828,443
Total current liabilities		8,316,014,056	8,431,524,952
Total liabilities		15,988,648,319	14,629,728,906
Contingencies and commitments	16		
Total equity and liabilities		22,354,450,185	20,867,840,194

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

Ismail Industries Limited

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

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	Note	Nine-month Period ended		Quarter ended	
		March 31, 2017 Rupees	March 31, 2016 Rupees (Restated)	March 31, 2017 Rupees	March 31, 2016 Rupees (Restated)
Sales	20.2	17,026,716,993	15,402,632,701	5,948,095,874	5,578,534,060
Sales tax		(2,572,307,126)	(2,313,674,406)	(902,838,925)	(835,768,749)
Net sales		14,454,409,867	13,088,958,295	5,045,256,949	4,742,765,311
Cost of sales	20.2	(11,692,872,993)	(10,704,273,320)	(4,284,005,253)	(3,851,603,753)
Gross profit		2,761,536,874	2,384,684,975	761,251,696	891,161,558
Selling and distribution expenses		(1,381,650,115)	(1,039,067,754)	(571,610,330)	(422,851,074)
Administrative expenses		(239,455,574)	(139,196,922)	(81,245,708)	(42,557,579)
		(1,621,105,689)	(1,178,264,676)	(652,856,038)	(465,408,653)
Operating profit		1,140,431,185	1,206,420,299	108,395,658	425,752,905
Other expenses		(94,461,493)	(76,997,180)	(20,810,517)	(31,790,266)
		1,045,969,692	1,129,423,119	87,585,141	393,962,639
Other income		156,997,062	137,291,257	79,730,736	78,854,224
		1,202,966,754	1,266,714,376	167,315,877	472,816,863
Finance cost		(504,660,271)	(628,658,534)	(135,794,499)	(200,598,438)
		698,306,483	638,055,842	31,521,378	272,218,425
Share of profit from associate		327,985,315	260,705,965	219,517,492	141,739,885
Profit before income tax		1,026,291,798	898,761,807	251,038,870	413,958,310
Income tax expense		(185,058,225)	(205,309,026)	(3,419,409)	(91,950,194)
Profit for the period		841,233,573	693,452,781	247,619,461	322,008,116
Shareholders of the Holding Company		846,923,258	-	249,095,653	-
Non-controlling interest		(5,689,685)	-	(1,476,192)	-
		841,233,573	-	247,619,461	-
Earnings per share - basic and diluted	17	13.18	10.87	3.88	5.05

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

Ismail Industries Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

Note	Nine-month period ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2017 Rupees	2016 Rupees (Restated)	2017 Rupees	2016 Rupees (Restated)
Profit for the period	841,233,573	693,452,781	247,619,461	322,008,116
Unrealized appreciation / (diminution) on available for sale investment	7.4	69,160,000	15,400,000	(10,080,000)
Share of other comprehensive income from associated undertaking - net of tax	7.3	(367,972,119)	(23,455,237)	(422,229,131)
Other comprehensive income for the period - net of tax		(298,812,119)	(8,055,237)	(432,309,131)
Total comprehensive income for the period		542,421,454	685,397,544	(184,689,670)

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

Ismail Industries Limited

CONSOLIDATED CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	Note	Un-audited March 31, 2017 Rupees	Un-audited March 31, 2016 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations after working capital changes	18	3,819,970,728	1,837,271,056
Gratuity paid		(21,172,808)	(12,414,044)
Taxes paid		(317,590,391)	(131,629,352)
Long-term deposits received /(paid)		13,755,513	(3,053,930)
Net cash generated from operating activities		3,494,963,042	1,690,173,730
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(2,323,938,251)	(805,471,655)
Proceeds from sale of investment		37,316,032	-
Proceeds from disposal of property, plant and equipments		6,494,672	4,070,843
Net cash used in investing activities		(2,280,127,547)	(801,400,812)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Rental paid)/ lease obtained		(4,868,502)	73,607,035
Dividends paid		(413,974,303)	(303,926,052)
Long-term finance less repayments		1,020,749,139	(174,446,353)
Financial charges paid		(483,784,478)	(585,362,863)
Net cash from/(used in) financing activities		118,121,856	(990,128,233)
Net increase in cash and cash equivalents		1,332,957,351	(101,355,316)
Cash and cash equivalents at the beginning of the period		(1,646,925,147)	(2,055,771,075)
Cash and cash equivalents at the end of the period	19	(313,967,796)	(2,157,126,391)

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

Ismail Industries Limited

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

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	Issued, subscribed and paid up capital	Capital to be issued pursuant to amalgamation	Share premium	Other comprehensive income	Amalgamation reserves	Unappropriated profit	Total reserves	Non-controlling interest	Share holders' equity
Balance as at June 30, 2015	505,207,500	-	579,265,000	106,298,358	-	2,782,914,410	3,469,956,968	-	3,975,162,468
Total comprehensive income for the period									
Profit for the nine month period ended March 31, 2016	-	-	-	-	-	693,452,781	693,452,781	-	693,452,781
Total other comprehensive income for the nine month period ended March 31, 2016	-	-	-	(8,055,237)	-	(8,055,237)	(8,055,237)	-	(8,055,237)
Total comprehensive income	-	-	-	(8,055,237)	-	693,452,781	685,397,544	-	685,397,544
Transaction with owners									
Cash dividend paid for the year ended June 30, 2016 @ Rs. 6.50 per share	-	-	-	-	-	(303,124,500)	(303,124,500)	-	(303,124,500)
Balance as at March 31, 2016	505,207,500	-	579,265,000	100,243,321	-	3,172,719,691	3,852,228,012	-	4,357,435,312
Balance as at June 30, 2016	505,207,500	132,840,000	579,265,000	382,805,697	916,862,667	3,481,904,591	5,360,837,355	239,226,433	5,998,884,855
Capital issued pursuant to amalgamation	132,840,000	(132,840,000)							
Total comprehensive income for the period									
Profit for the nine month period ended March 31, 2017	-	-	-	-	-	846,923,258	846,923,258	(5,689,685)	846,923,258
Total other comprehensive income for the nine month period ended March 31, 2017	-	-	-	(298,812,119)	-	-	(298,812,119)	-	(298,812,119)
Total comprehensive income	-	-	-	(298,812,119)	-	846,923,258	548,111,139	(5,689,685)	548,111,139
Transaction with owners									
Cash dividend paid for the year ended June 30, 2016 @ Rs. 6.50 per share	-	-	-	-	-	(414,730,875)	(414,730,875)	-	(414,730,875)
Balance as at March 31, 2017	638,047,500	-	579,265,000	83,993,578	916,862,667	3,914,096,914	5,494,217,619	233,536,748	6,132,265,119

The annexed selected notes from 1 to 23 form an integral part of this condensed interim financial information.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

1 LEGAL STATUS AND OPERATIONS

1.1 The Group consist of:

Holding company : Ismail Industries Limited

Subsidiary companies : Hudson Pharma (Private) Limited

a) Ismail Industries Limited

The Holding Company was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office of the 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.

b) Hudson Pharma (Private) Limited

The company is incorporated in Pakistan under the Companies Ordinance, 1984 (the Ordinance) as a private company limited by shares. The registered office of the company is located at 17, Bangalore Town, Main Shahra-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.

1.2 The High Court of Sindh through its order dated September 22, 2016 has sanctioned the scheme of merger of Astro Plastics (Private) Limited (APL) with and into Ismail Industries Limited (IIL). Pursuant to this sanction, the entire business of APL including Properties, Assets, Liabilities, and the Rights and Obligations have been amalgamated with and into and vest in the IIL with effect from the effective date as mentioned in the scheme i.e., on July 1, 2015. The relevant details of the transactions are more clearly explained in note 1.2 to the financial statements for the year ended June 30, 2016. Consequently, the comparative results in these financial information have been restated to reflect the financial results and cash flows of APL from January 01, 2016 to March 31, 2016 and from July 01, 2015 to March 31, 2016 respectively (as referred in note 21).

2 STATEMENT OF COMPLIANCE

The condensed interim financial information of the Group for the nine month period ended March 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 – "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 or directives of Securities and Exchange Commission of Pakistan (SECP) have been followed.

This condensed interim financial statements is being submitted to the shareholders as required by section 245 of Companies Ordinance, 1984 and the Listing Regulation of Pakistan Stock Exchange Limited.

The condensed interim financial information does not include all of the information required for complete set of annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2016.

Ismail Industries Limited

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

2.1 Basis of measurement

The 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 condensed interim financial information comprise condensed interim balance sheet, condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, 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 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, 2016.
- 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 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, 2016.

5 FUNCTIONAL AND PRESENTATION CURRENCY

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

6 PROPERTY, PLANT AND EQUIPMENTS

	Note	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
Operating fixed assets	6.1	7,852,550,973	7,301,104,101
Capital work in progress	6.2	2,724,863,398	1,502,631,030
		<u>10,577,414,371</u>	<u>8,803,735,131</u>

Ismail Industries Limited

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----		-----At net book value-----	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees -----			
	(Restated)		(Restated)	
Owned assets				
Leashold land	123,244,641	-	-	-
Bulidig on leasehold land	154,192,765	1,122,640	-	-
Plant and machinery	678,945,112	471,094,603	-	-
Furniture and fittings	657,715	344,707	-	-
Equipment	3,790,839	10,021,382	-	-
Computers	1,702,653	2,072,139	43,396	34,878
Vehicles	101,724,873	820,512	2,667,468	1,586,180
	<u>1,064,258,598</u>	<u>485,475,983</u>	<u>2,710,864</u>	<u>1,621,058</u>
Leased assets				
Plant and machinery	-	64,098,224	-	-
Vehicles	37,447,285	9,656,325	-	-
	<u>37,447,285</u>	<u>73,754,549</u>	<u>-</u>	<u>-</u>
	<u>1,101,705,883</u>	<u>559,230,532</u>	<u>2,710,864</u>	<u>1,621,058</u>

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	----- Rupees -----			
		(Restated)		(Restated)
Civil works	531,632,040	213,628,696	154,192,765	1,122,640
Plant and machinery	1,467,033,284	501,442,184	676,269,063	471,094,603
Electric insallation	33,267,268	-	2,676,049	-
Equipments and fixtures	21,808,485	13,753,576	4,033,272	10,366,089
Software development	5,662,440	-	-	-
	2,059,403,517	728,824,456	837,171,149	482,583,332

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	Note	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
7 LONG-TERM INVESTMENTS			
Investment in associated undertakings			
Novelty Enterprises (Private) Limited	7.1	228,763,991	228,763,991
The Bank of Khyber	7.2	2,827,033,218	3,142,849,649
		<u>3,055,797,209</u>	<u>3,371,613,640</u>
Other investment-Available for sale			
Bank Islami Pakistan Limited	7.4	364,000,000	294,840,000
		<u>3,419,797,209</u>	<u>3,666,453,640</u>

7.1 Novelty Enterprises (Private) Limited

The Holding Company holds 33% (June 30, 2016: 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, 2016 based on un-audited financial statements amounted to Rs. 561.53 million (2016: Rs. 561.53 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.1,241.907 million (June 2016: Rs. 758.34 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 and hence the investment is stated at cost.

7.2 The Bank of Khyber

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 241,639,031 shares which represents 24.16% of paid-up capital of the Bank (June 30, 2016: 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 annual audited financial statements of the Bank for the year ended December 31, 2016 and March 31, 2017. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on March 31, 2017 was Rs. 3,622.17 million (June 30, 2016: Rs. 3,032.57 million).

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016
Carrying value at beginning of the period	3,142,849,649	2,663,030,998	228,763,991	229,724,069
Purchase during the period		-		
Share of profit relating to profit and loss account	327,985,315	507,360,301	-	(960,078)
Dividend received	(275,829,627)	(302,048,789)	-	-
Share of (loss)/profit relating to other comprehensive income - net of tax	(367,972,119)	274,507,139	-	-
Carrying value at end of the period	<u>2,827,033,218</u>	<u>3,142,849,649</u>	<u>228,763,991</u>	<u>228,763,991</u>

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

		(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
7.4 Bank Islami Pakistan Limited			
Carrying Value		294,840,000	285,600,000
Unrealized appreciation in value of investment		69,160,000	9,240,000
Fair value of investment		<u>364,000,000</u>	<u>294,840,000</u>
8 STORES AND SPARES			
Stores and spare parts - gross		172,385,738	149,193,880
Diesel and liquified petroleum gas		1,289,995	1,252,300
Others		2,383,600	9,500,192
Provision for slow moving spare parts	8.1	(7,916,420)	(7,511,420)
Store and spares - net		<u>168,142,913</u>	<u>152,434,952</u>
8.1 Reconciliation of provision for slow moving spare parts			
Opening provision		(7,511,420)	(6,971,420)
Charge for the period / year		(405,000)	(540,000)
Closing provision		<u>(7,916,420)</u>	<u>(7,511,420)</u>
9 STOCK-IN-TRADE			
Raw materials	9.1	4,415,648,802	3,951,251,890
Packing materials	9.1	366,853,991	354,703,036
Work-in-process		80,355,543	65,927,451
Finished goods		800,300,531	1,378,037,835
		<u>5,663,158,867</u>	<u>5,749,920,212</u>
9.1	Raw materials and packing materials are stated at net of provision for slow moving items amounting to Rs.13,404,278 (June 30, 2016: Rs.13,404,278) and Rs.161,132,105 (June 30, 2016: Rs. 150,332,105) respectively.		

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	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
10 TRADE DEBTS		
Considered good		
- secured (export debtors)	90,199,863	138,962,888
- unsecured	826,401,947	1,042,864,233
	916,601,810	1,181,827,121
Considered doubtful	42,664,885	39,964,885
Trade debts - gross	959,266,695	1,221,792,006
Provision for doubtful debts	(42,664,885)	(39,964,885)
Trade debts - net	916,601,810	1,181,827,121
11 CASH AND BANK BALANCES		
Cash in hand	3,582,764	2,547,471
Cash with banks in:		
- current accounts- <i>conventional</i>	50,237,187	48,323,330
- current accounts- <i>islamic</i>	31,500,426	10,587,976
	85,320,377	61,458,777

12 SPONSORS' LOAN - SUBORDINATED

The company has obtained interest free loan from its sponsors. The sponsors have entered into agreements with the company and various banks in which they have undertaken to sub-ordinate their loans and their claims over the company's assets. These loans will convert within one year to ordinary shares after the merger of Astro Plastics (Private) Limited with the company and are under advance stage of discussion for conversion to ordinary shares. The required formalities would be completed once final decision and agreement has been reached.

13 LONG TERM FINANCES - secured

	(Un-audited) March 31, 2017			(Audited) June 30, 2016		
	Rupees					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	4,740,613,260	1,679,166,659	6,419,779,919	2,239,035,917	1,595,745,610	3,834,781,527
Obtained during the period / year	5,062,194,491	450,000,000	5,512,194,491	4,452,854,371	350,000,000	4,802,854,371
Repaid during the period / year	(4,323,945,353)	(167,500,000)	(4,491,445,353)	(1,951,277,028)	(266,578,951)	(2,217,855,979)
	5,478,862,398	1,961,666,659	7,440,529,058	4,740,613,260	1,679,166,659	6,419,779,919
	(1,259,804,793)	(500,000,003)	(1,759,804,796)	(1,725,867,014)	(347,500,004)	(2,073,367,018)
Less: Current maturity	4,219,057,605	1,461,666,656	5,680,724,262	3,014,746,246	1,331,666,655	4,346,412,901

- 13.1 These represent term finance facilities obtained for property, plant, and equipments. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over property, plant and equipments of the Holding company and personal guarantees of the directors. These facilities carry mark-up at the rate ranging from 1 month KIBOR + 0.20% to 3 month KIBOR + 1.25% and from 0.75% to 1 % above the State Bank of Pakistan rate for LTFE.

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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

		(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
14	TRADE AND OTHER PAYABLES		
	Trade creditors	1,204,135,105	1,352,606,045
	Other liabilities	229,709,067	254,699,780
		<u>1,433,844,172</u>	<u>1,607,305,825</u>
15	SHORT TERM FINANCES - Secured		
	Term finances-conventional	15.1 1,830,720,009	1,573,404,789
	Term finances-islamic	15.2 2,130,930,448	999,309,771
	Export refinances	15.3 451,000,000	168,000,000
	Running finance utilized under mark-up arrangement	15.4 397,969,439	1,707,065,190
		<u>4,810,619,896</u>	<u>4,447,779,750</u>

15.1 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 3,055 million (2016: Rs. 3,825 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 5.98% to 7.05% per annum (2016: 6.42% to 7.49% per annum).

15.2 These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 2,800 million (2016: Rs. 2,700 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 6.22% to 6.31% per annum (2016: 6.39% to 7.86% per annum).

15.3 These represented facilities for export refinance arranged from various banks aggregating to Rs. 451 million (2016: Rs. 490 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Holding Company along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.50% to 1% above the State Bank of Pakistan (SBP) rate per annum (2016: 0.75% to 1% above SBP rate per annum).

15.4 These facilities for running finances available from various banks aggregated to Rs. 2,404 million (2016: Rs. 3,325 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 6.27% to 7.30% per annum (2016: 6.50% to 8.51% per annum).

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

16.1.1 The Holding 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 did not 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 Holding Company and the debtor is being pursued to pay the decretal amount, the amount due has not been written off.

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- 16.1.2** Suit no. 17 of 2009 was filed against the Holding Company and Lasbella Industrial Estates Development Authority (LIEDA) for illegal allotment of Plot No. C-386 Hub Industrial Trading Estate (HITE) which was set aside by the High Court of Balochistan, Quetta and the Court of Senior Civil Judge decreed in favor of

The Holding Company has preferred appeal to High Court of Balochistan, Quetta. No provision has been made in these financial statements against this aforementioned suit as the management of the Holding Company, based on the advice of its legal counsel, is of the opinion that the abovementioned judgment is contrary to the facts and law and not based on proper appraisal of evidence and correct appreciation of law. Further, the Holding Company has completed construction and is running factory on the land in dispute, therefore, it is not viable to restore possession of the suit property to the plaintiff and the Holding Company shall contest the case in the higher Courts if warranted. The High Court of Balochistan, Quetta has set aside the case on February 24, 2014 and the case shall start afresh in the next hearing.

Further, in case of any adverse decision, LIEDA would be required to allot alternative plot to the plaintiff and the Holding Company would not be affected by any adverse decision of the Court.

- 16.1.3** The Holding Company has filed appeal before the Commissioner (Appeals), LTU, Karachi against certain add-backs out of expenses claimed and short tax credit allowed during the proceeding u/s 122 5A of the Ordinance. As per the tax advisor of the Holding Company the order by the commissioner will not have any impact on the tax liability of the Holding Company as its falls under minimum tax. However, if tax credit is allowed by the commissioner Appeal the Holding Company's tax refund of tax year 2014 will increase by Rs. 26.376 million.

- 16.1.4** As the Ministry of Industries has declared BOPET film manufacturing project of the Holding Company as Pioneer industry, after which imports of capital goods shall be duty free. The Holding Company approached Board of Investment (BOI) for the permission of imports who entertained the request and is in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Holding Company imported some capital goods and as per section 81 of The Customs Act, 1969, issued post dated cheques amounting to Rs. 557.403 million (June 2016: Rs. 557.403 million) for provisional clearance in favour of Collector of Custom. However, due to delay on part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited. The Holding Company had filed the subject petition to refrain FBR and Pakistan Customs to encash the securities, submitted against the provisional release of the plant and machineries, and also to issue formal notification to endorse the earlier decision of Ministry of Industries dated August 15, 2012. The Hon'ble High Court vide order dated May 13, 2015, has passed interim orders in favor of the Holding Company, which are still operative. The management of the Holding Company, based on legal counsel's opinion, is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospectively.

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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

16.1.5 The Holding Company has filed suit against Federation of Pakistan, Federal Board of Revenue, Collectors of Custom and Collectorate of Custom in Sindh High Court against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% import duty on import of Poly Ethylene Terephthalate (PET). In this connection Sindh High Court vide order dated March 12, 2013 directed that custom duties at the rate of 3% to be paid by the Holding Company and insofar as differential amount is concerned 2.5% shall be deposited in cash with the Nazir of the Honorable High Court and 2.5% shall be paid through post dated cheques to the Nazir. In this connection the Holding Company has deposited pay orders amounting to Rs. 109,383 million (June 2016: Rs. 100,217 million) and issued post dated cheques amounting to Rs. 109,383 million (June 2016: Rs. 100,217 million) in favour of Nazir of High Court as directed. Further, the Holding Company has filed petition for rationalization of duty structure on PET Resin. Subsequent to the year end, the main grievance of the Holding Company for classifying the Pet Resin (Film Grade) and Pet Resin (Yarn Grade) under the same PCT Heading has already been redresses in Fiscal Budget (2015-16) and from 01st July, 2015, the major raw material for BOPET film manufacturing i.e. PET Resin – Film Grade is being imported on the same rate as applicable to PET Resin – Yarn Grade. However, the retrospective relief on the previous consignments has been regretted by the Honorable High Court which has been challenged in Honorable Supreme Court of Pakistan. As per legal Counsel, there is no immediate financial liability against the Holding Company in the abovementioned matter and has a good prima facie case.

	(Un-audited) March 31, 2017 Rupees	(Audited) June 30, 2016 Rupees
16.2 Commitments		
Outstanding letter of guarantees	526,229,560	432,740,600
Outstanding letter of credit for:		
- capital expenditures	483,223,219	1,345,595,856
- others	340,182,038	1,819,393,537
Rentals under Ijarah contract		
Not later than one year	-	44,412,224
Over one year to five years	-	63,633,725
	-	108,045,949

17 EARNINGS PER SHARE-Basic and Diluted

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

	Note	(Un-audited) March 31, 2017 Rupees	(Un-audited) March 31, 2016 Rupees (Restated)
Basic earnings per share			
Profit for the period		841,233,573	693,452,781
		------(Number)-----	
Weighted average number of ordinary shares during the period		63,804,750	63,804,750
		------(Rupees)-----	
Basic earnings per share		13.18	10.87

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FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

		(Un-audited) March 31, 2017 Rupees	(Un-audited) March 31, 2016 Rupees
18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Profit before income tax		1,026,291,798	898,761,807
Adjustments for non-cash and other items:			
Depreciation		547,548,147	532,537,711
Gain on disposal of property, plant and equipments - net loss on sale of investment		(3,783,808) 131,967	(2,449,785) -
Provision for staff retirement gratuity		66,133,310	65,476,516
Share of profit from associated undertaking		(327,985,315)	(260,705,965)
Dividend receivable		275,829,627	-
Finance cost		504,660,271	628,658,534
Net increase in working capital	18.1	1,731,144,732	(25,007,761)
		<u>3,819,970,729</u>	<u>1,837,271,057</u>
18.1 Working capital changes			
Current assets			
(Increase) / Decrease in current assets			
Stores and spares		(15,707,961)	(27,676,025)
Stock-in-trade		86,761,345	512,227,641
Trade debts		265,225,311	(413,975,547)
Advances - considered good		(42,275,747)	(117,808,792)
Trade deposits and short-term prepayments		(15,479,203)	11,981,663
Other receivables		(71,229,145)	22,336,317
		<u>207,294,600</u>	<u>(12,914,743)</u>
Current liabilities			
Increase / (Decrease) in current liabilities			
Trade and other payables		(174,135,412)	392,008,709
Short-term finances		1,671,935,897	(672,153,591)
Advance from customers		26,049,647	268,051,863
		<u>1,523,850,132</u>	<u>(12,093,019)</u>
Net increase in working capital		<u>1,731,144,732</u>	<u>(25,007,761)</u>
19 CASH AND CASH EQUIVALENTS			
Cash and bank balances	11	84,001,643	132,763,411
Running finances under mark-up arrangement	15	(397,969,439)	(2,289,889,802)
		<u>(313,967,796)</u>	<u>(2,157,126,391)</u>

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20 SEGMENT INFORMATION

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

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

- Food processing

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 in tabular form as follows:

	Quarter ended				Nine months ended			
	Period Fin		Period Fin		Period Fin		Period Fin	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	(Unaudited)				(Unaudited)			
	March 31, 2017				March 31, 2017			
Local	4,065,033,133	4,250,048,430	1,261,720,425	1,228,664,094	13,236,262,863	11,756,440,003	3,370,704,642	3,407,784,712
Export	200,850,608	124,886,600	67,500,142	67,500,142	496,379,466	353,662,502	242,944,587	242,944,587
Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
Export	200,850,608	124,886,600	67,500,142	67,500,142	496,379,466	353,662,502	242,944,587	242,944,587
Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
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Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
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Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
Export	200,850,608	124,886,600	67,500,142	67,500,142	496,379,466	353,662,502	242,944,587	242,944,587
Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
Export	200,850,608	124,886,600	67,500,142	67,500,142	496,379,466	353,662,502	242,944,587	242,944,587
Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
Export	200,850,608	124,886,600	67,500,142	67,500,142	496,379,466	353,662,502	242,944,587	242,944,587
Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
Export	200,850,608	124,886,600	67,500,142	67,500,142	496,379,466	353,662,502	242,944,587	242,944,587
Inter-segment	3,300,000	3,300,000	3,300,000	3,300,000	8,700,000	8,700,000	3,300,000	3,300,000
Inter-segment sales	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
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	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
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	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030	1,272,520,567	1,299,464,236	14,741,342,329	12,804,802,505	3,616,949,229	3,653,629,300
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	(Revised)				(Revised)			
Local	5,368,230,433	4,378,235,030						

Ismail Industries Limited

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	Food Segment		Plastic Segment		Pharmaceutical segment		Total	
	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016	March 31, 2017	June 30, 2016
	Rupees							
20.3 Segment assets	7,205,743,133	9,583,674,404	10,394,438,211	6,405,019,562	954,999,453	858,290,237	18,555,180,798	16,846,984,203
20.4 Unallocated assets	-	-	-	-	-	-	3,799,269,388	4,020,855,991
	7,205,743,133	9,583,674,404	10,394,438,211	6,405,019,562	954,999,453	858,290,237	22,354,450,186	20,867,840,194
20.5 Segment liabilities	1,333,738,141	1,775,537,286	5,006,910,451	4,572,015,250	141,565,989	25,038,991	6,482,214,581	6,372,591,527
20.6 Unallocated liabilities	-	-	-	-	-	-	9,506,433,738	8,257,137,379
	1,333,738,141	1,775,537,286	5,006,910,451	4,572,015,250	141,565,989	25,038,991	15,988,648,319	14,629,728,906

20.7 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

20.8 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.

20.9 There were no major customers of the Holding company which formed 10 percent or more of the company's revenue.

	(Un-audited)	(Audited)
	March 31, 2017	June 30, 2016
	Rupees	Rupees
20.10 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES		

20.11 Assets

Total assets for reportable segments	20.3	18,555,180,798	15,988,693,966
Administrative capital assets		367,512,992	342,443,164
Goodwill		11,959,187	11,959,187
Long term investment	7	3,419,797,209	3,666,453,640
Total assets		22,354,450,186	20,009,549,957

20.12 Liabilities

Total liabilities for reportable segments	20.5	6,482,214,581	6,372,591,527
Sponsors' loan - subordinated		902,151,770	902,151,770
Deferred liabilities		907,932,498	674,516,776
Long term finance	13	7,440,529,058	6,419,779,919
Liabilities against assets subject to finance lease		255,820,412	260,688,914
Total liabilities		15,988,648,319	14,629,728,906

21 STATEMENT OF COMPARATIVE FIGURE

Following figures of Astro Plastic (Private) Limited for the quarter and nine-month ended of the corresponding period has been added to plastic segment by virtue of amalgamation of it with and into Ismail Industries Limited (as referred in note 1.1 and 20.1)

	(Un-audited)	
	Nine-month Period ended	Quarter ended
	March 31, 2016	March 31, 2016
	Rupees	Rupees
Sales		
Local	2,563,210,992	1,033,882,914
Export	201,295,829	58,773,558
	2,764,506,821	1,092,656,473
Less:		
Sales return and discounts	(11,005,559)	(6,168,278)
Sales tax	(386,311,032)	(156,513,586)
	(397,316,591)	(162,681,864)
Net sales	2,367,190,230	929,974,609
Cost of sales	(2,103,808,983)	(853,773,888)
Selling and distribution expenses	(60,980,301)	(24,620,042)
Administrative expenses	(16,348,227)	(2,692,497)
	(2,181,137,511)	(881,086,427)
Operating profit	186,052,720	48,888,182
Other operating income	49,546,499	27,321,466
Finance cost	(178,010,241)	(49,615,640)
Profit before taxation	57,588,978	26,594,008
Income tax expense	(15,106,373)	(16,708,948)
Profit for the period	42,482,605	9,885,060

Ismail Industries Limited

SELECTED NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2017

22 TRANSACTIONS WITH RELATED PARTIES

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

	(Un-audited)	
	March 31, 2017	March 31, 2016
	Rupees	Rupees
Transactions		
Rent paid to Chief Executive Officer	-	1,058,750
Plasitflex Films (Private) Limited		
<i>(formerly Flexipack Films (Private) Limited)</i>		
Close family relationship		
- Payment against purchases	34,922,317	35,951,722
- Purchases	22,919,013	-
Others		
Remuneration to directors and other key management personnel:		
Chief Executive Officer	3,250,000	2,700,000
Directors	7,724,997	4,500,000
Executives	96,189,367	81,516,413
	107,164,364	88,716,413
Creditors - associated company		
- Payable to associate	5,529,568	17,532,872
Sponsors' subordinated - loan		
At beginning of the period / year	902,151,770	602,151,770
Transfer from APL	-	300,000,000
At the end of the period / year	902,151,770	902,151,770

23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 24th April 2017 by the Board of the Group.

MUNSARIM SAIFULLAH
CHIEF EXECUTIVE OFFICER

MAQSOOD ISMAIL
DIRECTOR

ISMAIL INDUSTRIES LIMITED

Head Office

17-Bangalore Town, Shahrah-e-Faisal,
Karachi-75350, Pakistan.
Tel.: (92-21) 3431 1172-75,
Fax: (92-21) 3454 7843, 3454 1094

Factories

Unit 1:

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

Unit 2:

B-140, H.I.T.E., Hub,
Balochistan, Pakistan.
Tel.: (92-853) 363602-364234,
Fax: (92-853) 363322

Unit 3:

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

Unit 4:

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

Unit 5:

38-C, 39, 39-A, 42-C, Sunder
Industrial Estate, Raiwind Road,
Lahore, Pakistan.
Tel.: (92-42) 3529 7671-5

Unit 6:

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

Unit 7:

E-164 to E-168,
North Western Industrial Zone,
Port Qasim Authority,
Karachi-75020, Pakistan.
Tel.: (92-21) 34154171-73,
Fax: (92-21) 34154176

Unit 8:

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