

# CONQUER NEW HEIGHTS



ISMAIL  
INDUSTRIES  
LIMITED

HALF YEARLY  
REPORT  
DECEMBER 31,  
2023

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# COMPANY PROFILE

## BOARD OF DIRECTORS

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

## AUDIT COMMITTEE MEMBERS

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

## REGISTERED OFFICE

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

## FACTORIES

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

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

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

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

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

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

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

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

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

Unit-10: E164-168, North Western Zone,  
Port Qasim, Karachi, Sindh, Pakistan.

## HUMAN RESOURCE & REMUNERATION COMMITTEE

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

## COMPANY SECRETARY

Mr. Ghulam Farooq

## CHIEF FINANCIAL OFFICER

Mr. Ahmed Raza Parekh

## AUDITOR

Grant Thornton Anjum Rahman  
Chartered Accountants

## LEGAL ADVISOR

Mohsin Tayebaly & Co.

## SHARE REGISTRAR

THK Associates (Pvt.) Limited

## BANKERS / INSTITUTIONS

Allied Bank Limited  
Askari Bank Limited  
Al Baraka Bank  
Bank Alfalah Limited  
Bank AL Habib Limited  
BankIslami Pakistan Limited  
Dubai Islamic Bank (Pakistan) Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Industrial & Commercial Bank of China Limited  
JS Bank Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
PAIR Investment Company Limited  
Pak Brunei Investment Co. Ltd.  
Pak Oman Investment Co. Ltd.  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
The Bank of Punjab

## DIRECTORS' REVIEW REPORT

The Directors of the Company are pleased to present the brief performance review together with Standalone (reviewed by the Auditor) and Consolidated Condensed Interim Financial Statements of the Company for the quarter and six months period ended December 31, 2023.

## ECONOMIC & BUSINESS OUTLOOK

Pakistan's economy is witnessed substantial setback as economic growth significantly slowed down, primarily due to severe political uncertainty and disruptions caused by an unfavorable global climate. The higher prices of commodities resulted in higher import bills, and unfavorable exchange rates promoting the government to curtail imports and implement stringent monetary policy, substantial increase in gas tariffs, consequently impacting industrial sectors nationwide. However, the management of the Company is actively analyzing and implementing effective solutions to mitigate these cost pressures and maintain our competitive edge.

Financial highlights for the period under consideration are as follows:

Description	Dec-2023	Dec-2022	% Change
	PKR in Million		
Gross Sales	67,314	46,805	44%
Gross Profit	12,923	8,535	51%
Operating Profit	8,071	4,566	77%
Profit after Tax	3,898	2,756	41%
EPS in PKR	58.75	41.55	41%

During the period under review, the Company showed a substantial growth of **44%** in gross revenue resulting in a **51%** increase in gross profit and **41%** in profit after tax compared to the corresponding period. The Company's revenue growth momentum is primarily resulting from additional volumes and cost push price adjustments across all businesses due to inflationary and devaluation led price adjustments. Consistent inflationary pressures pose significant checks on consumers spending and demand. However, the Company remains committed to leverage its diverse product portfolio and implementing cost rationalization efforts to minimize any adverse impacts and deliver sustainable results.

## FUTURE OUTLOOK

The economic situation of the country continues to deteriorate due to weakening foreign exchange reserves, current account deficit, fiscal deficit, and rising inflation specifically energy prices. The tightening fiscal and monetary measures may affect business sentiments in the near future. The new IMF program will set the dimensions which are difficult to predict at this point of time. However, the Company's management remains vigilant, closely monitoring these economic fluctuations, and deploying proactive strategies to mitigate their adverse effects on operational efficiency and financial outcomes.

## ACKNOWLEDGEMENT

We would like to extend our sincerest gratitude to all of Company's employees, as well as all our stakeholders, for their dedication and trust during these difficult times and unprecedented circumstances.

On behalf of the Board of Directors



**Munsarim Saifullah**

Chief Executive Officer



**Maqsood Ismail Ahmed**

Director

Karachi: February 14, 2024



## ڈائریکٹران کی جائزہ رپورٹ

کمپنی کے ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے ششماہی سال کے لیے کمپنی کے مستقبل کی پیش بینی کنڈیڈنڈ عبوری مالیاتی گوشواروں کو نہایت مسرت کے ساتھ پیش کر رہے ہیں۔

زرمبادلہ کے کم ہوتے ذخائر، کرنٹ اکاؤنٹ خسارہ، مالیاتی خسارہ اور بڑھتی ہوئی مہنگائی بالخصوص توانائی کی قیمتوں میں اضافے کی وجہ سے ملک کی معاشی صورتحال بدستور خراب ہوتی جا رہی ہے۔ سخت مالیاتی اقدامات مستقبل قریب میں کاروباری حالات کو متاثر کر سکتے ہیں، البتہ، آئی ایم ایف کا نیا پروگرام پاکستان کی معیشت پر کس طرح اثر انداز ہوگا، اس کا قبل از وقت تعین کرنا مشکل ہے۔ تاہم، کمپنی کی انتظامیہ مستعد رہتے ہوئے اقتصادی اتار چڑھاؤ کی نگرانی کرتی ہے اور مالیاتی نتائج پر ان کے منفی اثرات کو کم کرنے کے لیے فعال حکمت عملیوں کو متعین کرتی ہے۔

## معاشی و کاروباری پیش بینی

پاکستان کی معیشت غیر یقینی صورتحال اور عالمی مندی کی وجہ سے زبوں حالی کا شکار رہی۔ شرح مبادلہ کے دباؤ نے حکومت کو درآمدات میں کمی، سخت مالیاتی پالیسی کا نفاذ اور ٹیکس کے زخموں میں اضافہ کرنے پر مجبور کیا، جس نے ملکی سطح پر صنعتوں کو متاثر کیا۔ تاہم، کمپنی کی انتظامیہ لاگت کے ان دباؤ کو کم کرنے اور مسابقتی برتری کو برقرار رکھنے کے لیے موثر اقدامات کا فعال طور پر تجزیہ اور ان پر عمل درآمد کر رہی ہے۔

زیر نظر مدت کے لیے مالی مہمکیاں حسب ذیل ہیں:

## اعتراف

ہم کمپنی کے تمام زمین کے ساتھ ساتھ اپنے تمام اسٹیک ہولڈرز کا تہہ دل سے شکریہ ادا کرنا چاہیں گے جنہوں نے ان مشکل وقتوں اور غیر معمولی حالات میں ہجرو سے اور اعتماد کا اظہار کیا۔

منجانب، بورڈ آف ڈائریکٹرز

تفصیل	دسمبر 2022	دسمبر 2023	تبدیلی %
پاکستانی روپے میں			
مجموعی فروخت	46,805	67,314	44%
عام منافع	8,535	12,923	51%
بکاربہاری منافع	4,566	8,071	77%
منافع بعد از محصول	2,756	3,898	41%
نی صحت آمدن (روپے میں)	41.55	58.75	41%

زیر جائزہ مدت کے دوران، کمپنی نے سابقہ مدت کے مقابلے میں مجموعی آمدنی میں 44% کا خاطر خواہ اضافہ دکھایا جس کے نتیجے میں مجموعی منافع میں 51% اور ٹیکس کے بعد منافع میں 41% کا اضافہ ہوا۔ کاروباری حجم میں اضافے، متنوع مصنوعات اور قیمتوں کے درست تعین کی وجہ سے کمپنی کی آمدنی میں اضافہ ہوا۔ مسلسل افراط زر کا دباؤ صارفین کے اخراجات اور طلب پر اثر انداز ہوتا ہے۔ تاہم، کمپنی ان منفی اثرات کو کم کرنے، بہتر نتائج فراہم کرنے اور لاگت کو کم کرنے کے لیے پرعزم ہے۔

کراچی: ۱۴ فروری، ۲۰۲۴



مقتوداد اسماعیل احمد  
ڈائریکٹر



منصہ صلیف اللہ  
چیف ایگزیکٹو آفیسر

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

### Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Ismail Industries Limited** as at **December 31, 2023** and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of cashflows and unconsolidated condensed interim statement of changes in equity, and notes to the unconsolidated condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the three-months period ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-months period ended December 31, 2023.

The engagement partner on the audit resulting in this independent auditor's report is **Khurram Jameel**.



**Grant Thornton Anjum Rahman**  
Chartered Accountants

Karachi

Date: February 20, 2024

UDIN: RR202310093VPIpeg1yU



**UNCONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD  
ENDED DECEMBER 31, 2023**

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	7	31,575,276,229	28,838,283,325
Intangible assets		480,978	2,226,707
Long term investments	8	9,063,197,655	8,751,140,930
Long term deposits		26,554,265	26,314,265
Total non-current assets		40,665,509,127	37,617,965,227
Current assets			
Stores and spares		721,823,809	628,624,878
Stock-in-trade	9	17,561,373,452	15,884,922,017
Trade debts	10	12,242,418,823	10,504,519,178
Loans and advances	11	7,744,365,462	3,217,437,351
Trade deposits and short-term prepayments	12	117,570,344	286,829,531
Short term investments		1,382,696,403	1,151,277,927
Other receivables	13	3,167,781,041	1,229,970,513
Taxation - net		982,050,639	1,003,831,065
Cash and bank balances	14	708,924,037	1,530,218,047
Total current assets		44,629,004,010	35,437,630,507
Total assets		85,294,513,137	73,055,595,734
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (June 30, 2023: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital		663,569,400	663,569,400
Reserves		20,917,266,836	17,052,163,857
Total shareholders' equity		21,580,836,236	17,715,733,257
Non-current liabilities			
Long term finances - secured	15	22,433,571,856	23,192,131,400
Deferred liabilities	16	2,659,265,826	2,474,283,601
Total non-current liabilities		25,092,837,682	25,666,415,001
Current liabilities			
Trade and other payables	17	8,910,404,683	8,369,012,245
Accrued mark-up		1,549,077,855	1,091,598,751
Short term finances - secured	18	21,480,017,511	15,108,282,892
Current portion of:			
- long term finances - secured	15	5,665,580,502	4,096,392,253
Unclaimed dividend		5,228,293	5,069,267
Advances from customers - unsecured		1,010,530,375	1,003,092,068
Total current liabilities		38,620,839,219	29,673,447,476
Total liabilities		63,713,676,901	55,339,862,477
Total equity and liabilities		85,294,513,137	73,055,595,734
Contingencies and commitments	19		

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

  
Munsarim Saifullah  
Chief Executive Officer

  
Maqsood Ismail Ahmed  
Director

  
Ahmed Raza Parekh  
Chief Financial Officer

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2023**

Note	Six-months Period Ended		Three-months Period Ended		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
	-----Rupees-----		-----Rupees-----		
Sales - gross	21.1	67,314,298,029	46,805,330,834	34,406,049,346	24,458,986,099
Sales returns and discounts		(1,479,189,485)	(1,106,440,677)	(778,360,595)	(562,956,877)
Export rebate		11,810,990	7,366,570	6,676,556	3,533,556
		(1,467,378,495)	(1,099,074,107)	(771,684,039)	(559,423,321)
		65,846,919,534	45,706,256,727	33,634,365,307	23,899,562,778
Sales tax		(5,128,554,599)	(4,606,472,425)	(2,647,664,090)	(2,313,548,928)
Sales - net		60,718,364,935	41,099,784,302	30,986,701,217	21,586,013,850
Cost of sales	21.1	(47,795,061,869)	(32,564,691,529)	(24,397,053,453)	(17,230,224,928)
Gross profit		12,923,303,066	8,535,092,773	6,589,647,764	4,355,788,922
Selling and distribution expenses		(4,159,553,265)	(3,463,881,976)	(2,227,665,896)	(1,787,665,946)
Administrative expenses		(692,358,765)	(505,076,311)	(396,808,226)	(269,820,899)
Operating profit		8,071,391,036	4,566,134,486	3,965,173,642	2,298,302,077
Other operating expenses		(570,730,714)	(355,921,893)	(306,996,307)	(174,710,225)
		7,500,660,322	4,210,212,593	3,658,177,335	2,123,591,852
Other income		1,108,982,671	449,849,494	657,611,814	262,354,019
		8,609,642,993	4,660,062,087	4,315,789,149	2,385,945,871
Finance cost		(4,066,894,511)	(1,497,758,718)	(2,269,853,980)	(802,999,791)
		4,542,748,482	3,162,303,369	2,045,935,169	1,582,946,080
Share of profit / (loss) from associated company - net		191,561,409	(27,216,350)	191,561,409	(27,216,350)
Profit before taxation		4,734,309,891	3,135,087,019	2,237,496,578	1,555,729,730
Taxation		(836,024,151)	(378,119,705)	(458,628,598)	(121,908,545)
Profit after taxation		3,898,285,740	2,756,967,314	1,778,867,980	1,433,821,185
Other Comprehensive income / (loss)					
Item that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods					
Share of other comprehensive income from associated company - net of tax		102,421,019	35,319,905	102,421,019	35,319,905
Unrealized gain / (loss) on remeasurement of investment classified as fair value through OCI - net of tax		(2,889,900)	1,728,900	(2,336,100)	1,728,900
Other comprehensive income for the period - net of tax		99,531,119	37,048,805	100,084,919	37,048,805
Total comprehensive income for the period		3,997,816,859	2,794,016,119	1,878,952,899	1,470,869,990
Earnings per share - basic & diluted	22	58.75	41.55	26.81	21.61

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

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2023

	Issued, subscribed and paid-up share capital	Total Reserves				Total reserves	Total shareholders' equity
		Capital reserve	Revenue reserve	Unappropriated profit	Unappropriated profit		
	Share premium	Analagation reserves	Remeasurement of investment in associated company	Remeasurement of investments at fair value through OCI			
Rupees							
Balance as at July 01, 2022 - audited	1,472,531,500	916,862,067	(400,125,879)	(7,645,000)	9,940,889,165	11,916,011,553	12,579,581,253
Total comprehensive income for the period	-	-	-	-	2,756,067,314	2,756,067,314	2,756,067,314
Profit for the six-months period ended December 31, 2022	-	-	-	-	1,728,900	1,728,900	1,728,900
Unrealized gain on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	35,319,905	35,319,905	35,319,905
Share of other comprehensive income from associated companies - net of tax	-	-	-	-	2,756,067,314	2,756,067,314	2,756,067,314
Total comprehensive income for the period	-	-	-	-	2,756,067,314	2,756,067,314	2,756,067,314
Transaction with owners, recognized directly in equity	-	-	-	-	-	-	-
Final cash dividend for the year ended June 30, 2022 @ Rs. 4 per share	-	-	-	-	-	-	-
Balance as at December 31, 2022	1,472,531,500	916,862,067	(400,125,879)	(7,645,000)	9,940,889,165	11,916,011,553	12,579,581,253
Balance as at July 01, 2023 - audited	1,472,531,500	916,862,067	(701,503,895)	(11,962,900)	15,376,236,485	17,062,163,857	17,715,733,257
Total comprehensive income for the period	-	-	-	-	3,898,285,740	3,898,285,740	3,898,285,740
Profit for the six-months period ended December 31, 2023	-	-	-	-	(2,889,900)	(2,889,900)	(2,889,900)
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	102,421,019	102,421,019	102,421,019
Share of other comprehensive income from associated company - net of tax	-	-	-	-	3,898,285,740	3,898,285,740	3,898,285,740
Total comprehensive income for the period	-	-	-	-	3,898,285,740	3,898,285,740	3,898,285,740
Transaction with owners, recognized directly in equity	-	-	-	-	-	-	-
Final cash dividend for the year ended June 30, 2023 @ Rs. 2 per share	-	-	-	-	-	-	-
Balance as at December 31, 2023	1,472,531,500	916,862,067	(599,082,876)	(14,852,200)	19,141,808,345	20,917,266,336	21,880,836,236

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

  
Munsarim Saifullah  
Chief Executive Officer

  
Maqsood Ismail Ahmed  
Director

  
Ahmed Raza Parekh  
Chief Financial Officer



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2023**

		December 31, 2023	December 31, 2022
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations after working capital changes	20	806,812,316	(1,963,572,385)
Gratuity paid		(22,391,220)	(25,420,779)
Income tax paid - net		(738,800,030)	(426,400,663)
Long-term deposits - net		(240,000)	(1,998,000)
<b>Net cash (used in) / generated from operating activities</b>		<b>45,381,066</b>	<b>(2,417,391,827)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)		(4,160,333,166)	(3,493,840,382)
Payments for short-term investment		(231,418,476)	(148,555,925)
Proceeds from disposal of property, plant and equipment		84,683,503	29,905,947
<b>Net cash used in investing activities</b>		<b>(4,307,068,139)</b>	<b>(3,612,490,360)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from long term finances - net		810,628,705	4,101,389,795
Payments against lease liabilities		-	(7,145,793)
Short term finance obtained - net		2,215,192,841	1,237,885,937
Finance cost paid		(3,609,415,407)	(1,256,785,283)
Dividends paid		(132,554,854)	(265,084,343)
<b>Net cash (used in) / generated from financing activities</b>		<b>(716,148,715)</b>	<b>3,810,260,313</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,977,835,788)</b>	<b>(2,219,621,874)</b>
Cash and cash equivalents at the beginning of the period		(3,910,330,488)	(915,742,282)
<b>Cash and cash equivalents at the end of the period</b>		<b>(8,888,166,276)</b>	<b>(3,135,364,156)</b>
Cash and bank balances	14	708,924,037	827,272,164
Running finances utilized under mark-up arrangement	18.5	(9,597,090,313)	(3,962,636,320)
		(8,888,166,276)	(3,135,364,156)

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



**Munsarim Saifullah**  
Chief Executive Officer



**Maqsood Ismail Ahmed**  
Director



**Ahmed Raza Parekh**  
Chief Financial Officer

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTHS PERIOD ENDED DECEMBER 31, 2023

### 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, main Shahrah-e-Faisal, Karachi, Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, nutritional products, cast polypropylene (CPP) and biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'CandyLand', 'Bisconni', 'Snackcity', 'Ismail nutrition', 'Ghiza', 'Super Cereal' and 'Astro films' respectively.

### 2 SIGNIFICANT EVENTS AND TRANSACTIONS

During the six-months period, no significant event occurred.

### 3 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 4 BASIS OF PREPARATION

These unconsolidated condensed interim financial statements of the Company does not include all of the information and disclosure required in the unconsolidated condensed interim financial statements and should be read in conjunction with the unconsolidated annual financial statements of the Company as at and for the year ended June 30, 2023. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The figures in the unconsolidated condensed interim statement of financial position, unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows together with the relevant notes to the unconsolidated condensed interim financial statements for the six-months period ended December 31, 2023 have been subject to the limited scope review by the statutory auditors of the Company. However, the figures for the three-months period ended December 31, 2023 and 2022 in the unconsolidated condensed interim statement of profit or loss and other comprehensive income and notes forming part thereof have not been reviewed by auditors.

#### 4.1 Functional and presentation currency

These unconsolidated condensed interim financial statements are presented in Pakistani Rupees which is also Company's functional currency and presentation currency.

#### 4.2 Standard, Amendment or interpretation to published approved accounting standards

##### 4.2.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current period.

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

##### 4.2.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

##### 4.2.3 Standards, amendments and interpretations to the published standards that may be relevant but not early adopted by the Securities exchange commission of Pakistan.

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Company's unconsolidated condensed interim financial statements and operations and, therefore, have not been adopted by the SECP.

### 5 MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2023.

## 6 USE OF JUDGEMENTS / ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgements and associated assumptions used in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2023.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2023.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Rupees			
Operating assets	7.1	28,956,477,599	24,468,208,608
Capital work in progress - at cost	7.2	2,618,798,630	4,370,074,717
		<b>31,575,276,229</b>	<b>28,838,283,325</b>

7.1 Detail of additions and disposals to operating assets and right-of-use assets during the six-months period are as follows:

	(Un-audited)			
	Additions/(Transfers)		Disposals	
	-----At cost-----		-----At net book value-----	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Rupees				
<b>Owned assets</b>				
Building on leasehold land	1,518,230,852	116,590,652	-	-
Leasehold land	-	498,886,221	-	-
Plant and machinery	3,857,182,811	1,004,599,849	6,394,789	47,909
Furniture and fittings	30,716,582	11,871,340	-	56,625
Equipment	324,152,592	16,826,222	-	66,100
Computers	14,702,280	5,667,851	1,880,068	1,032,022
Vehicles	166,624,123	177,837,290	41,509,651	24,185,987
	5,911,609,240	1,832,279,425	49,784,508	25,388,643
<b>Right-of-use assets</b>				
Vehicles	-	(33,603,895)	-	-
	-	(33,603,895)	-	-
	5,911,609,240	1,798,675,530	49,784,508	25,388,643

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Civil works	1,225,497,343	699,142,777	1,518,230,852	116,590,661
Plant and machinery	2,513,001,556	2,024,119,027	3,826,232,541	1,004,599,849
Equipment and Computers	224,964,358	112,244,049	370,275,938	19,150,491
	3,963,463,257	2,835,505,853	5,714,739,331	1,140,341,001

## 8 LONG TERM INVESTMENTS

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Rupees			
<b>Investment in subsidiary companies - unquoted shares</b>			
Hudson Pharma (Private) Limited		2,525,984,000	2,525,984,000
Ismail Resin (Private) Limited		3,000,000,000	3,000,000,000
		5,525,984,000	5,525,984,000
<b>Investment in associated undertakings</b>			
The Bank of Khyber - quoted shares	8.1	3,537,213,655	3,225,156,930
		<b>9,063,197,655</b>	<b>8,751,140,930</b>

### 8.1 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 269,383,781 (June 30, 2023: 269,383,781) shares which represents 24.43% of paid-up capital of the Bank (June 2023: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these unconsolidated condensed interim financial statements have been taken from unaudited financial statements of the Bank for the nine-months period ended September 30, 2023. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on December 31, 2023 was Rs. 3,278.40 million (June 30, 2023: Rs. 3,633.98 million).

This investment is accounted for under the equity method. The aggregate amount of the investment in associated company recognized in these unconsolidated condensed interim financial statements are as follows:

	The Bank of Khyber	
	(Un-audited)	(Audited)
	December 31, 2023	June 30, 2023
	-----Rupees-----	
Carrying value at beginning of the period	3,225,156,930	3,144,584,786
Share of profit from associate	191,561,409	428,075,707
Share of other comprehensive income / (loss)	120,495,316	(347,503,563)
	<u>3,537,213,655</u>	<u>3,225,156,930</u>

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associated company. During the period, no bonus shares and cash dividend has been received from the Bank (June 30, 2023: 5% and Rs. nil per share) respectively.

## 9 STOCK-IN-TRADE

	(Un-audited)	(Audited)
	December 31, 2023	June 30, 2023
	-----Rupees-----	
Raw materials	12,237,364,886	9,788,455,953
Packing materials	1,810,492,063	2,229,628,657
Work-in-process	493,096,675	640,053,565
Finished goods	3,020,419,828	3,226,783,842
	<u>17,561,373,452</u>	<u>15,884,922,017</u>

- 9.1 This includes raw materials in transit amounting to Rs. 1,436,525,772 (June 2023: Rs. 1,945,268,243)

## 10 TRADE DEBTS

	Note		
		(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
		-----Rupees-----	
Considered good		5,299,279,094	5,805,638,355
- export - secured		7,152,505,991	4,857,344,865
- local - unsecured		12,451,785,085	10,662,983,220
		(209,366,262)	(158,464,042)
Allowance for expected credit loss		<u>12,242,418,823</u>	<u>10,504,519,178</u>

## 11 LOANS AND ADVANCES

### Unsecured

#### Loans to Subsidiaries and Associate.

		(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
- Ismail Resin (Private) Limited	11.1	5,495,000,000	-
- Hudson Pharma (Private) Limited	11.1	192,000,000	-
- Innovate Nutrition (Private) Limited	11.1	123,500,000	-
Trade advances		1,774,133,693	3,117,591,396
Loans - secured - employees		159,731,769	99,845,955
		<u>7,744,365,462</u>	<u>3,217,437,351</u>

- 11.1 The Company entered into a financing agreement with its subsidiaries / Associate for extending revolving line of credit for meeting their working capital requirements. These carry mark-up at the rates ranging from 22.17% to 22.95% per annum.

## 12 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note		
		(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
		-----Rupees-----	
Trade deposits - unsecured		107,284,127	286,277,691
Short term prepayments		10,286,217	551,840
		<u>117,570,344</u>	<u>286,829,531</u>

## 13 OTHER RECEIVABLES

		(Un-audited)	(Audited)
		December 31, 2023	June 30, 2023
Export rebate		48,416,257	36,605,266
Sales tax carry forward		2,724,674,382	1,092,963,220
Markup receivable	13.1	105,360,782	-
Other receivable	13.2 & 13.3	289,329,620	100,402,027
		<u>3,167,781,041</u>	<u>1,229,970,513</u>

- 13.1 This represents Rs. 105,361 million (June 2023; Nil) is a markup receivable from associated/subsidiaries company as referred in note. 11.1 of this unconsolidated condensed interim financial statements for the six months period ended December 31, 2023.
- 13.2 This amount includes Rs. 100,217 million (June 2023; Rs 100,217 million) due from Nazir of the Sindh High Court as referred in note. 27.1.2 of unconsolidated financial statement of the Company for the year ended June 30, 2023.
- 13.3 These includes advance paid during the period to the Nazir of Court as mentioned in note no. 19.2 of this unconsolidated condensed interim financial statements for the six months period ended December 31, 2023 (June 2023. Nil).

#### 14 CASH AND BANK BALANCES

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Cash in hand	96,850,099	5,723,588
Cash with banks in:		
- current accounts- <i>conventional</i>	217,069,056	1,123,432,695
- current accounts- <i>islamic</i>	395,004,882	401,061,764
	<b>708,924,037</b>	<b>1,530,218,047</b>

#### 15 LONG TERM FINANCES - SECURED

	(Un-audited) December 31, 2023			(Audited) June 30, 2023		
	-----Rupees-----			-----Rupees-----		
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	19,946,072,320	7,342,451,333	27,288,523,653	15,415,662,067	7,654,387,206	23,070,049,273
Obtained during the period / year	2,497,544,522	-	2,497,544,522	7,342,147,636	142,163,389	7,484,311,025
Repaid during the period / year	(1,160,579,723)	(526,336,094)	(1,686,915,817)	(2,811,737,383)	(454,099,262)	(3,265,836,645)
	21,283,037,119	6,816,115,239	28,099,152,358	19,946,072,320	7,342,451,333	27,288,523,653
Less: Current maturity	(4,007,294,050)	(1,658,286,452)	(5,665,580,502)	(2,727,894,540)	(1,368,497,713)	(4,096,392,253)
	17,275,743,069	5,157,828,787	22,433,571,856	17,218,177,780	5,973,953,620	23,192,131,400

- 15.1 These represent financing for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of directors. Further terms and conditions are consistent with financial information as presented in the unconsolidated financial statements of the Company for the year ended June 30, 2023.
- 15.2 The Company's total limit for long term finances amounting to Rs. 35,498 million. (June 2023: Rs. 34,187 million)

#### 16 DEFERRED LIABILITIES

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
Provision for staff gratuity scheme - unfunded	788,909,833	696,630,495
Deferred tax liability	1,870,355,993	1,777,653,106
	<b>2,659,265,826</b>	<b>2,474,283,601</b>

#### 17 TRADE AND OTHER PAYABLES

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
Trade creditors	5,430,823,358	5,907,554,310
Other liabilities	3,479,581,325	2,461,457,935
	<b>8,910,404,683</b>	<b>8,369,012,245</b>

#### 18 SHORT TERM FINANCES - SECURED

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
Term finances - conventional	18.1	3,004,032,903	1,649,997,917
Term finances - islamic	18.2	647,758,200	452,236,440
Export refinance	18.3	8,065,500,000	7,565,500,000
Finance against discounting of export bills / receivables	18.4	165,636,095	-
Running finance utilized under mark-up arrangement	18.5	9,597,090,313	5,440,548,535
		<b>21,480,017,511</b>	<b>15,108,282,892</b>

- 18.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 3,805 million (June 2023: Rs. 6,365 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of directors. These carry mark-up at the rates ranging from 21.58% to 24.69% per annum (June 2023: 16.20% to 22.20% per annum).
- 18.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (June 2023: Rs. 800 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of directors. These carry mark-up at the rates ranging from 21.85% to 23.28% per annum (June 2023: 12.64% to 22.27% per annum).

- 18.3 These represent facilities for export refinance arranged from various banks aggregating to Rs. 8,115.50 million (June 2023: Rs. 7,665 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 directors. These carry mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2023: 0.25% to 1% above SBP rate per annum).
- 18.4 These represent facilities for finances against discounting of export bills / receivables arranged from various banks aggregating to Rs. 1,300 million (June 2023: Rs. 1,400 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 directors. These carry mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (June 2023: 1% above SBP rate per annum).
- 18.5 These facilities for running finances are available from various banks aggregated to Rs. 13,664.50 million (June 2023: Rs. 9,155 million). These are secured against pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of directors. These carry mark-up at the rates ranging from 22.29% to 23.91% per annum (June 2023: 14.50% to 22.98% per annum).

## 19 CONTINGENCIES AND COMMITMENTS

### 19.1 Contingencies

Except note no.19.1.1 there are no material change in the status of contingencies as reported in note no. 27 to the consolidated financial statement of the Company for the year ended June 30, 2023.

- 19.1.1 The Company had filed a Suit S-2535 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2023 dated November 08, 2023 for increase in the price of natural gas and different prices for industrial and captive connection where the same is used for self-consumption by industrial undertaking. The Court vide its order dated December 18, 2023 passed an interim stay order in favour of the Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed the Company to pay the differential amount by way of cash in favour of the Nazir of Court. The cumulative differential amount is approximately Rs 188.9 million (exclusive of sales tax) which has not been recorded in this consolidated condensed interim financial statements. The payment made to Nazir is treated as advance as referred to in note no. 11.2 of this consolidated condensed interim financial statements for the six months period ended December 31, 2023.
- 19.1.2 With reference to the contingency of associated company, The Bank of Khyber (BOK), please refer the note 20 of condensed interim financial statement for the nine month ended September 30, 2023 of associated Company.

### 19.2 Commitments

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
19.2.1 Outstanding letter of guarantees	3,149,720,476	3,065,474,545
19.2.2 Cross Corporate guarantees issued by the Company on behalf of subsidiaries / associated company	7,956,941,110	4,838,811,644
19.2.3 Outstanding letter of credit for:		
- capital expenditures	47,361,308	726,605,896
- raw materials	1,523,265,584	5,585,776,940

**20 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES**

		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022
	Note	-----Rupees-----	
Profit before taxation		4,734,309,891	3,135,087,019
<b>Adjustments for non-cash and other items:</b>			
Depreciation		1,373,555,750	1,133,419,874
Amortization charge		1,745,728	1,884,367
Gain on disposal of property, plant and equipment - net		(34,898,995)	(4,517,304)
Provision for staff retirement gratuity		114,670,558	98,798,535
Provision for doubtful debts		50,902,220	-
Provision for slow moving - stock in trade		26,869,995	54,859,177
Share of (gain) / loss from associated undertaking		(191,561,409)	27,216,350
Unrealized exchange gain on short term investment		(3,705,000)	-
Unrealized exchange loss / (gain)		774,662	(81,028,265)
Finance cost		4,066,894,511	1,497,758,718
Net increase in working capital	20.1	(9,332,745,595)	(7,827,050,856)
Cash generated from / (used in) operations after working capital changes		806,812,316	(1,963,572,385)
<b>20.1 Working capital changes</b>			
<b>Current assets</b>			
<b>Decrease / (Increase) in current assets</b>			
Stores and spares		(93,198,931)	(79,788,175)
Stock-in-trade		(1,703,321,430)	(2,627,795,089)
Trade debts		(1,800,571,068)	(4,566,697,361)
Loans and advances		(4,526,928,111)	(649,443,020)
Trade deposits and short-term prepayments		169,259,187	(429,660,651)
Other receivables		(1,937,810,528)	(7,182,095)
		(9,892,570,881)	(8,360,566,391)
<b>Current liabilities</b>			
<b>(Decrease) / Increase in current liabilities</b>			
Trade and other payables		552,386,979	589,993,337
Advances from customers - unsecured		7,438,307	(56,477,802)
		559,825,286	533,515,535
<b>Net increase in working capital</b>		(9,332,745,595)	(7,827,050,856)



21 SEGMENT INFORMATION

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company can revenue and incur expenses and its results are regularly reviewed by the Company's chief operating decision maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment. The Company has identified the following segments based on internal management reporting, resource and product produced and sold. The Company is organized into the following two operating segments:

Segment revenues, segment results, costs, assets and liabilities for the period are as follows:

	Three-months Period Ended				Total	Six-months Period Ended			
	Food Segment		Plastic Segment			Food Segment		Plastic Segment	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Disaggregation of revenue									
Sales	16,563,880,268	12,956,251,186	4,287,523,091	3,968,787,225	21,051,503,359	16,056,078,413	5,622,510,476	8,208,616,423	38,409,638,779
Export	12,448,961,947	7,150,910,442	885,584,040	402,997,244	13,354,545,987	7,533,907,686	2,900,687,259	13,841,586,669	38,409,638,779
Export rebates	6,676,556	3,333,556	-	-	6,676,556	3,333,556	1,410,990	7,266,570	67,236,109,049
Less	29,287,049,571	20,076,133,186	5,693,407,131	4,371,784,469	34,412,525,902	24,625,517,653	8,366,450,431	8,763,133,526	67,236,109,049
Sales returns and discounts	(775,877,386)	(844,366,641)	(2,483,209)	(18,590,256)	(778,360,095)	(962,566,877)	(1,479,189,445)	(1,096,480,477)	(1,479,189,445)
Sales tax	(1,079,091,795)	(1,725,712,913)	(666,872,298)	(587,836,015)	(2,447,646,090)	(2,313,348,292)	(3,128,554,999)	(4,006,472,425)	(1,479,189,445)
Net sales	26,544,691,896	17,620,653,632	4,222,051,627	3,765,358,218	30,986,107,217	13,760,012,845	6,219,702,337	6,219,702,337	67,716,164,432
Cost of sales	(20,442,329,080)	(14,000,687,914)	(3,584,524,445)	(3,229,537,044)	(24,397,483,453)	(17,230,224,028)	(4,773,366,067)	(6,258,841,219)	(47,795,061,869)
Selling and distribution	(2,013,793,744)	(1,654,166,645)	(227,663,896)	(133,503,301)	(2,227,663,896)	(1,787,665,946)	(400,014,616)	(250,973,616)	(47,795,061,869)
Administrative expenses	(335,866,859)	(217,295,622)	(68,311,067)	(51,915,277)	(996,808,296)	(729,629,899)	(691,506,869)	(977,671,589)	(692,358,765)
Segment result	(3,572,868,029)	(1,247,200,451)	(936,036,724)	(354,440,026)	(3,965,171,642)	(2,286,302,677)	(577,572,400)	(6,061,175,340)	(4,564,154,466)
Unallocated income and expenses									
Other operating income									
Finance cost									
Other operating expenses									
Other operating income/(loss) from associated companies-net									
Profit before taxation									
Income tax expense									
Profit after taxation									
Revenue									
(Un-audited)				(Audited)				(Audited)	
Food Segment		Plastic Segment		Food Segment		Plastic Segment		Total	
December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023
49,096,160,544	46,230,297,112	18,668,997,346	13,202,78,562	67,186,775,890	61,423,033,674	18,668,997,346	13,202,78,562	85,855,773,236	74,625,812,236
49,096,160,544	46,230,297,112	18,668,997,346	13,202,78,562	67,186,775,890	61,423,033,674	18,668,997,346	13,202,78,562	85,855,773,236	74,625,812,236
25,724,469,534	21,193,509,378	8,019,999,016	5,080,176,340	33,744,688,569	26,271,085,718	8,019,999,016	5,080,176,340	41,764,687,585	31,351,264,058
25,724,469,534	21,193,509,378	8,019,999,016	5,080,176,340	33,744,688,569	26,271,085,718	8,019,999,016	5,080,176,340	41,764,687,585	31,351,264,058

21.6 There were no inter segment transaction of the Company during the period. (June 2023: nil)

21.7 The Company's export sales have been primarily made to Asia, Africa, Europe, North America and Australia.

21.8 World Food program is the major customer of the Company which consisted 10 percent or more of the Company's revenue.

## 21.9 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES	Note	-----Rupees-----	
<b>Assets</b>			
Total assets for reportable segments	21.2	67,158,757,890	61,423,033,674
Administrative capital assets		1,774,000,407	1,730,143,203
Long term investments	8	9,063,197,655	8,751,140,930
Loans and advances	11	5,810,500,000	-
Short term investments		1,382,696,403	1,151,277,927
Other receivable	13	105,360,782	-
Total assets		85,294,513,137	73,055,595,734
<b>Liabilities</b>			
Total liabilities for reportable segments	21.4	33,744,168,550	26,273,685,718
Deferred tax liabilities		1,870,355,993	1,777,653,106
Long term finance - secured	15	28,099,152,358	27,288,523,653
Total liabilities		63,713,676,901	55,339,862,477

## 22 EARNINGS PER SHARE - Basic and Diluted

	(Un-audited)	
	December 31, 2023	December 31, 2022
	-----Rupees-----	
<b>EARNINGS PER SHARE - Basic and Diluted</b>		
<b>Basic earnings per share</b>		
Profit for the period	<b>3,898,285,740</b>	<b>2,756,967,314</b>
	----- (Number of shares) -----	
Weighted average number of ordinary shares during the period	<b>66,356,940</b>	<b>66,356,940</b>
	----- (Rupees) -----	
Basic earnings per share	<b>58.75</b>	<b>41.55</b>
There is no dilutive potential ordinary shares outstanding as at December 31, 2023. (June-2023 Nil)		

There is no dilutive potential ordinary shares outstanding as at December 31, 2023. (June-2023 Nil)

## 23 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

		(Un-audited)	
		December 31, 2023	December 31, 2022
		-----Rupees-----	
<b>Transactions</b>			
<b>Plastiflex Films (Private) Limited</b>			
<i>Common Directorship</i>			
- Purchase of raw & packing Materials		13,601,269	41,422,648
- Metallization service		(7,662,773)	(3,306,414)
- Recovery against sales		6,537,760	2,776,175
- Payment against purchases		(11,034,027)	(41,420,742)
<b>Innovita Nutrition (private) Limited</b>			
<i>Common Directorship</i>			
- Purchase of raw material		716,147,606	-
- Payment against purchases		(153,102,109)	-
<b>Others</b>			
<b>Remuneration to directors and other key management personnel:</b>			
Chief Executive Officer		9,150,000	9,150,000
Director		7,825,002	7,825,002
Executives		476,196,814	438,829,429
		493,171,816	455,804,431

In addition to the above, the Company maintained cars are provided to the chief executive officer, director and executives.

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
<b>Balances</b>	-----Rupees-----	
<b>Plastiflex Films (Private) Limited</b>		
-Payable to associate - net	(1,442,229)	-
<b>Innovita Nutrition (private) Limited</b>		
- (Payable) / Advance to associate	(130,638,497)	432,407,000

## 24 FAIR VALUE MEASUREMENT

The Company's policies with the regards to fair value measurement are consistent with those disclosed in the annual financial statements for the year ended June 30, 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended June 30, 2023.

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

The different levels have been defined as follows:

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

The Company held the following financial assets at fair value;

	Decemeber 31, 2023				June 30, 2023
	(Level 1)	(Level 2)	(Level 3)	Total	
	-----Rupees-----				
Investment in associated undertaking	3,278,400,615	-	-	3,278,400,615	3,633,987,206
Short-term investments	833,755,000	-	-	833,755,000	834,465,000
	4,112,155,615	-	-	4,112,155,615	4,468,452,206

## 25 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended June 30, 2023.

## 26 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 14, 2024 by the Board of Directors of the Company.

  
Munsarim Saifullah  
Chief Executive Officer

  
Maqsood Ismail Ahmed  
Director

  
Ahmed Raza Parekh  
Chief Financial Officer


**CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD  
ENDED DECEMBER 31, 2023**

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023**

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	42,775,096,927	38,374,111,226
Right-of-use assets	7.1	37,734,823	42,412,009
Intangible assets		480,978	2,226,707
Goodwill		12,173,553	12,173,553
Long term investments	8	3,537,213,655	3,225,156,930
Long term deposits		32,178,908	33,172,123
<b>Total non-current assets</b>		46,394,878,844	41,689,252,548
<b>Current assets</b>			
Stores and spares		830,321,213	655,628,210
Stock-in-trade	9	23,078,044,932	16,276,555,986
Trade debts	10	12,592,369,561	10,669,814,953
Loans and advances		2,147,262,788	3,352,311,584
Trade deposits and short-term prepayments	11	205,644,070	313,867,170
Short term investment		1,868,794,602	1,671,884,971
Other receivables		5,093,644,898	2,320,979,357
Taxation - net		1,203,427,176	1,115,183,469
Cash and bank balances	12	760,598,490	1,651,166,603
<b>Total current assets</b>		47,780,107,730	38,027,392,303
<b>Total assets</b>		94,174,986,574	79,716,644,851
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized share capital			
250,000,000 (June 30, 2023: 250,000,000) ordinary shares of Rs. 10 each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up share capital		663,569,400	663,569,400
Reserves		19,266,507,491	15,543,088,252
Non-controlling interest		1,142,226,842	1,180,807,449
<b>Total shareholders' equity</b>		21,072,303,733	17,387,465,101
<b>Non-current liabilities</b>			
Long-term finances - secured	13	27,155,641,523	27,813,006,872
Lease liabilities		16,436,136	22,111,918
Deferred liabilities	14	2,715,704,569	2,519,366,746
<b>Total non-current liabilities</b>		29,887,782,228	30,354,485,536
<b>Current liabilities</b>			
Trade and other payables	15	11,905,451,762	10,418,992,220
Accrued mark-up		1,733,996,697	1,200,346,240
Short-term finances - secured	16	22,491,609,437	15,108,282,892
Current portion of:			
- long-term finances - secured	13	6,050,431,514	4,208,884,532
- lease liabilities		11,789,755	10,826,930
Unclaimed dividend		5,228,293	5,069,267
Advances from customers - unsecured		1,016,393,155	1,022,292,133
<b>Total current liabilities</b>		43,214,900,613	31,974,694,214
<b>Total liabilities</b>		73,102,682,841	62,329,179,750
<b>Total equity and liabilities</b>		94,174,986,574	79,716,644,851
<b>Contingencies and commitments</b>	17		

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

  
Munsarim Saifullah  
Chief Executive Officer

  
Maqsood Ismail Ahmed  
Director

  
Ahmed Raza Parekh  
Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

	Note	Six-months Period Ended		Three-months Period Ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		Rupees	Rupees	Rupees	Rupees
<b>Sales - gross</b>	19.1	67,970,657,602	47,199,174,171	34,799,288,298	24,685,675,522
Sales returns and discounts		(1,580,068,509)	(1,194,329,307)	(832,902,255)	(618,226,993)
Export rebate		11,810,990	7,366,570	6,676,556	3,533,556
		(1,568,257,519)	(1,186,962,737)	(826,225,699)	(614,693,437)
		66,402,400,083	46,012,211,434	33,973,062,599	24,070,982,085
		(5,128,554,599)	(4,606,472,425)	(2,647,664,090)	(2,313,548,928)
<b>Sales - net</b>		61,273,845,484	41,405,739,009	31,325,398,509	21,757,433,157
Cost of sales	19.1	(48,202,106,118)	(32,809,806,759)	(24,643,691,016)	(17,353,177,894)
<b>Gross profit</b>		13,071,739,366	8,595,932,250	6,681,707,493	4,404,255,263
Selling and distribution expenses		(4,378,072,762)	(3,595,764,970)	(2,346,497,354)	(1,858,768,943)
Administrative expenses		(808,600,674)	(634,296,104)	(419,814,900)	(332,951,199)
<b>Operating profit</b>		7,885,065,930	4,365,871,176	3,915,395,239	2,212,535,121
Other operating expenses		(664,249,040)	(359,818,134)	(400,150,020)	(173,656,317)
		7,220,816,890	4,006,053,042	3,515,245,219	2,038,878,804
Other income		1,165,484,700	476,034,791	678,373,645	267,082,051
		8,386,301,590	4,482,087,833	4,193,618,864	2,305,960,855
Finance cost		(4,010,329,071)	(1,527,249,136)	(2,194,918,527)	(817,503,180)
		4,375,972,519	2,954,838,697	1,998,700,337	1,488,457,675
Share of profit / (loss) from associated company - net		191,561,409	(27,216,350)	191,561,409	(27,216,350)
<b>Profit before taxation</b>		4,567,533,928	2,927,622,347	2,190,261,746	1,461,241,325
Taxation		(849,512,535)	(378,119,705)	(466,797,191)	(121,908,545)
<b>Profit after taxation</b>		3,718,021,393	2,549,502,642	1,723,464,555	1,339,332,780
<b>Profit for the period attributable to:</b>					
Shareholders of the Holding Company		3,756,602,000	2,594,616,797	1,735,029,220	1,359,779,281
Non-controlling interest		(38,580,607)	(45,114,155)	(11,564,665)	(20,446,501)
		3,718,021,393	2,549,502,642	1,723,464,555	1,339,332,780
<b>Other Comprehensive income / (loss)</b>					
<i>Item that will not be reclassified to consolidated statement of profit or loss in subsequent periods</i>					
Share of other comprehensive income / (loss) from associated company - net of tax		102,421,019	35,319,905	102,421,019	35,319,905
Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		(2,889,900)	1,728,900	(2,336,100)	1,728,900
Other comprehensive income /(loss) for the period - net of tax		99,531,119	37,048,805	100,084,919	37,048,805
<b>Total comprehensive income for the period</b>		3,817,552,512	2,586,551,447	1,823,549,474	1,376,381,585
<b>Total comprehensive income for the period attributable to:</b>					
Shareholders of the Holding Company		3,856,133,119	2,631,665,602	1,835,114,139	1,396,828,086
Non-controlling interest		(38,580,607)	(45,114,155)	(11,564,665)	(20,446,501)
		3,817,552,512	2,586,551,447	1,823,549,474	1,376,381,585
<b>Earnings per share - basic &amp; diluted</b>	20	56.61	39.10	26.15	20.49

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

  
**Munsarim Saifullah**  
Chief Executive Officer

  
**Maqsood Ismail Ahmed**  
Director

  
**Ahmed Raza Parekh**  
Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

Issued, subscribed and paid-up share capital	Capital reserve			Total Reserves			Non-Controlling Interest	Total shareholders' equity
	Share premium	Amalgamation reserves	Reinvestment of investment in associated company	Revenue reserve		Total reserves		
				Reinvestment of investments at fair value through OCI	Unappropriated profit			
663,509,400	1,472,531,500	916,862,067	(406,125,879)	(7,443,000)	8,814,914,136	10,790,536,824	812,707,126	12,266,613,350
				Rupees				
-	-	-	-	-	2,994,616,797	2,994,616,797	(45,114,155)	2,549,502,642
-	-	-	-	-	1,728,900	-	-	1,728,900
-	-	-	-	35,319,005	-	35,319,005	-	35,319,005
-	-	-	35,319,005	1,728,900	2,994,616,797	2,631,665,602	(45,114,155)	2,586,551,447
					(265,427,760)	(265,427,760)	-	(265,427,760)
663,509,400	1,472,531,500	916,862,067	(370,803,974)	(5,916,100)	11,143,103,173	13,156,774,666	767,592,971	14,587,937,037
663,509,400	1,472,531,500	916,862,067	(701,503,895)	(11,962,300)	13,867,100,880	15,543,086,252	1,800,807,449	17,387,465,101
					3,796,602,000	3,796,602,000	(38,880,607)	3,718,021,393
					(2,889,900)	-	-	(2,889,900)
					102,421,019	-	-	102,421,019
					102,421,019	3,796,602,000	(38,880,607)	3,817,552,512
					-	(132,713,880)	-	(132,713,880)
663,509,400	1,472,531,500	916,862,067	(599,082,876)	(4,852,200)	17,490,049,000	19,266,590,911	1,424,226,842	21,072,303,733
					-	-	-	-

Balance as at July 01, 2022 - audited  
**Total comprehensive income / (loss) for the period**  
Profit for the six months period ended December 31, 2022  
Less: re-measurement of investment classified as fair value through OCI - net of tax  
Share of other comprehensive loss from associated company - net of tax  
**Total comprehensive income / (loss) for the period**  
Final cash dividend for the year ended June 30, 2022 @ Rs. 4 per share

**Balance as at December 31, 2022**

**Balance as at July 01, 2023 - audited**  
**Total comprehensive income / (loss) for the period**  
Profit / (loss) for the six months period ended December 31, 2023  
Less: unrealized loss on remeasurment of investment classified as fair value through OCI - net of tax  
Share of other comprehensive income from associated company - net of tax  
**Total comprehensive income / (loss) for the period**  
Final cash dividend for the year ended June 30, 2023 @ Rs. 2 per share

**Balance as at December 31, 2023**

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

  
Munsarim Saifullah  
Chief Executive Officer

  
Magsood Ismail Ahmed  
Director

  
Ahmed Raza Parekh  
Chief Financial Officer



**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023**

		December 31, 2023	December 31, 2022
	Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations after working capital changes	18	1,055,155,962	(1,339,251,435)
Gratuity paid		(25,415,236)	(27,816,623)
Income tax paid		(862,312,553)	(466,752,471)
Long-term deposits - net		993,215	(6,167,262)
<b>Net cash (decrease) / increase from operating activities</b>		<b>168,421,388</b>	<b>(1,839,987,791)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure (including CWIP)		(5,116,814,430)	(7,138,452,922)
Short term investment		(196,909,631)	(192,284,249)
Proceeds from disposal of property, plant and equipment		89,201,708	190,795,539
<b>Net cash used in investing activities</b>		<b>(5,224,522,353)</b>	<b>(7,139,941,632)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net receipts from long term finances - secured		1,184,181,633	7,004,074,967
Lease repayments		(4,712,957)	7,145,173
Short term finances - obtained		2,511,922,841	1,237,885,937
Interest / mark-up paid		(4,264,707,515)	(1,331,352,772)
Dividends paid		(132,554,854)	(265,084,329)
<b>Net cash generated from financing activities</b>		<b>(705,870,852)</b>	<b>6,652,668,976</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,761,971,817)</b>	<b>(2,327,260,447)</b>
Cash and cash equivalents at the beginning of the period		(3,789,381,932)	(785,025,151)
<b>Cash and cash equivalents at the end of the period</b>		<b>(9,551,353,749)</b>	<b>(3,112,285,598)</b>
Cash and bank balances	12	760,598,490	850,350,722
Running finances under mark-up arrangement	16.5	(10,311,952,239)	(3,962,636,320)
		<b>(9,551,353,749)</b>	<b>(3,112,285,598)</b>

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

  
Munsarim Saifullah  
Chief Executive Officer

  
Maqsood Ismail Ahmed  
Director

  
Ahmed Raza Parekh  
Chief Financial Officer

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2023

### 1 LEGAL STATUS AND OPERATIONS

The Group consist of:

**Holding Company:** Ismail Industries Limited

**Subsidiary Companies:** Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited

#### a) Ismail Industries Limited

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

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

Hudson Pharma (Private) Limited (HPPL) was incorporated in Pakistan as a private limited company on May 5, 2010. The registered office of the HPPL is located at 17, Bangalore Town, Main Shahrah-e-Faisal, Karachi. Principal activities of HPPL are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail trading and selling of all kinds of pharmaceutical, animal health, allied consumer products, drugs, medicines and derma products.

#### c) Ismail Resin (Private) Limited

Ismail Resin (Private) Limited (IRPL) was incorporated in Karachi, Pakistan on January 13, 2021. The registered office of IRPL is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of IRPL are manufacturing and selling of Polyester Resin.

### 2 SIGNIFICANT EVENTS & TRANSACTIONS

During the six-months period, there was no significant event occurred.

### 3 STATEMENT OF COMPLIANCE

These consolidated condensed interim financial statements of the Group have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 4 BASIS OF PREPARATION

These consolidated condensed interim financial statements of the Group does not include all of the information and disclosure required in the consolidated annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended June 30, 2023. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial

#### 4.1 Functional and presentation currency

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

#### 4.2 Standards, amendments and interpretations to approved accounting standards

##### 4.2.1 Standards, amendments and interpretations to the published standards that may be relevant to the Group and adopted in the current period

There were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

##### 4.2.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Group

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Group's financial statements and operations and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

##### 4.2.3 Standards, amendments and interpretations to the published standards that may be relevant but not early adopted by the Securities exchange commission of Pakistan

There are standards and certain other amendments to accounting and reporting standards that are not yet effective and notified and are considered either not to be relevant or to have any significant impact on the Group's consolidated condensed interim financial statements and operations and, therefore, have not been adopted by the SECP.

## 5 MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2023.

## 6 USE OF JUDGEMENTS / ESTIMATES AND FINANCIAL RISK MANAGEMENT

The estimates / judgements and associated assumptions used in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2023.

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's consolidated annual audited financial statements for the year ended June 30, 2023.

			(Un-audited) December 31, 2023	(Audited) June 30, 2023
7	PROPERTY, PLANT AND EQUIPMENT	Note	-----Rupees-----	
	Operating assets	7.2	31,334,011,733	26,889,151,820
	Capital work in progress - at cost	7.3	11,441,085,194	11,484,959,406
			42,775,096,927	38,374,111,226
7.1	Right-of-use assets	7.2	37,734,823	42,412,009

- 7.2 Detail of additions and disposals to operating assets and right-of-use assets during the six-months period are as follows:

	(Un-audited)			
	Additions/Transfers		Disposals	
	-----At cost-----		-----At net book value-----	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
<b>Owned assets</b>				
Building on leasehold land	1,527,395,657	154,224,013	-	-
Leasehold land	-	498,886,221	-	-
Plant and machinery	3,859,045,015	1,051,658,920	6,394,789	157,497,340
Furniture and fittings	38,509,471	14,891,460	-	56,625
Equipment	335,772,946	23,414,777	-	66,100
Computers	17,092,160	10,460,174	1,880,068	1,032,022
Vehicles	177,485,294	192,289,802	43,756,074	27,189,891
	5,955,300,543	1,945,825,367	52,030,931	185,841,978
<b>Right-of-use assets</b>				
Vehicles	-	(9,655,895)	-	-
	-	(9,655,895)	-	-
	5,955,300,543	1,936,169,472	52,030,931	185,841,978

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

	(Un-audited)			
	Additions		Transfers	
	-----At cost-----			
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Rupees -----			
Civil works	1,399,694,671	873,787,192	1,518,230,852	116,590,661
Plant and machinery	3,939,513,834	5,329,389,947	3,826,232,541	1,004,599,849
Equipments and computers	331,656,628	139,447,312	370,275,938	19,150,491
	5,670,865,133	6,342,624,451	5,714,739,331	1,140,341,001

## 8 LONG-TERM INVESTMENTS

### *Investment in associated undertakings*

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
The Bank of Khyber - quoted shares	8.1	3,537,213,655	3,225,156,930
		3,537,213,655	3,225,156,930

## 8.1 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 269,383,781 (June 30, 2023: 269,383,781) shares which represents 24.43% of paid-up capital of the Bank (June 2023: 24.43%). In addition to this, the Company also has representation on the board of directors of the Bank. The Bank concludes its annual financial results on December 31 as required by the State Bank of Pakistan for financial institutions. Amounts in these consolidated condensed interim financial statements have been taken from unaudited financial statements of the Bank for the nine-months period ended September 30, 2023. Adjustment to confirm to the Bank's accounting policies is not warranted as the Bank is not engaged in like transaction under similar circumstances.

The market value of holding in the Bank as on December 31, 2023 was Rs. 3,278.40 million (June 30, 2023: Rs. 3,633.98 million).

This investment is accounted for under the equity method. The aggregate amount of the investment in associated company recognized in these consolidated condensed interim financial statements are as follows:

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
Carrying value at beginning of the period	3,225,156,930	3,144,584,786
Share of (loss) / profit from	191,561,409	428,075,707
Share of other comprehensive	120,495,316	(347,503,563)
	<u>3,537,213,655</u>	<u>3,225,156,930</u>

All transfers of funds to the Group, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associated company. During the period, no bonus shares and cash dividend has been received from the Bank (June 30, 2023: 5% and Rs. nil per share) respectively.

## 9 STOCK-IN-TRADE

### Note

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
Raw materials	13,639,633,676	10,005,337,837
Packing materials	1,894,913,081	2,272,074,000
Work-in-process	793,202,664	644,262,138
Finished goods	6,750,295,511	3,354,882,011
	<u>23,078,044,932</u>	<u>16,276,555,986</u>

9.1 This includes raw materials in transit amounting to Rs. 2,539 million (June 2023: Rs. 2,021 million).

## 10 TRADE DEBTS

Considered goods

- Export debtors - secured
- Local debtors - unsecured

Allowance for expected credit loss

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
	5,304,066,884	5,805,638,355
	7,497,668,939	5,022,640,640
	12,801,735,823	10,828,278,995
	(209,366,262)	(158,464,042)
	<u>12,592,369,561</u>	<u>10,669,814,953</u>

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
<b>11 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
Trade deposits - unsecured	180,998,671	312,583,280
Short term prepayments	24,645,399	1,283,890
	<b>205,644,070</b>	<b>313,867,170</b>
<b>12 CASH AND BANK BALANCES</b>		
Cash in hand	109,679,754	6,126,486
Cash with banks in:		
- current accounts- conventional	235,321,327	1,240,343,136
- current accounts- islamic	415,597,409	404,696,981
	<b>760,598,490</b>	<b>1,651,166,603</b>

**13 LONG TERM FINANCES - secured**

	(Un-audited)			(Audited)		
	December 31, 2023			June 30, 2023		
	-----Rupees-----					
	Conventional	Islamic	Total	Conventional	Islamic	Total
At beginning of the period / year	24,449,440,071	7,572,451,333	32,021,891,404	16,698,616,806	7,924,387,206	24,623,004,012
Obtained during the period / year	2,950,072,668	-	2,950,072,668	10,649,467,081	142,163,389	10,791,630,470
Repaid during the period / year	(1,207,054,941)	(558,836,094)	(1,765,891,035)	(2,898,643,816)	(494,099,262)	(3,392,743,078)
	26,192,457,798	7,013,615,239	33,206,073,037	24,449,440,071	7,572,451,333	32,021,891,404
	(4,324,645,062)	(1,725,786,452)	(6,050,431,514)	(2,770,386,819)	(1,438,497,713)	(4,208,884,532)
Less: Current maturity	21,867,812,736	5,287,828,787	27,155,641,523	21,679,053,252	6,133,953,620	27,813,006,872

- 13.1** These represent financing for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and pari-passu / ranking charge over present and future fixed assets of the Group and personal guarantees of directors. Further terms and conditions are consistent with financial information as presented in the consolidated financial statements of the Group for the year ended June 30, 2023.
- 13.2** The Group's total limit for long term loan amounting to Rs. 40,868 million. (June 2023: Rs. 39,557 million).

	(Un-audited) December 31, 2023	(Audited) June 30, 2023
<b>14 DEFERRED LIABILITIES</b>		
Provision for staff gratuity scheme - unfunded	845,348,576	741,713,640
Deferred tax liability	1,870,355,993	1,777,653,106
	<b>2,715,704,569</b>	<b>2,519,366,746</b>
<b>15 TRADE AND OTHER PAYABLES</b>		
Trade creditors	7,346,640,685	7,316,148,050
Other liabilities	4,558,811,077	3,102,844,170
	<b>11,905,451,762</b>	<b>10,418,992,220</b>

Note

-----Rupees-----

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
		-----Rupees-----	
<b>16 SHORT TERM FINANCES - SECURED</b>	<b>Note</b>		
Term finances-conventional	16.1	3,300,762,903	1,649,997,917
Term finances-islamic	16.2	647,758,200	452,236,440
Export refinances	16.3	8,065,500,000	7,565,500,000
Finance against discounting of export bills	16.4	165,636,095	-
Running finance utilized under mark-up arrangements	16.5	10,311,952,239	5,440,548,535
		<b>22,491,609,437</b>	<b>15,108,282,892</b>

**16.1** These represent facilities for term finances arranged from various banks aggregating to Rs. 4,805 million (June 2023: Rs. 6,365 million). These are secured against pari-passu/ranking hypothecation over stocks and book debts of the Company along with the personal guarantees of directors. These carry mark-up at the rates ranging from 21.58% to 24.69% per annum (June 2023: 16.20% to 22.20% per annum).

**16.2** These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (June 2023: Rs. 800 million). These are secured against pari-passu hypothecation over stocks and book debts of the Company along with the personal guarantees of directors. These carry mark-up at the rates ranging from 21.85% to 23.28% per annum (June 2023: 12.64% to 22.27% per annum).

**16.3** These represent facilities for export refinance arranged from various banks aggregating to Rs. 8,115.50 million (June 2023: Rs. 7,665 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 directors. These carry mark-up at the rate 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2023: 0.25% to 1% above SBP rate per annum).

**16.4** These represent facilities for finances against discounting of export bills / receivables arranged from various banks aggregating to Rs. 1,300 million (June 2023: Rs. 1,400 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 directors. These carry mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (June 2023: 1% above SBP rate per annum).

**16.5** These facilities for running finances are available from various banks aggregated to Rs. 14,464.5 million (June 2023: Rs. 9,155 million). These are secured against pari-passu / ranking hypothecation of stocks and book debts and personal guarantees of directors. These carry mark-up at the rates ranging from 22.29% to 23.91% per annum (June 2023: 14.50% to 22.98% per annum).

## **17 CONTINGENCIES AND COMMITMENTS**

### **17.1 Contingencies**

**17.1.1** Except note no. 17.1.2, there are no material changes in the status of contingencies as reported in note no. 28 to the consolidated financial statements of the Group for the year ended June 30, 2023.

**17.1.2** The Company had filed a Suit S-2535 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2023 dated November 08, 2023 for increase in the price of natural gas and different prices for industrial and captive connection where the same is used for self-consumption by industrial undertaking. The Court vide its order dated December 18, 2023 passed an interim stay order in favour of the Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed the Company to pay the differential amount by way of cash in favour of the Nazir of Court. The cumulative differential amount is approximately Rs 215.4/= million (exclusive of sales tax) which has not been recorded in the statement of financial position. The payment made to Nazir is treated as advance as referred to in note no. 12 of this unconsolidated condensed financial statement for the six months period ended December 31, 2023.

**17.1.3** With reference to the contingency of associated company, The Bank of Khyber (BOK), please refer the note 20 of condensed interim financial statement for the nine month ended September 30, 2023.



	(Un-audited) December 31, 2023	(Audited) June 30, 2023
	-----Rupees-----	
<b>17.2 Commitments</b>		
17.2.1 Outstanding letter of guarantees	3,405,390,771	3,158,894,750
17.2.2 Cross Corporate guarantees	7,956,941,110	4,838,811,644
17.2.3 Outstanding letters of credit for:		
- capital expenditures	145,372,464	1,404,832,375
- raw material	5,126,639,830	7,088,433,702
17.2.4 The Holding Company has executed sponsors support agreement with the lenders of M/s. Ismail Resin (Private) Limited for investment in the form of equity or subordinated debts to cover the cost over-run, or to cover the funding shortfall or any other obligation that may arise under financing documentations / agreements executed with them.		
17.2.5 The Group's share of commitments of associated company is based on the latest available financial information.		

	(Un-audited) December 31, 2023	(Audited) December 31, 2022
	-----Rupees-----	
<b>18 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES</b>		
Profit before taxation	4,567,533,928	2,927,622,347
<b>Adjustments for non-cash and other items:</b>		
Depreciation	1,456,503,878	1,218,059,131
Amortization charge	1,745,728	1,884,367
Gain on disposal of property, plant and equipment - net	(37,170,777)	(4,953,561)
Gain on disposal of available for sale investment	-	-
Provision for staff retirement gratuity	129,050,181	106,976,329
Provision for doubtful debts	50,902,220	-
Provision for slow moving - stock in trade	26,869,995	54,859,177
Share of (gain) / loss from associated undertaking	(191,561,409)	27,216,350
Unrealized exchange gain on short term investment	(3,705,000)	-
Unrealized exchange loss / (gain)	774,662	(81,028,279)
Finance cost	4,010,329,071	1,641,570,657
Net increase in working capital	(8,956,116,515)	(7,231,457,953)
Cash generated from operations after working capital changes	1,055,155,962	(1,339,251,435)
<b>18.1 Working capital changes</b>		
<b>Current assets</b>		
<b>(Increase) / Decrease in current assets</b>		
Stores and spares	(174,693,003)	(82,821,954)
Stock-in-trade	(6,828,358,941)	(2,695,183,126)
Trade debts	(1,985,226,031)	(4,624,880,941)
Loan and advances	1,205,048,796	(665,082,818)
Trade deposits and short-term prepayments	108,223,100	(475,020,964)
Other receivables	(2,772,665,541)	(7,182,095)
	(10,447,671,620)	(8,550,171,898)
<b>Current liabilities</b>		
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	1,497,454,083	1,375,191,760
Advances from customers - unsecured	(5,898,978)	(56,477,815)
	1,491,555,105	1,318,713,945
<b>Net increase in working capital</b>	(8,956,116,515)	(7,231,457,953)



## 19.8 RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES

		(Un-audited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rupees-----	
<b>Assets</b>			
Total assets for reportable segments	19.2	86,856,054,377	73,597,893,239
Administrative capital assets		1,774,000,407	1,730,143,202
Good will		12,173,553	12,173,553
Long term investment	8	3,537,213,655	3,225,156,930
Short term investment		1,868,794,602	1,151,277,927
Loan and advances		123,500,000	-
Other receivable		3,249,979	-
Total assets		94,174,986,573	79,716,644,851
<b>Liabilities</b>			
Total liabilities for reportable segments	19.4	37,998,027,921	33,263,002,991
Deferred liabilities		1,870,355,993	1,777,653,106
Long term finance - secured	13	33,206,073,037	27,288,523,653
Lease liabilities		28,225,891	-
Total liabilities		73,102,682,842	62,329,179,750
		(Un-audited) December 31, 2023	(Un-audited) December 31, 2022

## 20 EARNINGS PER SHARE - Basic and Diluted

### Basic earnings per share

Profit for the period attributable to Shareholders of Holding Company

3,756,602,000 2,594,616,797

Weighted average number of ordinary shares at December 31

----- (Number of shares) -----  
66,356,940 66,356,940

Basic and diluted earnings per share

----- (Rupees) -----  
56.61 39.10

As at December 31, 2023 there is no diluted effect on the basic earnings per share of the Holding Company.

## 21 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited) December 31, 2023	December 31, 2022
	-----Rupees-----	
<b>Transactions</b>		
<b>Plastiflex Films (Private) Limited</b>		
Common Directorship		
- Purchase of raw and packing materials	13,601,269	41,422,648
- Metallization service	(7,662,773)	(3,306,414)
- Recovery against sales	6,537,760	2,776,175
- Payment against purchases	(11,034,027)	(41,420,742)

	(Un-audited)	
	December 31, 2023	December 31, 2022
	-----Rupees-----	
<b>Innovita Nutrition (private) Limited</b>		
Common Directorship	716,147,606	-
- Purchase of raw material	(153,102,109)	-
- Payment against purchases		
	(Un-audited)	(Audited)
	December 31, 2023	June 30, 2023
	-----Rupees-----	
<b>Others</b>		
<b>Remuneration to directors and other key management personnel:</b>		
Chief Executive Officer	24,300,000	24,300,000
Directors	15,650,004	15,650,004
Executives	525,276,069	469,716,071
	565,226,073	509,666,075

In addition to the above, the Group maintained cars are provided to the chief executive officer, directors and executives.

	(Un-audited)	
	December 31, 2023	June 30, 2023
	-----Rupees-----	
<b>Balances</b>		
<b>Plastiflex Films (Private) Limited</b>		
- Payable to associate - net	(1,442,229)	-
<b>Innovita Nutrition (private) Limited</b>		
- (Payable) / Advance to associate	(130,638,497)	432,407,000

## 22 FAIR VALUE MEASUREMENT

The Group's policies with the regards to fair value measurement are consistent with those disclosed in the annual financial statements for the year ended June 30, 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Group for the year ended June 30, 2023.

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

The different levels have been defined as follows:

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

The Group held the following financial assets at fair value;

	Decemeber 31, 2023				June 30, 2023
	(Level 1)	(Level 2)	(Level 3)	Total	
	-----Rupees-----				
Investment in associated undertaking	3,278,400,615	-	-	3,278,400,615	3,633,987,206
Short-term investments	833,755,000	-	-	833,755,000	834,465,000
	4,112,155,615	-	-	4,112,155,615	4,468,452,206

**23 FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended June 30, 2023.

**24 GENERAL**

Prior year figures have been rearranged and/or reclassified, wherever necessary, for better presentation. There is no material reclassification.

**25 DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements were authorized for issue on February 14, 2024 by the Board of Directors of the Group.



**Munsarim Saifullah**  
Chief Executive Officer



**Maqsood Ismail Ahmed**  
Director



**Ahmed Raza Parekh**  
Chief Financial Officer



# ISMAIL INDUSTRIES LIMITED

## HEAD OFFICE

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UNIT-9: G-1, H.I.T.E., HUB, BALOCHISTAN, PAKISTAN.  
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