CONQUER NEW HEIGHTS

ISMAIL INDUSTRIES LIMITED

Annual Report 2023

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

WELCOME

Our vision is to grow the business, while decoupling our environmental footprint from the growth and increasing our positive social impact.

Ismail Industries Limited is one of the largest business entities of Pakistan. The company has a diverse portfolio ranging from food products (confectioneries, biscuits, snacks, nutrition and flour) to high-quality packaging films.

OUR STORY

CandyLand is where it all started in 1988 with our first factory bringing to life the largest confectionery company of Pakistan. Our strong ethos of honesty, dedication and relentless hard work has seen us become a name of quality and consumer trust for over three decades. CandyLand is an incredible and inspiring story of determination which has made us the market leader in the confectionery business.

Later in 2002, the Bisconni division was introduced, which soon became one of the fastest-growing biscuit Industries in the country. In 2006, the SnackCity division was set in motion to explore the chips and peanuts category. Our business further strengthened when, in the same year, Astro Films was launched as a specialized division that manufactures packaging and plastic films.

At Ismail Industries Limited (IIL), we take pride in being ISO 22000 certified and meeting the global quality standards developed by the International Organization for Standardization dealing with food safety. We are

also certified by SANHA (South African National Halaal Authority) which is a leading authority in the certification of Halaal products around the world.

For over two decades, IIL has been exporting its products to more than 40 countries in North America, Europe, Australia, Africa, the Far East, and the Middle East. Our long-standing customer relationships are a testament to our commitment to manufacturing the highest quality products and ensuring the satisfaction of our customers all around the world.

Our employees operate in an environment where they are empowered to think and act in the highest interest of our key stakeholders. It is the same culture of innovation that has resulted in many home-grown ideas resulting in some of the most innovative products brought to Pakistan's confectionery, biscuit, and snacks market along with various achievements internally on driving efficiency and operational excellence.

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MISSION

Our mission is to capitalize on our values and maximize our customers' satisfaction through continuous efforts of delivering consistent quality of products. We aim to constantly empower and enable our people to deliver value for our consumers. Our target is to extensively cater to the home markets and to strengthen our roots in international ones. The overarching mission of Ismail Industries Limited is to become a socially responsible organization that contributes towards the betterment, growth and development of Pakistan.

VISION

Ismail Industries' vision is to continue its growth trajectory in the coming years and to become the largest food manufacturing company in Pakistan. It aims to serve its customers with delightful treats and products with the promise of taste and bringing smiles. The company plans to become the best snacking company in the country through its strategy focused on quality products, leveraging people's capabilities, employing technology for efficiency, bold innovation, and continuous process improvements.

OUR **BUSINESSES**

CORE VALUES

BELIEF

Our mantra is to keep dreams alive. We have faith in the notion that belief in oneself and the overall purpose is the first step to achieve something. We strongly believe in our products, our processes, our partners, and above all - we believe in each other.

LEADERSHIP

We believe that business performance is driven by effective leaders who can truly inspire people to unleash their individual and collective potential. We focus on providing a leadership that provides a vision, inculcates aspirations, promotes communication, and displays passion.

EXCELLENCE

Our corporate purpose is to manifest excellence in our performance attitude. We view it as a continuous process that enables us to excel in everything we do.

FAIRNESS

Fairness is a professional behavior that establishes reliability and credibility. We keep fairness paramount - we do what we say.

TEAMWORK

We focus on leveraging collective efforts and nurturing a culture of appreciation. Our aim is to empower our people to make collective decisions with utmost integrity and responsibility.

Principal business activities and markets (local and international) including key brands, products and services.


ATLAS

CandyLand

CandyLand

From humble beginnings to being the current largest confectionary segment of Ismail Industries Limited in Pakistan, CandyLand began its operations on June 21, 1988. The foundation of our first production plant was laid down on 1 acre of land and the first brand was launched in 1990. From that point onwards, the company has constantly achieved one milestone after the other and has expanded its production facilities to over 8-acres.

Being the pioneer in the jellies category, CandyLand has also launched brands in technically difficult categories such as lollipops and marshmallows. We take pride in delivering the best quality products and our brands strive hard to always delight our consumers. This has also helped us export our products to more than 40 countries around the globe.

Backed by a consumer-centric and innovation driven mindset, CandyLand has been known to bring new product categories to the Pakistani consumer. Our state-of-the-art facilities have enabled us to become one of the most technologically advanced and superior companies within the industry. Our customers and consumers are at the core of everything we do. We strive to deliver the best customer value proposition and ensure that our consumers receive the utmost satisfaction every time they choose our products. A blend of highly qualified and experienced individuals in our technical and marketing teams helps us to achieve consumer delight. Our sales force is one of the most efficient and largest in the category, to ensure that we reach out to our customers even in the most remote areas across the country.

CandyLand offers a plethora of product categories such as Jellies, Chocolates, Marshmallows, Candies, Toffees, Chews, Lollipops, Gums, Milk Chocolates, Spreads, Brittles, Truffles and Bunties, all meeting international standards of quality and food safety. All CandyLand products are certified ISO 22000 and have Halaal Certification from SANHA.

Coming out of the pandemic phase, we stuck to our philosophy of providing consumers with a delightful consumption experience by introducing multiple new offerings in the markets. One of the biggest campaigns aired was the launch of a new product Bisca. We also introduced some new brands to the market such as Stiks, Frooble and Burst chewing gums, Dino Jelly, Sour ABC, Roco and Milky Toffee and multiple more brands to the portfolio with great zeal across the company and are a part of CandyLand's long-term growth strategy.

At CandyLand, we promise to uphold our values, continue to nurture our existing brands and grow our category by constantly innovating and launching new brands that connect with our consumers, meet their needs and continue to delight them for many years to come.

Objectives **2022-23**

- Strengthening the sales and Distribution structure
- Research based communication development
- Investment in flagship product categories
- Brand health tracking and ROI based marketing
- Channel management and development
- Profitability improvement initiatives

Objectives **2023-24**

- Portfolio growth through product innovation
- Strengthen consumer value proposition
- Strategic alliances to enhance brand equity
- Portfolio expansion with introduction of new channels and geographies
- KPI based sales management
- Resource optimization

NEW **LAUNCHES**

Pop Pops:

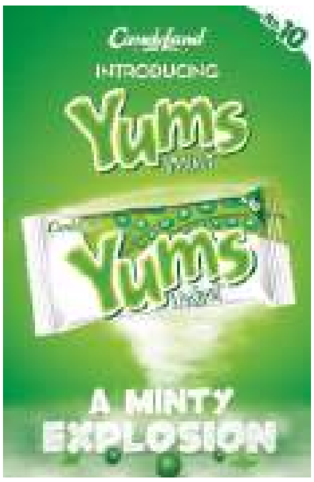
CandyLand has introduced a centre filled chew in the market by launching Pop Pops in two flavors such as strawberry & orange.

Yums Rs.20:

A new SKU for Yums on a price point of Rs.20. It comes in a bigger pack and is juicier and crunchier than ever.

Yums Mint:

CandyLand has introduced a new variant known as Yums Mint. It gives you minty fresh feeling and is available in Rs.10.



Frooble:

CandyLand has innovated the gums market by introducing its newest brand called Frooble. It is a center-filled coated gum, available in flavors such as spearmint, peppermint, strawberry, peach, watermelon, tutti frutti & grape. It is available in the market for Rs.5.

Burst:

An innovation in the gums market is CandyLand's Burst. A center-filled gum available in Rs.5 and comes in spearmint & tutti frutti flavor.

Rs.50 Now Sonnet Paradise:

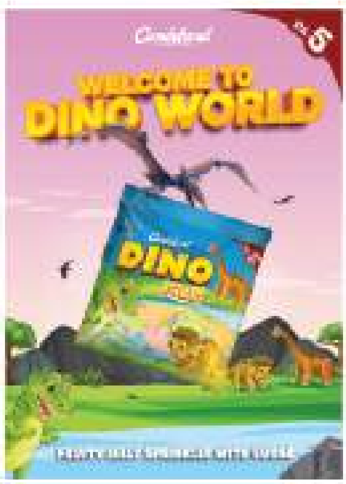
This year we introduced a Rs.50 price point as part of our leading brands portfolio, which includes NOW, Sonnet and Paradise Chocolates.

STIKS:

STIKS is an addition in the CandyLand's gums portfolio. It is a Rs.30 gum available in banana, spearmint and tutti frutti flavors. It is an innovation in the local market as a substitute to expensive imported alternatives.

Dino:

CandyLand has innovated the jelly market by introducing its newest brand called Dino Jelly in the market for 5, 10 and 50 rupees.



Pizza Jelly:

A new entrance in the CandyLand portfolio has been its Pizza Jelly. It sells in the shape of perfectly crafted jelly pizza slices and sells at the price point of Rs.20.

Thunder Jelly:

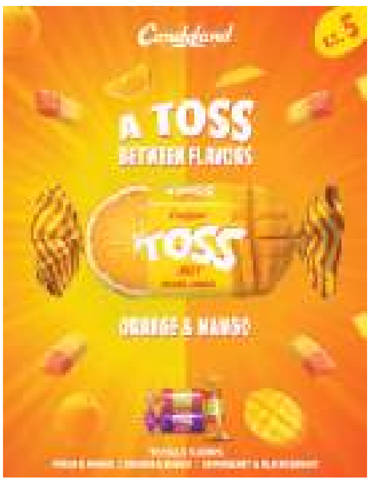
CandyLand's latest addition has been its electrifying creation – Thunder Jelly. It sells as a fighter jet shaped jelly in the flavor of juicy peaches at the price point of Rs.10.

Sour ABC:

CandyLand has introduced a sour variant of ABC Jelly. It is available in unique flavors and sells in the market at the price points of 5, 10 and 50 rupees.

Toss (Relaunch):

CandyLand reimagined and relaunched its Toss Jelly. Priced at just 5 rupees, it sells in 3 flavors: mango & peach, strawberry & black currant, and orange & mango. It is packed now in jars for consumer/customer convenience.



Milky Toffee:

Milky has been one of the most recent CandyLand creations. Milky is available as a creamy milk-infused toffee. Milky sells in the market priced at Rs. 5 and sells in bags, boxes and jars packaging format.

Roco Toffee:

Roco Toffee was launched by CandyLand in Rs.5 price point to serve those who are seeking a solid coconut flavor along with the sweetness embedded in caramel. It is available in box, bags and jars format in order to facilitate customers further.

Bisca:

The biggest bet of the year for CandyLand - a clutter breaking addition to the local market. Bisca is a three layered chocolate – with caramel, biscuit and topped with chocolate. An innovation that offered a new proposition for the consumers that was launched in September 2022 with extensive support through all trade tools such as countertops, gondolas, point of sales material.

The campaign spread across Television, YouTube, Facebook, Instagram, PR and Out of Home.

Bisconni

Carrying the ambition to bring an exquisite taste in every bite. Bisconni has established an unbreakable bond with its customers becoming a leading player in the biscuit industry. With an array of tantalizing offerings, it has become a household name that aspires to deliver unmatched quality every time.

At Bisconni, we have an exciting range that continues to expand and grow. By launching popular and powerful brands over the past 17 years, Bisconni has firmly established itself among the three leading biscuit manufacturers. We are poised to continue our journey towards opportunities and increase growth with innovative products of high quality and impeccable taste. Currently present in two categories of Cookies and Cakes, our flagship brands include the Nation's favorites; Cocomo, Chocolatto, Chocolate Chip Cookies, Novita, Rite, Craving, Flo Cake, Chai Wala Biskut, Chip Hop, Day Dream, Crux and more. These are widely preferred by consumers as they constantly bring compelling value proposition and unforgettable experience that tantalizes the consumer's taste buds.

Since the beginning, Bisconni has adopted a customer-centric approach. Innovation and quality are at the heart of our corporate identity, resulting in all our products being ISO 22000 and Halaal Certified from SANHA. Our commitment to creating the ultimate brand experience at the forefront of our guiding philosophy has enabled us to deliver our promises and convert consumers' brand loyalty into brand love.

Bisconni is the value driver for Ismail Industries Limited and will continue to increase its market share in all categories by exploring untapped opportunities within the country and beyond. With great importance given to the introduction of exciting choices elevating consumer's delight, we are confident that Bisconni will reach new heights.

Chip Hop:

In June 2022, a high-quality Chocolate Chip Cookies was introduced to meet the preferences of the adult market segment. Chip Hop is designed to provide a more indulgent experience with a larger, chunkier cookie with an abundance of chocolate chips. It was launched as a premium addition to Bisconni's product portfolio. Aggressive digital marketing hammered in the new product in the minds of the consumer which paved the way for organic social media dialogue and engagement around the product. Chip Hop to date, is a well celebrated product in the market particularly for its delectable texture and a mouthful of chocolate chips with every bite.

Chocolate Chip Cookies:

Chocolate Chip Cookies is amongst the most loved and celebrated cookies in the Chocolate Chip segment and to take this brand love even further, in 2022, the brand introduced its mischievous mascot for the first time in its pack, the Cookiemon.

Cookiemon rises to prominence due to its cheerful and affectionate character, readily connecting with young audiences who view him as a mischievous partner in crime. A TVC was introduced featuring the Cookiemon, Ali Rehman Khan and a child star illustrating a fun and cheeky relationship between the three.

Chocolate Chip Cookies also engaged in a Back to School campaign in August 2022 with Cookiemon engaging and exciting children with school-centric gifts and activities at Dolmen Mall Clifton, Karachi.

FLO:

There's nothing more exciting than cricket for Pakistan – simply a fusion mazay ka! We celebrated England's cricket team touching down in Karachi after a span of 17 years by featuring the electrifying TVC of FLO on the national television PTV Sports during the live coverage of the series.

The TVC was re-aired in October to hammer the TOM and support sales during the season.

#SochKaFLObadlo:

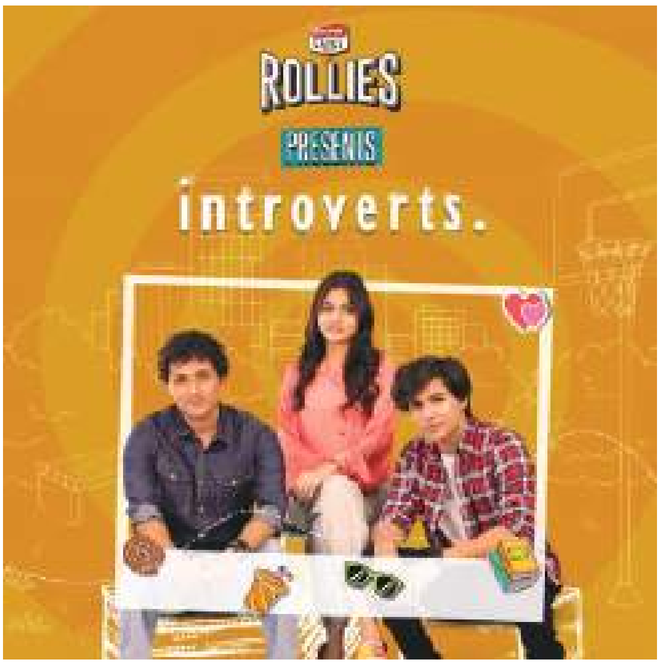
Bisconni Cakes launched the impactful campaign #SochKaFLObadlo, employing a series of attention-grabbing videos centered around the (RED) Marketing strategy. The campaign aimed to tackle prevalent social issues and stimulate dialogue among Gen Alpha by challenging stereotypes. Utilizing digital platforms for broad reach, the campaign featured concise, relatable, and shareable videos designed to engage the audience with a short message. By focusing on both the primary audience (6 to 12 years) and expanding to a secondary audience (18 to 30 years), Bisconni Cakes effectively employed platforms like TikTok, YouTube, Twitter, as well as META, to amplify communication and drive conversation. The campaign garnered significant success with 11,556,545 views, 37,650,000 impressions, and a reach of 3,765,000 on Facebook, Instagram, and YouTube. It was also honored as the "Best CSR Campaign" at the Pakistan Digital Awards 2023.

Get Set FLO:

Bisconni Cakes introduced a creative addition called "Get Set FLO" to their cake collection. This distinctive cake mimics the colors of a traffic signal, adding excitement and creativity to its product range. The brand emerged from our commitment to constantly push the boundaries of innovation in the baking industry. The tricolored sponge cake covered in a chocolate enrobing was conceived to infuse joy and playfulness into their cakes. The cake's playful look and high-quality taste have resonated with both children and adults, aligning with the brand's commitment to continuously innovate.

Rollies:

Rollies, a brand under Bisconni Cakes, aimed to enhance its brand equity with the Gen-Z demographic by partnering with a popular YouTube channel to produce a compelling web series named "Introverts." This strategic collaboration enables direct engagement with the target audience, solidifying Rollies' Gen-Z-focused identity and market presence. The "Introverts" series tackled themes resonating with Gen-Z, like self-discovery and individuality, using relatable characters and situations. The series subtly featured Rollies as a complementary snack for introspective and relaxing moments, effectively integrating the brand into the narrative.



Cocomo:

Celebrating 20 Years of Delightful **#CocoMoments** with Bisconni Cocomo!

In 2021, Bisconni Cocomo celebrated 20 years by unveiling new packaging and a nostalgia-driven campaign. The focus was on reliving the care-free childhood days intertwined with the joy of savoring Cocomo. Through compelling TV commercial, engaging digital content, and widespread Out-of-Home displays, the campaign evoked heartfelt emotions. Trade tools also played a pivotal role in amplifying its success. Beyond biscuits, Cocomo aspires to keep crafting magical #CocoMoments, looking ahead to more years of shared happiness.

DayDream:

DayDream Premium Coffee Cookies: Where Dreams and Rich Chocolate Converge!

Bisconni introduced DayDream Premium Coffee Cookies, a rich chocolate delight in their premium range in 2021. The "Live Your DayDream" campaign, in collaboration with influencers and FLOC (Coffee House) created waves on social media. Unique PR boxes held cookies, coffee jars, candles, and inspiring mugs, encouraging influencers to capture their dreamy moments. Their captivating content showcased both the exquisite taste and the dream-inspiring essence of the cookies. DayDream Coffee Cookies stand as a delightful symbol of indulgence and flavorful aspirations.

Nice:

Have A Nice Day!
Impactful launch of the all new Nice – Sugar sprinkled coconut biscuits! Our 360-degree campaign focused on spreading joy with a message of having a nice day. The TV campaign captured viewers' hearts with emotional storytelling. Inspired viewers to embrace "Have a Nice Day," finding happiness in simple acts of kindness and sharing Nice biscuits with loved ones. The extraordinary Out-of-Home campaign and thoughtful digital content left a lasting impact on consumers with the message of "Have a Nice Day". The OOH campaign aimed to spread positivity and touched the hearts of passersby. Strategically placed billboards featured messages about daily life anecdotes encouraging people to have a nice day and brighten others' lives with kindness.

Zeera Biscuits:

Introducing Bisconni Zeera Biscuits: Embracing Tradition for Pakistani Consumers!

Bisconni Zeera Biscuits, a delightful addition to our biscuit family, was carefully crafted to honor the traditional value it holds for Pakistani consumers. Zeera, or cumin seeds, have been a treasured spice in local cuisine and culture for generations, and we sought to capture its essence in a biscuit that resonates with the heart and soul of our consumers. Launched as a trade initiative, Bisconni Zeera has been warmly received by consumers in the market. Its harmonious blend of tradition and health appeals to the diverse palate of Pakistani consumers, evoking nostalgia for the flavors of yesteryears.

Panda Power:

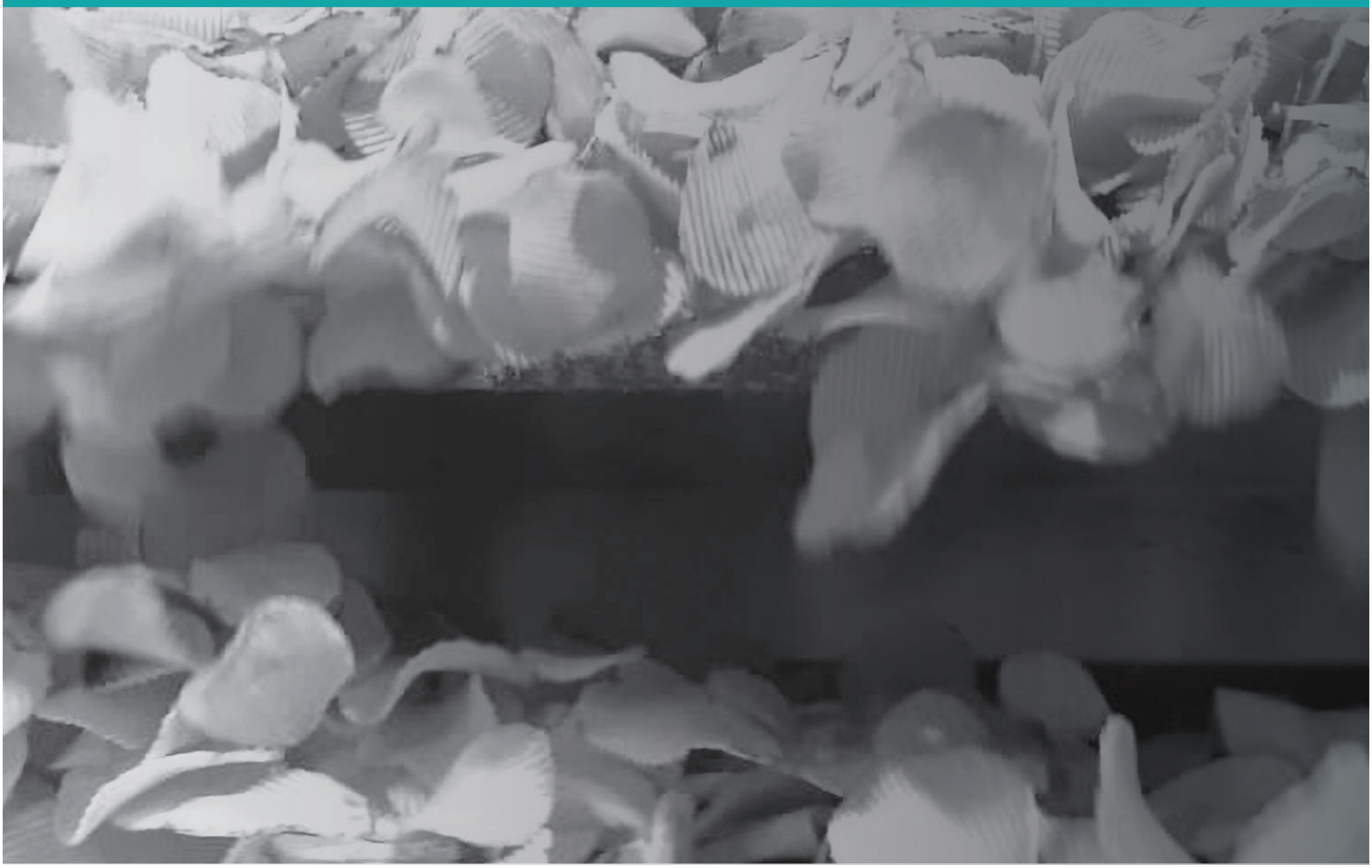
Entering energy biscuits segment with Panda Power, the one-of-a-kind energy biscuit that's bound to capture the hearts of kids everywhere! Our adorable Panda mascot makes snacking an adventure, while essential nutrients like Calcium, Iron, Zinc, and Vitamin A fuel their growth and active lifestyle. Amidst a crowded market, Panda Power shines with its unique nutrient blend. Exciting plans are brewing for more fun and goodness. Panda Power - the energy biscuit for joyful, healthy kids!

Chocolatto

Elevating Luxury through Iconic Collaborations:

Chocolatto, the personification of luxury in the chocolate industry, has achieved unparalleled brand upliftment through three iconic collaborations in the year 21-22. Our seamless integration in the blockbuster movie "Yaara Vey," sponsorship of the prestigious “HUM Awards” in Canada, and principal sponsorship of the “BCW (Bridal Couture Week)” in Lahore have positioned Chocolatto as the choice of connoisseurs seeking an indulgent and lavish experience. Through these illustrious partnerships, Chocolatto has transcended boundaries and solidified its reputation as the ultimate symbol of luxury and indulgence.

SNACKCITY



Established in June 2006 and expanded in March 2010, the SnackCity division of Ismail Industries Limited proudly retains its status as the fastest growing company in the crinkle chips category. Now home to an impressive range of snacks; namely Kurleez, Chillz, Fills and Peanuts & Nimko, SnackCity stands as a hub of delicious options. This variety reflects the brand's growth and dedication, embodying its journey and commitment to quality. This year, we proudly launched Snackcity Fills, an innovative addition in the flat-cut chips category; the product was a big success, and has laid the foundation for SnackCity to expand further in the future. Furthermore, in a bid to strengthen its reach and foster deeper engagement, Snackcity launched a series of dynamic campaigns throughout the year, strategically designed to accomplish its key objectives.

Another creative initiative taken by Snackcity came in the form of a Selfie Competition for our order bookers, building on the remarkable success we achieved last year. Due to its overwhelming response, we were excited to bring it back again this year, promising even more fun and engagement this time around. With these endeavors, we aim to validate the work of everyone who makes SnackCity's success possible. At Snackcity, the customers are of utmost priority, which is why all our products are Certified Halaal by SANHA, alongside ISO 22000 Certification - a testament to our commitment to quality. Furthermore, the business unit has invested in the world's best machinery, employed the best food technicians and experts, and adopted the best practices to achieve our objective of customer satisfaction. We aim to continue to nurture Snackcity's existing products, as well as expand our portfolio in the upcoming year of 2023-2024. We vow to uphold our company values, and meet our goal of absolute customer satisfaction, as well as continuing to be leading innovators of the Pakistani market. Additionally, distributor engagement plans were thoughtfully designed and executed, solidifying alignment between all parties. Business plans were meticulously aligned with distributors, ensuring that we all operate in harmony on the same page.

Kurleez PSL/Digital Campaign:

Revamped with a contemporary twist, Kurleez's mega campaign took center stage during the PSL, capturing the attention of the masses. The brilliant fusion of TV and digital platforms sparked an unprecedented level of interest, captivating a substantial audience and highlighting the effectiveness of the campaign. The success of the campaign was celebrated with great enthusiasm internally as well, as the team organized a grand launch event. Filled with vibrant balloons, a captivating photo booth, and delightful launch sampling, the event was a true celebration of Kurleez's innovation and dedication to delivering an eclectic yet cohesive experience.

Fills Launch:

Fills made a confident comeback in Q1 of 2023, following in-depth consumer research that helped refine the product and packaging. Aggressively promoted through eye-catching stickers and posters at strategic POSM locations, our relaunch gained momentum. The team came together for inspiring launch events, building excitement and confidence for the future. Anticipate exciting times ahead!

Nimko Launch:

Nimko seamlessly joined the SnackCity family, backed by a well-crafted launch strategy. Effective retail sampling across the trade, along with smaller SKUs sent to retailers, ensured widespread visibility and accessibility. To create higher awareness, our standout effort in POSM marketing left a lasting impression on potential consumers all over the country. With this comprehensive approach, Nimko is poised for success, ready to delight snack enthusiasts and carve its place in the market.

ISMAIL NUTRITION

CEREAL

Ismail **Nutrition**

Malnutrition is a universal plague that affects a population of over 815 million people in the world.

Due to overpopulation and scarcity of adequate nutrition in Pakistan, stunting has become prevalent in children belonging to low socioeconomic backgrounds. As a socially responsible company dedicated to providing high-quality food products, Ismail Industries Limited initiated the manufacturing of lipid-based nutritional products in 2010.

The urgent need for nutritional foods combined with the food manufacturing experience of the company resulted in the creation of the Ismail Nutrition Division. The overwhelming success of these products in Pakistan encouraged Ismail Industries Limited to begin exporting to neighboring countries. Many international social welfare agencies joined in as recipients of these vital nutritional aids. Ismail Nutrition is an approved supplier of United Nations Children's Fund (UNICEF) and the World Food Program (WFP). Ismail Nutrition's manufacturing facility is currently capable of producing 240 metric tons per day.

Ismail Nutrition further aims to work towards freeing the world of malnutrition.

Development, Research & Technology

Ismail Nutrition benefits from the rich heritage brought by Ismail Industries Limited in the food sector with over 50 years of experience in production, research & development. In addition to this, Ismail Industries' expansive network of partners in advanced food technology aids Ismail Nutrition in the consistent development of products with high-quality standards. All our products are designed to meet WHO specifications and requirements.

Ismail Cereal

Bringing nutrition and essential minerals to disaster-struck areas. Ismail Industries Cereal Division is planning to start manufacturing cereals which have been approved by WFP as global supplier for Super Cereals. The product is easy to reconstitute, just add a cup of Cereal in 3-4 cups of water, bring to a boil and simmer for 5 mins and serve. This product will be used in areas with limited access to food and water and the idea is to provide all the nutrition and minerals in a single serving of cereal.

The cereal is manufactured on a state-of-the-art Extrusion Plant, which has passed the WFP audit for food safety, compliance and GMP requirements. The plant has also been approved by SANHA, FSSC and is on a path to continuous improvement. With a capacity of over 110 tons/day, we are delivering cereal to WFP. As part of our mission statement, we are striving to deliver consistent quality. Along with this, new avenues for business both local and export are being developed to cater for global nutritional needs.


غزا
GHIZA

Ghiza Flour

Ghiza Flour was launched during the 4th quarter. Ismail Industries commissioned state of the art 240 TPD Buhler roller mill having annual production capacity of 86,400 tons with the objective of:

- Backward integration by ensuring top-quality All-Purpose Flour (Maida) to Bisconni.

- Adding value to the food industry by offering the best quality flour to the vast Industrial and HORECA (Hotels / Restaurants / Canteens) segment across Pakistan.

- Ensuring proper nutrition across Pakistan by introducing fortified super fine flour in 5kg and 10kg packing in the consumer segment.

Milled with extreme care by selecting high-quality wheat at the time of purchase with careful sorting through the sortex machine at the time of production. Our products include:

Ghiza Maida:
Ghiza Maida available in bulk packing of 50kg and 1kg consumer pack. It is milled according to quality and nutritional requirements of Bisconni, one of the leading biscuits manufacturers in the country and quickly becoming the choice of leading bakeries and food manufacturers.

Ghiza Special Fine Atta:
Ghiza Special Fine Atta is available in bulk packing of 50kg. It is used for Pooris and Paratha and a favorite choice of HORECA customers who enjoy serving their customers with the best-tasting, soft Pooris, Nan bread and Parathas to complement their meals.

Ghiza Super Fine Atta:
This product is fortified with essential nutrients to reduce Iron, Folic Acid, Zinc, Vitamin A, B12 and Vitamin D deficiency ensuring a healthier option in the consumer market. It is available in 5kg and 10kg bags. Our milling process and quality control ensure the perfect end product in the form of softer, tastier and fluffier bread with soft texture maintained over an extended period of time.

Ghiza Bran:
By-product of our milling process Ghiza Bran has become a favorite choice for dairy farmers for their livestock. Quality wheat selection ensures the required amount of protein and vitamins for better yields.

- High-quality wheat flour.
- Free from dust, chemicals, stones & germs.
- Golden wheat with all the essential vitamins, iron & minerals.
- Aromatic flour for the softest roti for more than six hours.

Astro
Films
packaging solution

Established in 2003, Astro Films is the flexible packaging division of Ismail Industries Limited, manufacturing BOPET, CPP and BOPP films with facilities located in Karachi, Pakistan. Astro Films is one of the leading packaging film manufacturers in the country with a combined installed film production capacity of 80,000 tons/annum and metallization capacity of 19,000 tons/annum. State-of-the-art facilities, high-quality films and the most consistent services have earned Astro Films a position as one of the best recognized regional and international film suppliers as well as one of the fastest growing flexible packaging exporters with a prestigious clientele spread in more than 25 countries across 5 continents.

Astro Films has its production facilities in two locations in Pakistan; Hub and Port Qasim Industrial Zones.

We have 2 CPP film lines of the renowned Italian company Gruppo Colines. The first 3.0 meter line was set up in 2003 with an annual capacity of 9,000 tons. The CPP capabilities were enhanced in 2014 with an addition of the second 2.6 meter line with an annual capacity of 7,000 tons, increasing overall annual CPP films capacity to 16,000 tons.

Astro Films also added a 4.0 meter BOPP line from Bruckner (Germany) in 2011, strategically added to facilitate packaging solutions for Ismail Industries Limited's in-house food brands. This line has an annual production capacity of 4,500 tons.

The first of the two BOPET production lines was set up in 2012; it is a 6.7 meter Bruckner (Germany). This was the first Bruckner BOPET line imported into Pakistan. Adding another milestone to its illustrious history, Astro added a second BOPET line at the end of 2020; an 8.7 meter Bruckner (Germany) capable of producing 42,000 tons per annum and taking the total BOPET output tally to 60,000 tons/annum. Our BOPET lines are capable of producing thicknesses of 10u to 100u and we have additionally worked on functional proficiency, giving the specialized abilities to measure up to the client's needs and expectations.

Moreover, in addition to our film making capabilities we have metallization capacities up to 19,000 tons per annum. Astro Films has three metallizers from 'General Vacuum' (UK), of which, two are installed at the Hub factory while the third one is at Port Qasim facility.

Complying with the highest quality, process, and food safety standards, Astro Films possesses certifications including ISO 9001:2015 and FSSC 22000 (version 5). We are proud of our accomplishments and manufacturing capabilities which have enabled us to become one of the most competitive suppliers of BOPET and CPP films in the international market as well as the fastest-growing exporters of Flexible Packaging films in Pakistan. Our international customer base, spanning in more than 26 countries across 5 continents is a testament to our truly global footprint as a packaging film supplier. Our competitive advantage in international markets has been the ability to supply the best quality film in the fastest lead times; creating sustainable business and a strongly established image of reliability.

HUDSON PHARMA (Private) Limited

(A Subsidiary of IIL)

Hudson Pharma

MISSION

Hudson Pharma is a licensed pharmaceutical and a subsidiary of Ismail Industries Limited. Our manufacturing facility is located at Port Qasim Industrial Area Karachi, Pakistan. Our mission is simple. We are making game-changing drugs attainable and safer for the populations we serve. We have a well-established track record of executing our vision based on a repeatable and reliable process that we have developed and refined over many years. We identify unavailable or under-penetrated treatments, often with innovative delivery methods or manufacturing processes that vastly improve safety and attainability.

INNOVATION

Hudson Pharma, since its inception, has successfully launched innovative molecules in Pakistan that are considered as an effective treatment all across the world. The products include inhalation solutions, eye drop, Injection for IV infusion, Derma Creams / Gels and the only vitamin D3 injection / oral solution in a BFS ampoule with a convenient twist-off cap.

OPERATIONS

Hudson Pharma manufacturing operations consist of:

- Injectable, respules and unit dose eye drops manufactured in medical grade polyethylene containers using the innovative Blow-Fill-Seal (BFS) process.
- Ophthalmology products are manufactured under barrier isolation, ensuring safer and superior products.
- DPI (Dry Powder Inhalation) capsules are manufactured using a microencapsulation process to ensure accurate dosing.
- Pharmaceutical creams, ointments and gels are manufactured in lacquer-free plastic laminated tubes.
- Cosmetology products include moisturizers that are non-comedogenic and hypoallergenic and cleansers that are free from parabens, fragrances and other harmful chemicals.

Moreover, our endeavors encompass contract manufacturing and the promotion of branded generics and specialized medications. Additionally, we collaborate with global partners to bring health advantages to the nation.

RESPONSIBILITY

Our utmost concern is ensuring safety. Throughout every stage, we base our choices and shape our procedures with the well-being of patients as our primary consideration. This approach guarantees that the final product we introduce to the market is both secure and effective, adeptly meeting the requirements of patients and providers.

EMPLOYEES

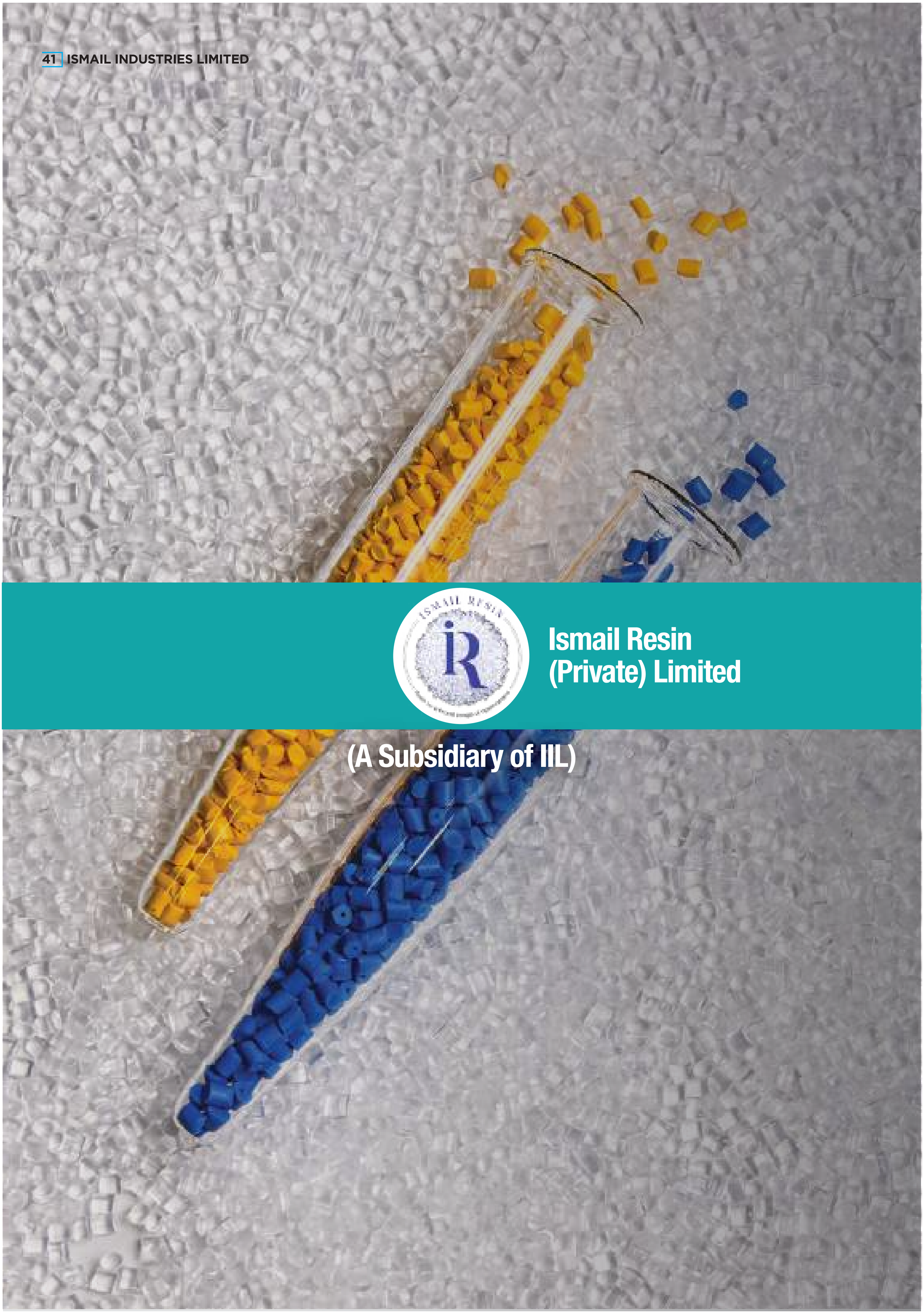
The well-being and enthusiasm of our staff play crucial roles in maintaining a team dedicated exclusively to the safety of patients and fellow Hudson colleagues. We put in continuous effort to foster an environment that values creativity, innovation, teamwork, integrity, and efficiency, irrespective of age, race, gender, experience, ethnicity, background, or any inappropriate criteria.

BUSINESS PARTNERS

We are dedicated to safeguarding the interests and reputation of our partners with the same level of seriousness as if they were our very own.

COMMUNITY & ENVIRONMENT

We are committed to making business decisions that protect and preserve the Earth's natural resources and environment. Our procurement and business development teams seek suppliers and partners respectively that share Hudson's commitment to environmental responsibility.



Ismail Resin (Private) Limited

(A Subsidiary of IIL)

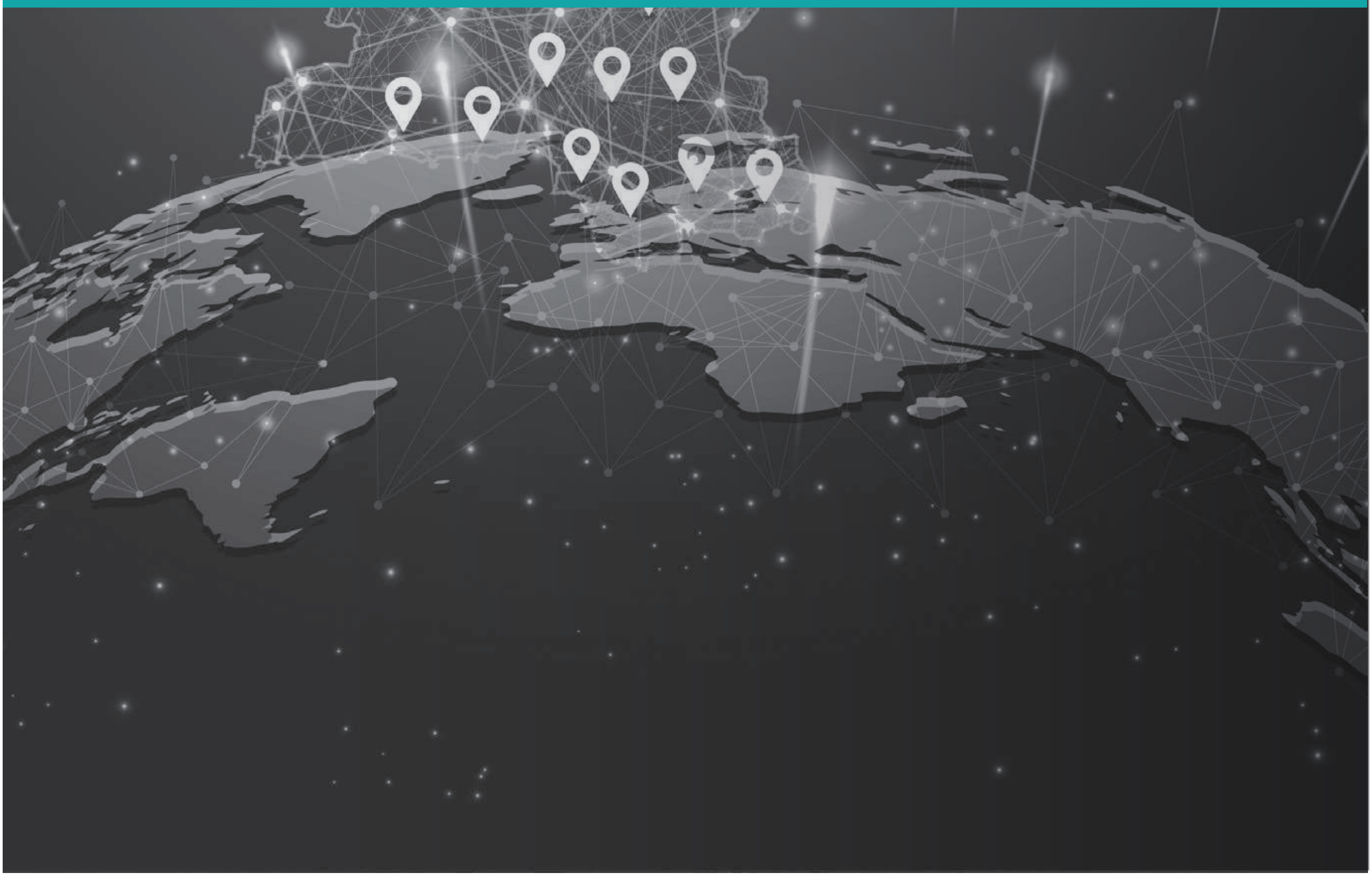
Ismail Resin

In 2021, Ismail Industries has planned to establish new PET resin manufacturing business by the name of Ismail Resin, located in Port Qasim Industrial Zone at Karachi, Pakistan. The state-of-the-art facility is equipped with a 300 tons/day SSP line from Buhler (Germany) and a 300 tons/day CP line from Oerlikon Barmag (Germany). Ismail Resin will therefore, be able to produce Film grade as well Bottle grade PET resins at IV values of 0.64, 0.76 and 0.84.

Ismail Resin has been set up with the vision to not only expand Ismail Industries Limited's plastic portfolio but also provide a backward integration for PET film manufacturing operations at its film manufacturing business unit; Astro Films.

The plant which is set to commence commercial production in September 2023 has already executed the audit processes to acquire the best-in-class certifications of ISO 9001, ISO 14001, HACCP, FSSC 22000, and Halaal Certification.

IIL Export Businesses



IIL Export Businesses

Under the leadership of the top management, our export team in Karachi and Dubai have made significant progress in the last fiscal. Total business grew by 86% and despite inflation, recession and economic uncertainty in most countries, we delivered double-digit growth in all our sales regions – Middle East, Africa, Asia, Oceania, Europe and North America.

We participated in regional and global food exhibitions (ISM Middle East, Gulf Food, PLMA Amsterdam, Big 7 South Africa), and have successfully tapped 9 new markets and activated 6 new Key Accounts. We are now exporting to over 50 countries in 6 continents. The team conducted thorough market research, identified potential opportunities, and executed market entry plans which were made in line with different cultural and business environments.

To build on our past success and meet the rapidly evolving needs of our global customers, we are committed to an export-oriented future that is more agile, productive, and customer-centric. Top priorities for this fiscal are maximizing Modern Trade presence and activating new markets. There are some big projects in the pipeline in South East Asia, Central Asia and USA.

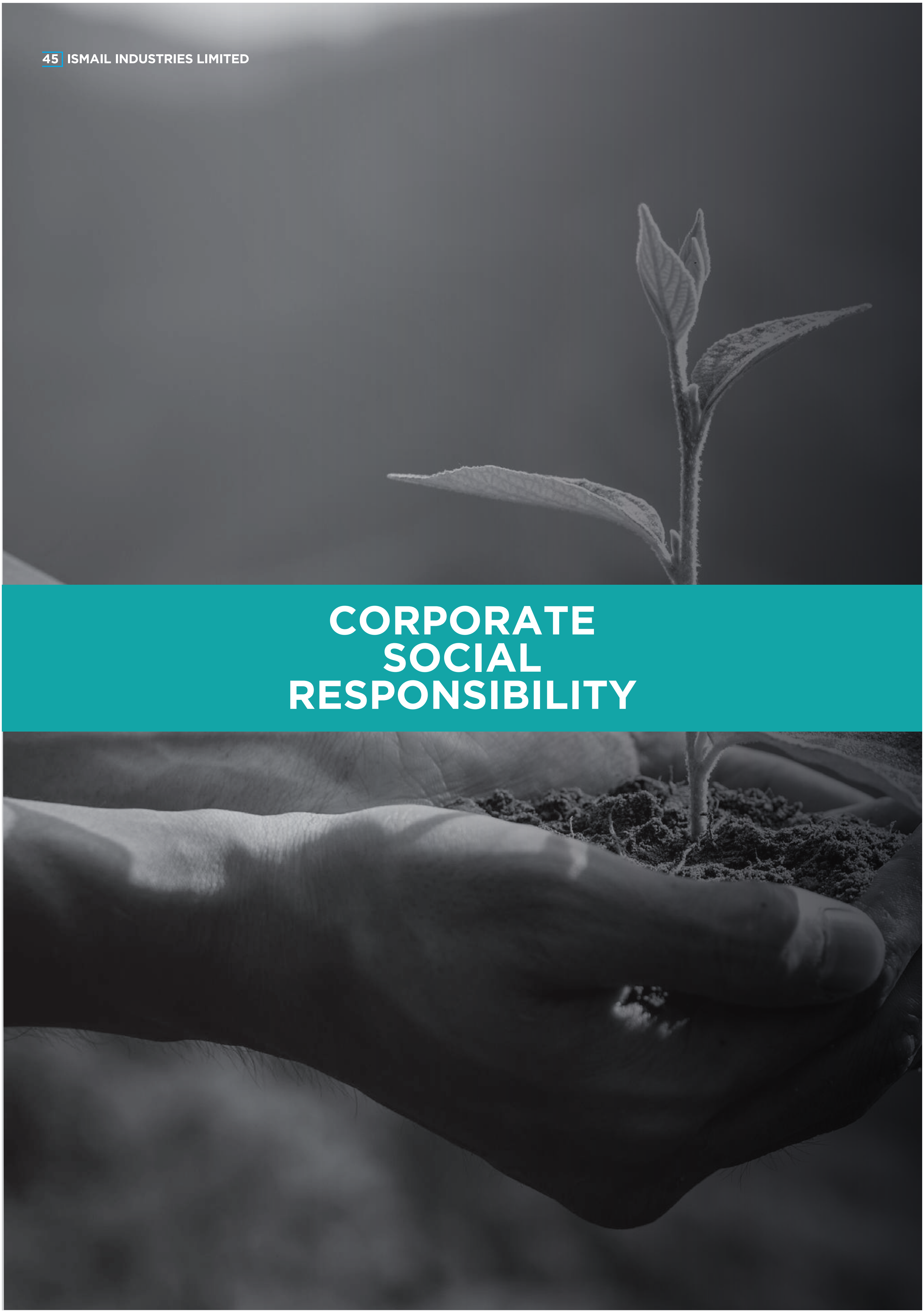
LOCAL PRESENCE

2000+ Sales Force Personnel
400+ Towns
1400+ Vans
1200+ Distributors

5 Regional Sales Office
135,000 Outlets
6 Warehouses
400,000 Weekly Sales Calls

GLOBAL FOOTPRINT

6 Continents
40+ Countries
64+ Clients



CORPORATE SOCIAL RESPONSIBILITY

Company's strategic objectives on ESG (Environmental, Social and Governance) / Sustainability reporting.

At Ismail Foundation, we recognize the growing significance of environmental, social, and governance (ESG) factors in today's business landscape. We are committed to integrating sustainability into our operations and decision-making processes. Our strategic objectives on ESG / Sustainability reporting aim to transparently communicate our performance, progress, and impact in these areas. We understand that ESG / Sustainability reporting is not only a tool for transparency but also a means of identifying areas for improvement. By monitoring our performance and engaging with relevant stakeholders, we aim to continually enhance our ecological practices and contribute to a more sustainable future.

An overview of how the company's sustainable practices can affect its financial performance.

Implementing sustainable practices can have a significant impact on a company's financial performance. While the specific outcomes can vary depending on the project, market conditions, and other factors; embracing sustainability as a core business strategy can reap financial benefits via reduced operational costs through resource efficiency, mitigating risks associated with regulatory changes, attracting eco-conscious consumers for increased market share, and appealing to companies and individuals focused on ESG factors. Most importantly, it drives innovation, adds to supply chain resilience, fosters employee loyalty, all contributing to long-term value creation.

Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR as per best business practices including:

SOCIAL WELLBEING & HEALTHCARE

Ismail Industries Limited has launched an initiative to provide free health insurance to over 2,000 field force to ensure the well-being of the staff and their families. The group also donates generously to leading healthcare institutions such as Indus Hospital to help them deliver quality healthcare to the underprivileged.

EDUCATION FOR ALL

At Ismail Industries Limited, we are committed more than ever to make quality education accessible for everyone in Pakistan. A storytelling activity project has been initiated that will cover government schools in underserved areas of Karachi. This activity aimed to engage students and attract them to a learning culture. So far, we have carried out this activity in more than 20 schools and this long-term project continues to target many other schools in the city.

In addition to these initiatives, we continue to sponsor Ismail Academy and Khadija Girls College, where approximately 1,000 underprivileged students are receiving education through smart learning techniques and extracurricular activities. With qualified faculty, these institutes are places for students from low-income families to learn and grow into productive members of society.

TAHAFFUZ PROGRAM

The COVID pandemic undeniably affected a major chunk of the population in Pakistan, and one major consequence was unemployment. Ismail Industries Limited resorted to contributing over Rs. 1 million to support its employees in need during this difficult time. We provided health insurance to around 1,500 people – protecting approximately 5,000 lives. We are the only local company which has taken such an initiative.

SUSTAINABLE ENVIRONMENT

After exploring various alternate sources of energy, we have installed solar panels at our factories. This new energy source combined with the existing one enables us to generate about 4.48MW of electrical power for our production units. Right now we are further planning to increase our solar capacity keeping in view the additional power requirements.

WASL

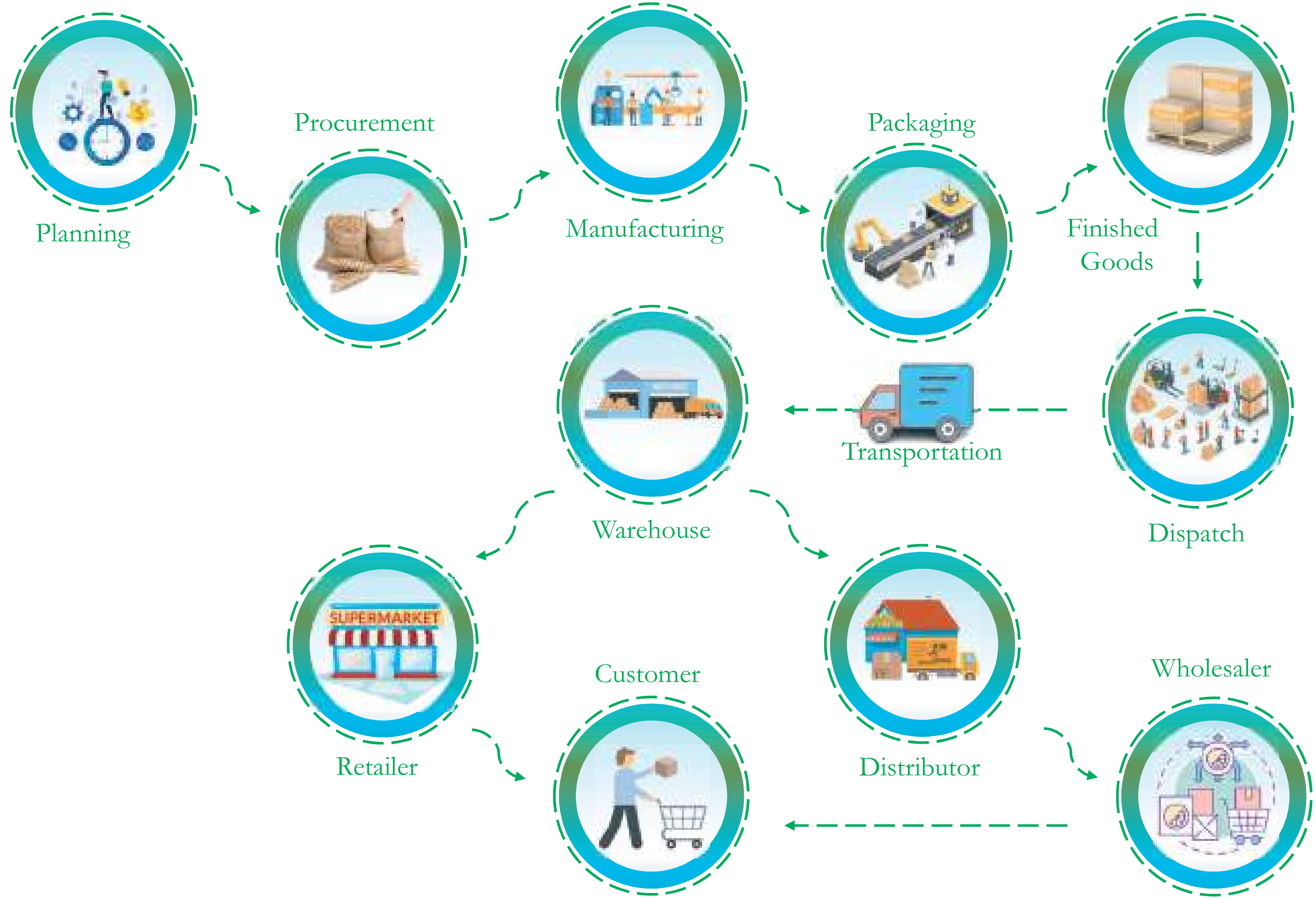
WASL (Water and Sanitation Logistics) is a project of Ismail Group, launched with the aim of providing clean drinking water to underdeveloped areas in Pakistan. The RO plant installed in Landhi area has the capacity to provide 20,000 liters of clean drinking water every day, which can be bought at a minimal price. The profits from the WASL project are to be used for the betterment of the community.

ISMAIL FOUNDATION AND IT’S COLLABORATIONS

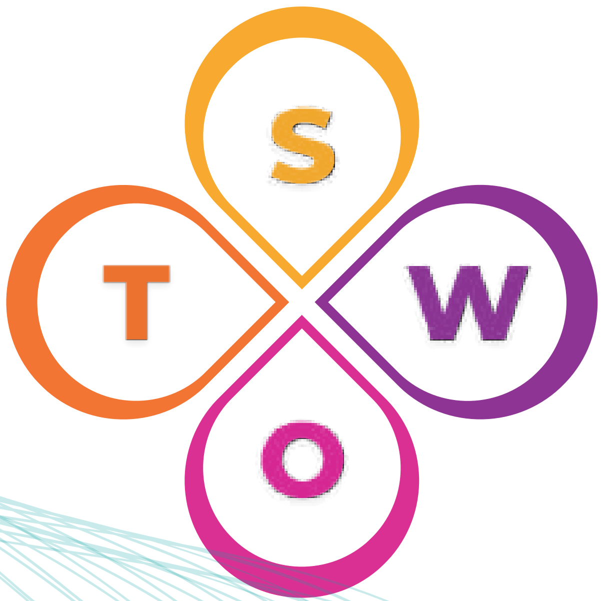
Ismail Family formed a not-for-profit organization named “Ismail Foundation” with a noble mission of serving the nation and making this society a better place for everyone. Ismail Foundation also allows various organizations to join together and make even bigger strides in bettering the community and improving the society.


PLASTIC BOTTLES ONLY
REDUCE
RECYCLE

POSITION IN THE VALUE CHAIN



SWOT ANALYSIS



STRENGTHS

Strong organizational culture & economies of scale
State of the art production facilities
Wide range of products
Market leader in the confectionary, nutrition & plastic business

WEAKNESSES

Labor intensive operations
Mature market with numerous product substitutes
Reliance on international market for material procurement

OPPORTUNITIES

Strengthening & expanding export business
Backward integration in food & plastic business
Augmentation in production capacity

THREATS

Severe hike in fuel, power & interest cost
Rapid currency devaluation
Pathetic socio-economic circumstances

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting ("AGM") of Ismail Industries Limited (the "Company") will be held at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi on Monday, October 23, 2023 at 12:00 noon to transact the following businesses:

Ordinary Businesses:

1. To confirm the minutes of 34th Annual General Meeting of the Company held on October 26, 2022.
2. To receive, consider, approve, and adopt the standalone and consolidated Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Chairman's Review Report, Directors' Report, and Auditors' Reports thereon.
3. To declare and approve, as recommended by the Board of Directors, the payment of final cash dividend on the ordinary shares of the Company @ 20% (Rs. 2 per share) for the year ended June 30, 2023. This is in addition to the interim cash dividend @ 100% (Rs. 10 per share).
4. To appoint Auditors for the year ending June 30, 2024 and fix their remuneration. The Board Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, for re-appointment as Auditors of the Company.

Special Businesses:

5. To consider and approve the remuneration of the Chief Executive Officer and Executive Director.
6. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 by passing the following special resolution with or without modification:

   "**RESOLVED THAT** transactions carried out in normal course of business with Related Parties during the year ended June 30, 2023 as disclosed in the note no. 45 of the unconsolidated financial statements be and are hereby ratified and approved."
7. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2024, by passing the following special resolutions with or without modification:

   "**RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to approve transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2024."

   "**FURTHER RESOLVED THAT** these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval."
8. To approve the circulation of Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report and Chairman's Review Report) to the members of the Company through QR enabled code and weblink, in accordance with section 223 (6) and 223 (7) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.
9. To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

   "**RESOLVED THAT**, approval of the members of the Company is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:

   A. Approval for the Company to extend to its subsidiary, M/s. Ismail Resin (Private) Limited, an intercompany loan in the aggregate amount of up to Rs. 8,000,000,000 (Rupees: Eight billion), comprising of, inter alia loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;

B. Approval for the Company to extend to its subsidiary, M/s. Hudson Pharma (Private) Limited, an intercompany loan in the aggregate amount of up to Rs. 1,500,000,000 (Rupees: One billion five hundred million), comprising of, inter alia loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;

C. Approval for the Company to extend to its associate, M/s. Innovita Nutrition (Private) Limited, an intercompany loan in the aggregate amount of up to Rs. 1,000,000,000 (Rupees: One billion), comprising of, inter alia loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;

"FURTHER RESOLVED THAT the Chief Executive Officer / Company Secretary of the Company be and are hereby singly authorized to execute and deliver all necessary deeds, agreements, declarations, undertakings, documents and take any and/or all actions to implement and give effect to above resolutions and to complete any or all required corporate and necessary legal formalities for the purpose of implementation of above resolutions."

Any other Businesses:

10. To transact any other business with the permission of the Chair.

"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolutions, is attached along with the Notice circulated to the members of the Company, and is deemed to be an integral part hereof."

By order of the Board

Karachi: September 28, 2023

Ghulam Farooq
Company Secretary

Notes:

1. **Closure of Shares Transfer Book**

   The shares transfer book of the Company shall remain closed with effect from October 17, 2023 to October 23, 2023 (both days inclusive). Transfers received in order at the office of Share Registrar M/s. THK Associates (Pvt.) Ltd, Plot # 32-C, Jami Commercial Street 2, D.H.A. Phase VII, Karachi, Phone # 021-111-000-322 (the Share Registrar) at the close of business on October 16, 2023 will be considered in time to attend and vote at the meeting.

2. **Participation in Annual General Meeting**

   A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her, and a proxy so appointed shall have all such rights as are available to a member. Proxy, in order to be effective, must reach the Company Share Registrar Office not less than 48 hours before the time of the meeting during working hours.

   An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant I.D. numbers to prove his/her identity. A representative of corporate members must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated: January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

3. **Submission of the CNIC (Mandatory)**

   As per SECP directives, the dividend of shareholders, who's valid CNICs are not available with the Share Registrar, may be withheld. All shareholders having a physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, without any further delay.

4. **Withholding Tax on Dividend**

   Pursuant to the provisions of section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 as amended by the Finance Act, 2023, prescribes rates for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:

   a. Rate of tax deduction for filer of income tax return 15%
   b. Rate of tax deduction for non-filer of income tax return 30%

   I) All the shareholders whose names are not entered into the Active Tax-Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the start of book closure date, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

   II) A valid Tax Exemption Certificate under Section 159 of the Income Tax Ordinance, 2001 is mandatory to claim exemption of withholding tax under Clause 47-B of Part-IV of Second Schedule to the Income Tax Ordinance, 2001. Those who wish to seek an exemption must provide a copy of their valid tax exemption certificate to the Share Registrar prior to the date of commencement of Book Closure otherwise tax will be deducted according to the applicable Law.

   III) According to clarification received from FBR, withholding tax in case of joint accounts will be determined separately on 'Filer/Non-Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions. In this regard, all Members/Shareholders of the Company either holding shares in physical form or in CDC, who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing and in the following manner:

Folio/ CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder(s)	
		Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

5. **Payment of Cash Dividend Electronically (Mandatory Requirement)**

The provisions of section 242 of the Companies Act, 2017, and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the Shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the following information to the Company's Share Registrar at the address given herein above. In case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Bank Account	
IBAN	
Bank's Name	
Branch Name & Code No.	
Branch Address	

6. **Transmission of Annual Report through Email**

Pursuant to the SRO No. 787(I)/2014 dated: September 08, 2014, issued by the Securities and Exchange Commission of Pakistan, permitted the Company to circulate its Annual Balance Sheet, Profit and Loss Account, Auditor's Report and Directors' Report etc., ("Annual Report") along with the notice of Annual General Meeting ("Notice"), to its shareholders by email. Shareholders of the Company, who wish to receive the Company's Annual Report and Notice by email, are requested to provide complete Electronic Communication details to Share Registrar of the Company. However, the Company may provide hard copy of Annual Report and Notice to such members on their request, free of cost, within seven days of receipt of such request.

7. **Transmission of Annual Report through CD**

The Company has circulated Annual Audited Financial Statements to its members through CD at their registered address. Printed copy of above said statements can be provided to members upon request.

8. **Unclaimed / Unpaid Entitlements**

Shareholders who by any reason could not collect their dividends/bonus shares/other entitlements are advised to contact our Share Registrar to collect/enquire about their unclaimed dividends/bonus shares/other entitlements, if any.

9. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Securities & Exchange Commission of Pakistan.

The shareholders having physical shares are encouraged to open CDC sub-account with any of the broker or Investor account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including save custody and sale of shares any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange. The shareholders of the Company may contact the Share Registrar of the Company for the conversion of physical shares into book-entry form.

10. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, and read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations. Ballot paper is annexed to the report.

11. Availability of Financial Statements and Reports on the Website

In accordance with the Provision of section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023, are available on the Company's website and can be downloaded from the following link:

https://www.ismailindustries.com.pk/financial.php

12. Request for Video Conference Facility

In accordance with section 134(1)(b) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate of 10% or more shareholding residing in a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to the availability of such facility in that city. To avail this facility, shareholders are requested to fill the request form reproduce below and submit to the registered address of the Company.

REQUEST FOR VIDEO CONFERENCE FACILITY

I/We/Messrs. ______________________________ of _________________, being Member(s) of Ismail Industries Limited, holder of _____________ ordinary share(s) as per Folio # _______________ and/or CDC Participant ID & Sub-Account No. _________________, hereby opt for video conference facility at __________ city.

____

Signature of Member(s)
(Please affix Company stamp in case of corporate entity)

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Ismail Industries Limited to be held on Monday, October 23, 2023, at 12:00 noon at Hotel Galaxy, Bushra Hall, 164, B.C.H.S. Shahrah-e-Faisal, Karachi, Pakistan, and set out the material facts concerning the Special Businesses to be transacted at the Meeting.

1. Item number 5 of the notice – Approval for the increase in remunerations of Chief Executive Officer and Executive Director

   Approval is being sought for an increase in payment of remunerations to the Chief Executive Officer and Executive Director.

   For this purpose, the following Resolutions will be moved at the meeting.

   "**RESOLVED THAT** the Company be and is hereby approves and authorizes the payment as remunerations to the Chief Executive Officer a sum of Rs. 21,600,000/- per annum and Executive Director a sum of Rs. 18,000,000/- per annum.

   "**FURTHER RESOLVED THAT** in addition to remunerations, all utility bills, perks & benefits will be paid by the Company. The approximate value of the utility bill, perks & benefits to be borne by the Company would be Rs. 1,800,000 per annum for the Chief Executive Officer and Rs. 1,500,000 per annum for the Executive Director.

2. Item number 6 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2023

   The Company carries out transactions with its related parties during the year ended June 30, 2023, on an arm's length basis as per the approved policy in the normal course of business. All transactions entered into with related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on a quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

   Many of the Company's Directors were interested in certain transactions with related parties due to their common directorships in associated/subsidiary companies. During the 34th Annual General Meeting of the Company, shareholders had authorized the Board of Directors to approve the transactions with related parties from time-to time on case-to-case basis for the year ended June 30, 2023 and such transactions were deemed to be placed before the shareholders in upcoming Annual General Meeting for their formal approval/ratification.

   In view of the above, transactions conducted with related parties as shown in note no. 45 of the unconsolidated financial statements for the year ended June 30, 2023, are being placed before the shareholders for their consideration and approval/ratification.

3. Item number 7 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2024

   The Company shall be conducting transactions with its related parties during the year ending June 30, 2024, on an arm's length basis as per the approved policy in the normal course of business. Many of the Company's Directors will be interested in these transactions due to their common directorship in the subsidiary/associated companies. To promote transparent business practices, shareholders desire to authorize the Board of Directors to approve transactions with related parties from time-to-time on case-to-case basis for the year ending June 30, 2024, which shall be deemed to be approved by the Shareholders. These transactions shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval.

4. Item number 8 of the notice – Circulation of Annual Audited Financial Statements through QR enabled code and weblink.

The Securities and Exchange Commission of Pakistan (SECP) through its Notification No. S.R.O. 389(I)/2023 dated March 21, 2023 has allowed the companies to circulate the Annual Audited Financial Statements to its Members/Shareholders through Quick Response (QR) enabled code and weblink instead of through CD/DVD/USB. The notice of meeting shall be dispatched to members as per requirements of the Companies Act, 2017 on their registered address, containing the QR code and the weblink address to view and download the Annual Audited Financial Statements together with the reports and documents required to be annexed thereto under the Companies Act, 2017.

Considering the efficient innovations in technology, members approval is sought for the circulation of the Annual Report (including Annual Audited Financial Statements and other reports contained therein) to the members of the Company through QR enabled code and weblink in accordance with S.R.O 389(I)/2023 dated March 21, 2023.

5. Item number 9 of the notice – Investment in subsidiary and associated company u/s. 199 of the Companies Act, 2017

   a. M/s. Ismail Resin (Private) Limited

   (A) Regarding associated company or associated undertaking:

<table>
<tr><td>(i)</td><td>Name of the associated company or associated undertaking</td><td>M/s. Ismail Resin (Private) Limited</td></tr>
<tr><td>(ii)</td><td>Basis of relationship</td><td>Subsidiary Company with 75% shareholding and common directorship of following directors:
1) Mr. Muhammad M. Ismail
2) Mr. Maqsood Ismail Ahmed
3) Mr. Munsarim Saifullah
4) Mr. Ahmed Muhammad
5) Mr. Hamid Maqsood Ismail</td></tr>
<tr><td>(iii)</td><td>Earnings per share for the last three years;</td><td>Loss per share:
Financial Year 2023-2023 Rs. 0/04
Financial Year 2021-2022 Rs. 0/20
Financial Year 2020-2021: Rs. 31/87</td></tr>
<tr><td>(iv)</td><td>Break-up value per share, based on latest audited financial statements.</td><td>Rs. 9/91 per share</td></tr>
<tr><td>(v)</td><td>Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.</td><td><table>
<tr><td colspan="2">Financial Position and Profit / Loss for the</td></tr>
<tr><td>Year ended June 30, 2023</td><td>Rs.</td></tr>
<tr><td>Non-Current Assets</td><td>8,059,247,168</td></tr>
<tr><td>Total Assets</td><td>9,992,990,794</td></tr>
<tr><td>Equity – net</td><td>3,965,921,156</td></tr>
<tr><td>Non-Current Liabilities</td><td>4,227,223,649</td></tr>
<tr><td>Total Liabilities</td><td>6,027,069,638</td></tr>
<tr><td>Loss for the Year</td><td>9,573,570</td></tr>
</table></td></tr>
<tr><td>(vi)</td><td>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely;
(i) Description of the project and its history since conceptualization;
(ii) Starting date and expected date of completion of work;</td><td>Not Applicable</td></tr>
</table>

	(iii) Time by which such project shall become commercially operational; (iv) Expected time by which the project shall start paying return on investment; and (v) Funds invested or to be invested by the promotors, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	

(B) General disclosures:

(i)	Maximum amount of investment to be made	To provide an intercompany loan in the aggregate amount of up to Rs. 8,000,000,000 (Rupees: Eight billion), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment.	Purpose: Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) to meet the operational and working capital requirements. Benefits: 1. To earn interest income which ultimately maximizes the shareholder value of the investing company. 2. PET Resin will be available locally for investing company which it presently procures locally as well as from abroad through import. Period of Investment: The period of investment is one (1) year, renewable for five (5) consecutive periods of one (1) year each.
(iii)	Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds: (i) Justification for investment through borrowings: (ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and (iii) Cost benefit analysis:	The Company will lend to its subsidiary company when/if it has access to excess funds/banking lines/security, and the subsidiary company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders. The Company secures financing from banks by providing a charge over the assets. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.

(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The agreement will be signed after approval by the Members. Other significant terms and conditions are as under: 1. Intercompany loan comprising of, inter alia loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be provided to the extent of Rs. 8,000,000,000 (Rupees: Eight billion). 2. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. 3. Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Muhammad M. Ismail, Mr. Maqsood Ismail Ahmed, Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail and Mr. Ahmed Muhammad, are Directors of Ismail Industries Limited (the investing company), they are also Directors of Ismail Resin (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company. Whereas the investing company is the major shareholder of the investee company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	Ismail Industries Limited have made an equity investment of Rs. 3,000,000,000 (Rupees: Three billion) for acquisition of land and construction of building and ancillary work. The Company has also issued Cross Corporate Guarantee of Rs. 4,175,000,000 (Rupees: Four billion one hundred seventy-five million) to facilitate the subsidiary company to securitize its lenders against banking facilities extended to them for setting-up the project. There are no impairment and write off relating to the investment made so far.
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

(C) Additional information for Loans, Advances and Guarantees:

(i)	Category-wise amount of investment	Intercompany loan comprising of, inter alia loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be provided to the extent of Rs. 8,000,000,000 (Rupees: Eight billion) to meet the operational and working capital requirements.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant period. The one-month KIBOR 22.54%, three-month KIBOR 22.91%, average spread of the Bank 0.32% and unfunded facilities bank rates were in the range of 0.05% to 1.0% per annum as at June 30, 2023; the Company did not

		invest in any Shariah complaint instruments in 2023.
(iii)	Rate of interest, markup, profit, fees or commission etc. to be charged by investing company	The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment.	No security obtained from the subsidiary company as collateral.
(v)	If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each, other terms and conditions are applicable as per the agreement.

b. M/s. Hudson Pharma (Private) Limited

(A) Regarding associated company or associated undertaking:

(i)	Name of the associated company or associated undertaking	M/s. Hudson Pharma (Private) Limited
(ii)	Basis of relationship	Subsidiary Company with 78.53% shareholding and common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Ahmed Muhammad 3) Mr. Hamid Maqsood Ismail
(iii)	Earnings per share for the last three years;	Loss per share: Financial Year 2022-2023, Rs. 1/75 Financial Year 2021-2022, Rs. 1/11 Financial Year 2020-2021, Rs. 1/75
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 3/79 per share
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	Financial Position and Profit / Loss for the Year ended June 30, 2023 — Rs. Non-Current Assets — 1,525,850,599 Total Assets — 2,181,868,769 Equity – net — 1,219,621,134 Non-Current Liabilities — 460,846,886 Total Liabilities — 962,247,635 Loss for the Year — 478,847,715
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely; (i) Description of the project and its history since conceptualization;	

	(ii) Starting date and expected date of completion of work; (iii) Time by which such project shall become commercially operational; (iv) Expected time by which the project shall start paying return on investment; and (v) Funds invested or to be invested by the promotors, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	Not Applicable

(B) General disclosures:

(i)	Maximum amount of investment to be made	To provide an intercompany loan in the aggregate amount of up to Rs. 1,500,000,000 (Rupees: One billion five hundred million), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	Purpose: Intercompany loan will be provided to meet the operational and working capital requirements. Benefits: To earn interest income which ultimately maximizes the shareholder value of the investing company. Period of Investment: The period of investment is one (1) year, renewable for five (5) consecutive periods of one (1) year each
(iii)	Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds: (i) Justification for investment through borrowings: (ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and (iii) Cost benefit analysis:	The Company will lend to its subsidiary company when/if it has access to excess funds/banking lines/security, and the subsidiary company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders. The Company secures financing from banks by providing a charge over the assets. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards	The agreement will be signed after approval by the Members. Other significant terms and conditions are as under:

	to the proposed investment;	1. Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be provided to the extent of Rs. 1,500,000,000 (Rupees: One billion five hundred million). 2. The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. 3. Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad are Directors of Ismail Industries Limited (the investing company), they are also Directors of Hudson Pharma (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company. Whereas the investing company is a major shareholder of the investee company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	Ismail Industries Limited have made an equity investment of Rs. 2,525,984,000 (Rupees: Two billion five hundred twenty-five million nine hundred eighty-four thousand) and issued Cross Corporate Guarantee of Rs. 663,811,644 (Rupees: Six hundred sixty-three million eight hundred eleven thousand six hundred forty-four) in favor of the lenders of Hudson Pharma for securitizing them against banking facilities extended. Hudson Pharma having the state of art and most modern manufacturing facility anywhere in Pakistan. It has a well-established track record of executing their vision based on repeatable and reliable processes that they have developed and refined over many years. It has an aim to provide health institutions with more sterile injectable materials which are easier to administer as compared to other form of dosage. There are no impairment and write off relating to the investment made so far.
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

(C) Additional information for Loans, Advances and Guarantees:

(i)	Category-wise amount of investment	Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be provided to the extent of Rs. 1,500,000,000 (Rupees: One billion five hundred million) to meet the operational and working capital requirements.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the	Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of

	relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant period. The one-month KIBOR 22.54%, three-month KIBOR 22.91%, average spread of the Bank 0.32% and unfunded facilities bank rates were in the range of 0.05% to 1.0% per annum as at June 30, 2023; the Company did not invest in any Shariah complaint instruments in 2023.
(iii)	Rate of interest, markup, fees or commission etc. to be charged by investing company	The subsidiary company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security obtained from the subsidiary company as collateral.
(v)	If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each, other terms and conditions are applicable as per the agreement.

c. M/s. Innovita Nutrition (Private) Limited

(A) Regarding associated company or associated undertaking:

(i)	Name of the associated company or associated undertaking	M/s. Innovita Nutrition (Private) Limited
(ii)	Basis of relationship	Associated Company on the basis of common directorship of following directors: 1) Mr. Munsarim Saifullah 2) Mr. Ahmed Muhammad 3) Mr. Hamid Maqsood Ismail
(iii)	Earnings per share for the last three years;	Loss per share: Financial Year 2022-2023, Rs. 0/35 Financial Year 2021-2022, Rs. 0/40
(iv)	Break-up value per share, based on latest audited financial statements	Rs. 9/25 per share
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	(see table below)
(vi)	In case of investment in relation to a	

Financial Position and Profit / Loss for the	
Year ended June 30, 2023	Rs.
Non-Current Assets	7,828,230
Total Assets	505,945,883
Equity – net	64,763,547
Non-Current Liabilities	89,942
Total Liabilities	441,182,336
Loss for the Year	2,454,486

	project of associated company or associated undertaking that has not commenced operations, following further information, namely; (vi) Description of the project and its history since conceptualization; (vii) Starting date and expected date of completion of work; (viii) Time by which such project shall become commercially operational; (ix) Expected time by which the project shall start paying return on investment; and (x) Funds invested or to be invested by the promotors, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	Not Applicable

(B) General disclosures:

(i)	Maximum amount of investment to be made	To provide an intercompany loan in the aggregate amount of up to Rs. 1,000,000,000 (Rupees: One billion), comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.).
(ii)	Purpose, benefits likely accrue to the investing company and its members from such investment and period of investment	Purpose: Intercompany loan will be provided to meet the operational and working capital requirements. Benefits: To earn interest income which ultimately maximizes the shareholder value of the investing company. Period of Investment: The period of investment is one (1) year, renewable for five (5) consecutive periods of one (1) year each
(iii)	Sources of fund to be utilized for investment and where the investment is intended to be made using borrowed funds: (i) Justification for investment through borrowings: (ii) Detail of collateral, guarantees provided and assets pledged for obtaining such funds: and (iii) Cost benefit analysis:	The Company will lend to its associated company when/if it has access to excess funds/banking lines/security, and the associated company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders. The Company secures financing from banks by providing a charge over the assets. The associated company will pay a mark-up at a rate as per the agreement which is not lower than the average

		borrowing cost of the Company, which will improve the profitability of the Company.
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;	The agreement will be signed after approval by the Members. Other significant terms and conditions are as under: Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be provided to the extent of Rs. 1,000,000,000 (Rupees: One billion). The associate company will pay a mark-up at a rate as per the agreement which is not lower than the average borrowing cost of the Company, which will improve the profitability of the Company. Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each.
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Mr. Munsarim Saifullah, Mr. Hamid Maqsood Ismail, and Mr. Ahmed Muhammad are Directors of Ismail Industries Limited (the investing company), they are also Directors of Innovita Nutrition (Private) Limited (the investee company). However, they have no direct or indirect interest except to the extent of their shareholding in the investee company.
(vi)	In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs:	Not Applicable
(vii)	Any other important details necessary for the members to understand the transaction	Not significant

(C) Additional information for Loans, Advances and Guarantees:

(i)	Category-wise amount of investment	Intercompany loan comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) will be provided to the extent of Rs. 1,000,000,000 (Rupees: One billion) to meet the operational and working capital requirements.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	Average borrowing cost of the investing company comprises the Karachi Interbank Offered Rate (KIBOR) for the relevant period plus average spread of the Bank, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be for the relevant period. The one-month KIBOR 22.54%, three-month KIBOR 22.91%, average spread of the Bank 0.32% and unfunded facilities bank rates were in the range of 0.05% to 1.0% per annum as at June 30, 2023; the Company did not invest in any Shariah complaint instruments in 2023.
(iii)	Rate of interest, markup, fees or	The associated company will pay a mark-up at a rate as per

	commission etc. to be charged by investing company	the agreement which is not lower than the average borrowing cost of the Company.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	No security obtained from the associated company as collateral.
(v)	If the investment carries conversion features i.e., it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Intercompany loan granted for a period of one (1) year, renewable for five (5) further periods of one (1) year each, other terms and conditions are applicable as per the agreement.

Information under Rule 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

As mentioned above and as per the disclosure requirement of Regulation 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, it is informed that following Directors of the Company are also the Directors of Investee companies.

Subsidiary Companies		Associated Company
Ismail Resin (Private) Limited	Hudson Pharma (Private) Limited	Innovita Nutrition (Private) Limited
Mr. Munsarim Saifullah	Mr. Munsarim Saifullah	Mr. Munsarim Saifullah
Mr. Ahmed Muhammad	Mr. Ahmed Muhammad	Mr. Ahmed Muhammad
Mr. Hamid Maqsood Ismail	Mr. Hamid Maqsood Ismail	Mr. Hamid Maqsood Ismail
Mr. Muhammad M. Ismail	---------------	---------------
Mr. Maqsood Ismail Ahmed	---------------	---------------

Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of the Investee Company	Ismail Resin (Private) Limited	Hudson Pharma (Private) Limited
Total Amount approved a. Equity b. Corporate Cross Guarantee c. Financial Assistance	 Rs. 3,000,000,000 Rs. 4,700,000,000 Rs. 7,000,000,000	 Rs. 1,200,000,000 Rs. 1,000,000,000 ---------
Amount of investment made to date a. Equity b. Cross Corporate Guarantee c. Financial Assistance	 Rs. 3,000,000,000 Rs. 4,175,000,000 Rs. 2,380,000,000	 Rs. 920,000,000 Rs. 663,811,644 ----------
Reason for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time	There is no deviation in timeline of Investment.	
Material changes in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment	There is no material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	

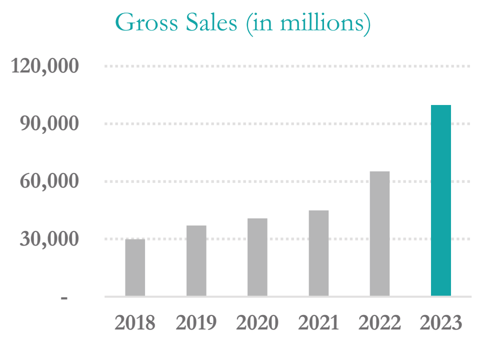
KEY OPERATING AND FINANCIAL DATA

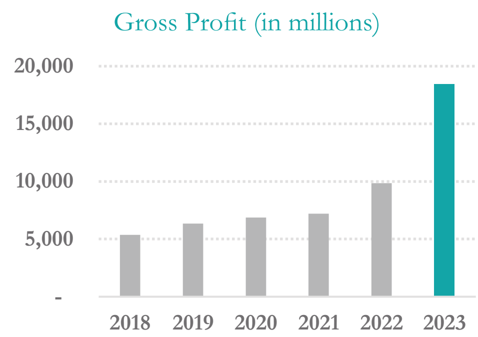
	2023	2022	2021	2020	2019	2018
		---------------(Rs. in millions)---------------				
Assets employed						
Operating fixed assets	**24,468**	21,364	19,903	13,731	12,121	10,756
Capital work - in - progress	**4,370**	3,762	976	5,843	638	157
Intangible assets	**2**	6	34	55	86	42
Long term investment	**8,751**	7,145	5,278	5,276	3,212	3,560
Long term deposits	**26**	24	27	37	44	39
Net current assets / (liabilities)	**5,765**	2,328	258	632	97	133
Total Assets Employed	**43,382**	34,629	26,476	25,574	16,198	14,687
Financed by						
Shareholders equity	**17,716**	12,579	11,275	9,900	7,374	7,220
Long term financing	**23,192**	19,691	12,910	13,605	7,191	6,037
Deferred liabilities	**2,474**	2,359	2,291	2,069	1,633	1,430
	43,382	34,629	26,476	25,574	16,198	14,687
Sales & profit						
Gross sales	**99,733**	65,256	44,949	40,807	37,011	29,971
Net sales	**88,906**	55,261	37,308	33,218	30,091	23,906
Gross profit	**18,432**	9,845	7,194	6,878	6,354	5,361
Profit before taxation	**7,531**	3,387	2,213	1,323	1,404	1,838
Profit after taxation	**6,382**	2,551	1,777	932	967	1,412
Dividend (%age)	**120**	40	150	35	45	28
Reserves	**17,052**	11,916	10,611	9,236	6,736	6,582

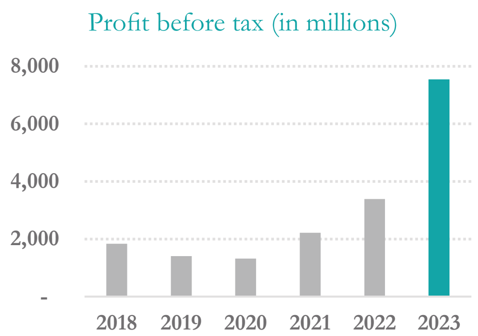
SUMMARY OF PROFIT OR LOSS

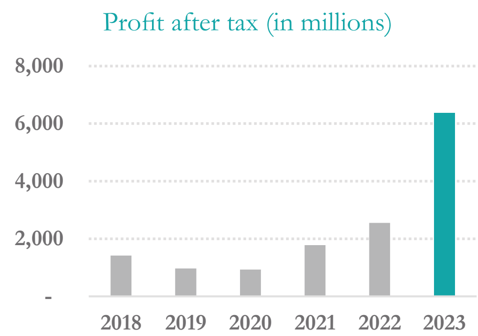
	2023	2022	2021	2020	2019	2018
	---------------(Rs. in millions)---------------					
Profit or Loss Account						
Sales - gross	**99,733**	65,256	44,949	40,807	37,011	29,971
Sales - net	**88,906**	55,261	37,308	33,218	30,091	23,906
Cost of Sale	**(70,474)**	(45,415)	(30,114)	(26,340)	(23,737)	(18,545)
Gross profit	**18,432**	9,845	7,194	6,878	6,354	5,361
Selling & Distribution expenses	**(7,054)**	(4,785)	(4,236)	(4,469)	(3,590)	(2,896)
Administrative expenses	**(1,048)**	(817)	(652)	(594)	(541)	(381)
Other operating expenses	**(823)**	(423)	(394)	(181)	(172)	(254)
Other operating income	**1,995**	763	393	353	213	232
Profit from operation	**11,502**	4,584	2,306	1,988	2,264	2,062
Finance cost	**(4,399)**	(1,414)	(694)	(1,156)	(905)	(617)
Share of profit from associated company	**429**	217	601	492	45	393
Profit before taxation	**7,532**	3,387	2,214	1,324	1,404	1,838
Taxation expense	**(1,150)**	(836)	(437)	(391)	(437)	(425)
Profit after taxation	**6,382**	2,551	1,777	933	967	1,413
Balance Sheet						
Total equity	**17,716**	12,580	11,275	9,900	7,374	7,220
Total non-current liabilities	**25,666**	22,051	15,201	15,674	8,824	7,467
Total current liabilities	**29,674**	16,714	14,514	11,934	10,766	8,385
Total equity and liabilities	**73,056**	51,344	40,990	37,508	26,964	23,072
Total non-current assets	**37,618**	32,302	26,218	24,942	16,100	14,554
Total current assets	**35,438**	19,042	14,772	12,566	10,864	8,518
	73,056	51,344	40,990	37,508	26,964	23,072

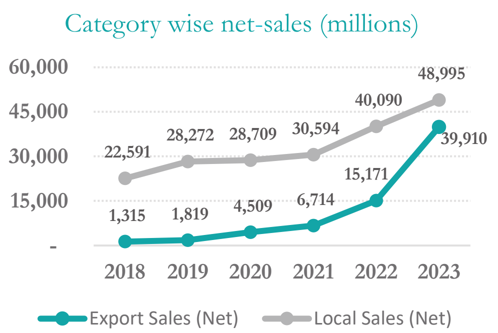
GRAPHICAL PRESENTATION

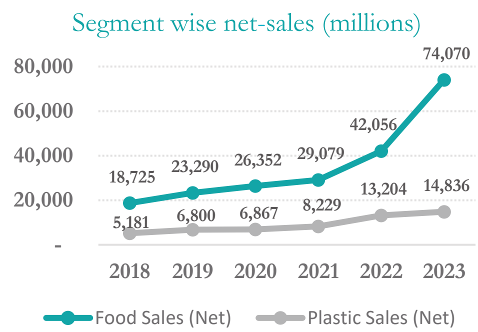


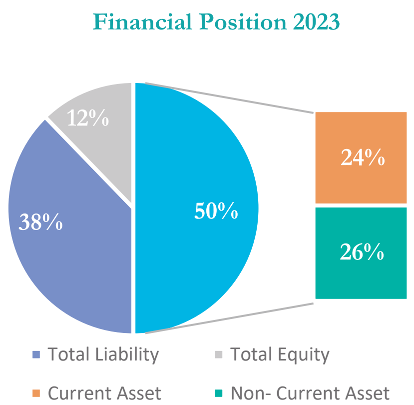


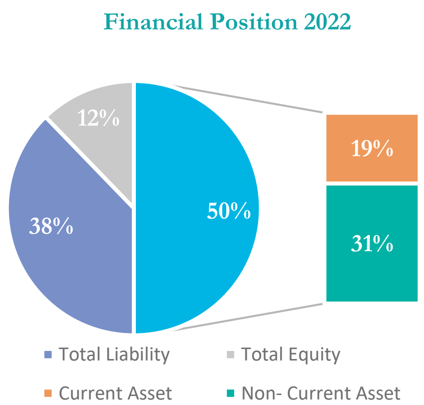












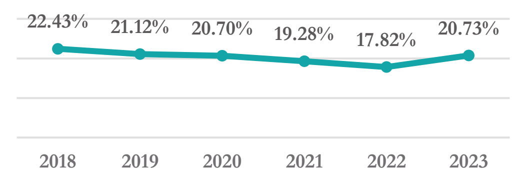
SUMMARY OF CASH FLOW STATEMENT

	2023	2022	2021	2020	2019	2018
	---------------(Rs. in millions)---------------					
Cash generated from operations	**4,396**	2,251	2,653	3,882	1,842	2,994
Gratuity paid	**(69)**	(44)	(69)	(32)	(20)	(20)
Income tax paid-net	**(988)**	(704)	(178)	(534)	(340)	(344)
Long term deposits - net	**(3)**	3	10	7	(5)	(6)
Net cash generated from operating activities	**3,336**	1,507	2,416	3,323	1,477	2,624
Capital expenditure (including CWIP)	**(6,231)**	(6,618)	(3,355)	(8,127)	(3,161)	(1,558)
Intangible assets	**-**	(1)	(10)	-	(47)	(36)
Long term investment in subsidiaries	**(1,525)**	(1,903)	-	(624)	(376)	-
Investment in associated undertakings	**-**	-	(492)	(16)	-	-
Proceed from dissolution of associated company	**-**	-	188	-	-	-
Proceed from sale of long term investment	**-**	-	-	-	196	117
Dividend received	**-**	-	629	122	-	362
Short-term investments made - net	**(190)**	(652)	(124)	(200)	-	-
Proceeds from disposal of property, plant and equipment	**177**	552	585	58	231	76
Net cash used in investing activities	**(7,769)**	(8,621)	(2,579)	(8,787)	(3,157)	(1,039)
Receipts / (repayment) from long term financing-net	**4,320**	6,439	2,014	6,433	902	(1,439)
Sponsor's loan	**-**	-	-	17	-	-
Lease repayments - net	**(8)**	(55)	(106)	(68)	(263)	251
Short term finances - secured	**1,737**	3,077	(221)	2,075	777	(753)
Interest / mark-up paid	**(3,682)**	(1,202)	(727)	(1,166)	(801)	(610)
Dividend paid	**(928)**	(994)	(199)	(223)	(287)	(176)
Net cash generated from/ (used in) financing activities	**1,439**	7,265	761	7,068	328	(2,727)
Net increase/ (decrease) in cash and cash equivalents	**(2,994)**	150	598	1,604	(1,352)	(1,142)
Cash and cash equivalents at beginning of the year	**(916)**	(1,066)	(1,664)	(3,268)	(1,916)	(774)
Cash and cash equivalents at end of the year	**(3,910)**	(916)	(1,066)	(1,664)	(3,268)	(1,916)

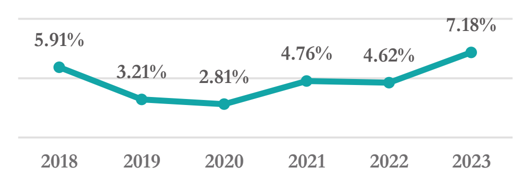
FINANCIAL RATIOS

Profitability Ratios	UOM	2018	2019	2020	2021	2022	2023
Gross profit ratio	Percentage	22.43%	21.12%	20.70%	19.28%	17.82%	20.73%
Net profit to sales	Percentage	5.91%	3.21%	2.81%	4.76%	4.62%	7.18%
EBITDA margin to sales	Percentage	14.40%	11.32%	11.39%	12.41%	12.66%	16.12%
Return on equity	Percentage	22.52%	13.39%	12.64%	17.95%	22.63%	50.73%
Return on capital employed	Percentage	16.29%	15.72%	15.30%	11.37%	18.13%	34.45%
Shareholders' fund	Rs. (millions)	7,220	7,374	9,900	11,275	12,580	17,716
Liquidity Ratios							
Current ratio	Times	1.02	1.01	1.05	1.02	1.14	1.19
Quick ratio	Times	0.40	0.51	0.50	0.46	0.61	0.64
Investment /Market Ratios							
Earning per share	Rupees	22.13	15.15	14.49	26.77	38.44	96.17
Breakup value per share	Rupees	113.16	115.58	149.19	169.91	189.57	266.98
Cash Dividend per share	Rupees	4.50	3.50	3.00	15.00	4.00	12.00
Activity / Turnover Ratios							
Total Assets turnover ratio	Times	1.04	1.12	0.89	0.91	1.08	1.22
Inventory turnover	Days	51	81	83	89	68	66
Receivables turnover	Days	20	22	29	28	26	30
Payables turnover	Days	16	18	25	25	14	20
Net operating cycle	Days	55	85	87	92	80	76

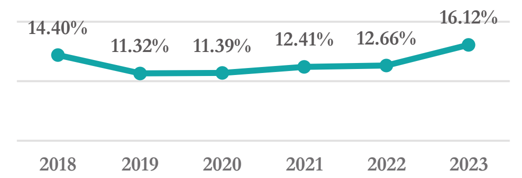
Gross profit ratio



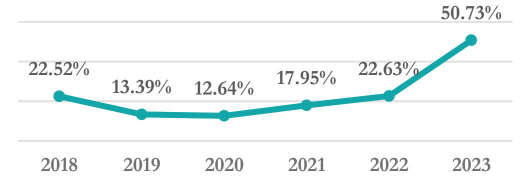
Net profit to sales



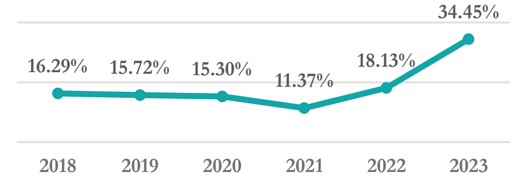
EBITDA Margin to Sales



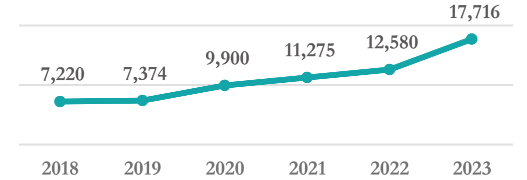
Return on equity

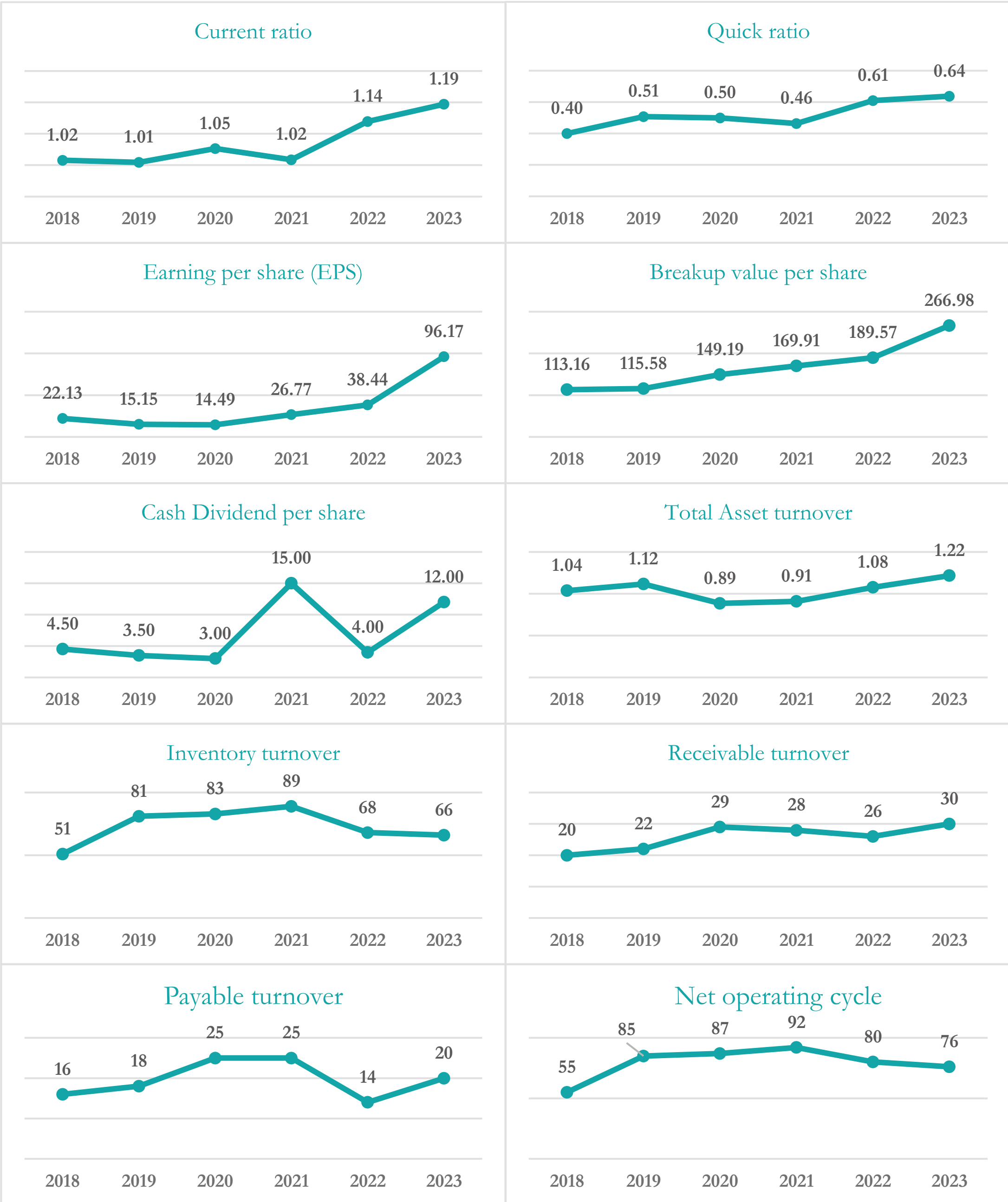


Return on capital employed

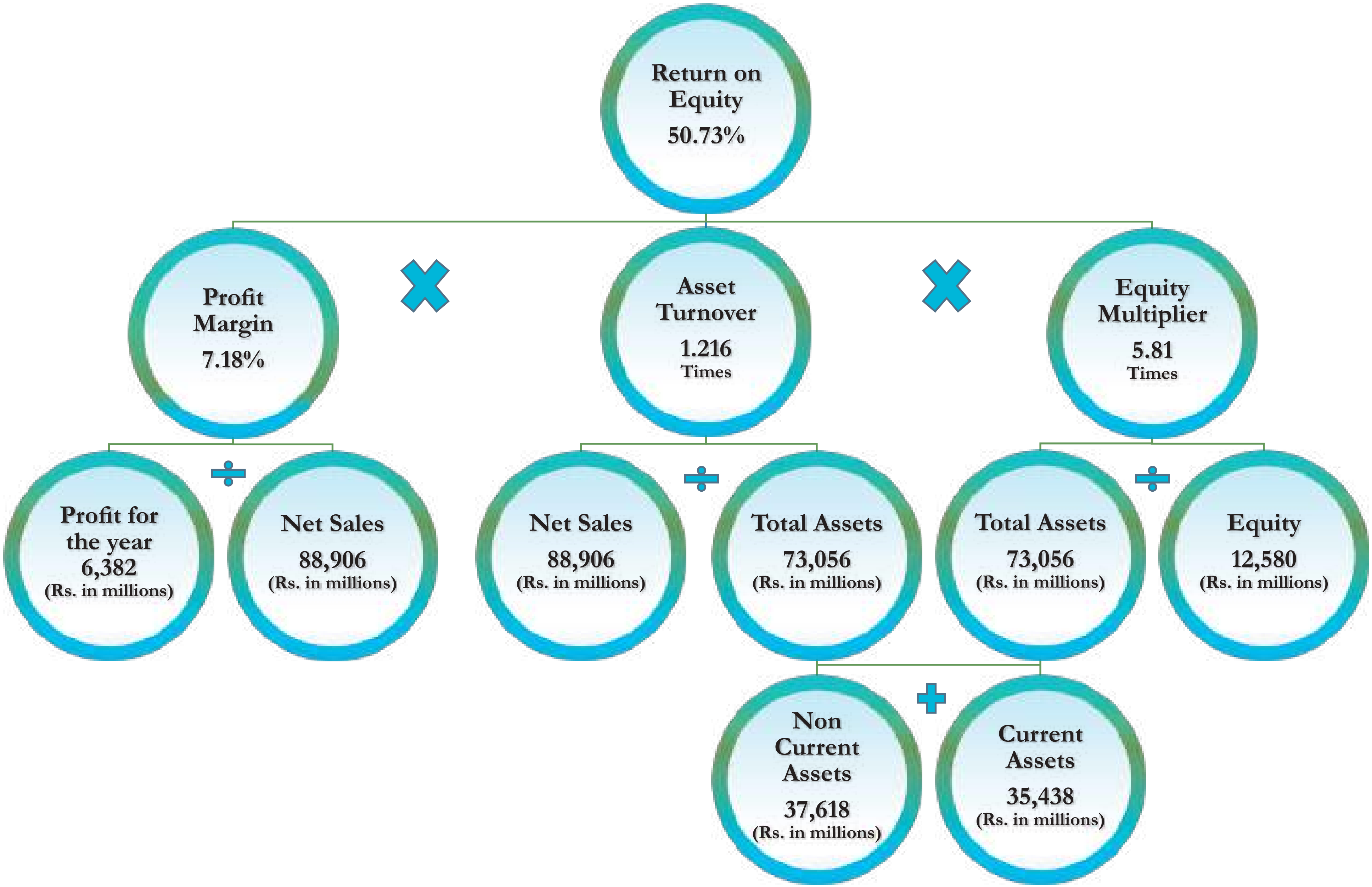


Shareholders' fund (in millions)




Current ratio
1.02 1.01 1.05 1.02 1.14 1.19
2018 2019 2020 2021 2022 2023
Quick ratio
0.40 0.51 0.50 0.46 0.61 0.64
2018 2019 2020 2021 2022 2023
Earning per share (EPS)
22.13 15.15 14.49 26.77 38.44 96.17
2018 2019 2020 2021 2022 2023
Breakup value per share
113.16 115.58 149.19 169.91 189.57 266.98
2018 2019 2020 2021 2022 2023
Cash Dividend per share
4.50 3.50 3.00 15.00 4.00 12.00
2018 2019 2020 2021 2022 2023
Total Asset turnover
1.04 1.12 0.89 0.91 1.08 1.22
2018 2019 2020 2021 2022 2023
Inventory turnover
51 81 83 89 68 66
2018 2019 2020 2021 2022 2023
Receivable turnover
20 22 29 28 26 30
2018 2019 2020 2021 2022 2023
Payable turnover
16 18 25 25 14 20
2018 2019 2020 2021 2022 2023
Net operating cycle
55 85 87 92 80 76
2018 2019 2020 2021 2022 2023

DUPONT ANALYSIS



CHAIRMAN'S REVIEW REPORT

On behalf of the Board of Directors, it gives me immense pleasure to present the review report to our shareholders pertaining to the overall performance of the Company, its Board and effectiveness of its role in attaining the Company's aims and objectives for the year ended June 30, 2023.

The fiscal year under review was too difficult globally as well as nationally. The country's economy and operating environment remained extremely challenging and grappled with social, economic crises, political polarization, double-digit high inflation, energy crises, foreign exchange constraint and sharp currency devaluation, hike in policy rate to unprecedented levels and supply chain disruption. Despite these obstacles, Ismail Industries Limited displayed resilience, emerging as a market leader across its diverse business ventures and continued its growth momentum and delivered remarkable strong performance in 2023 with 53 % increase in gross revenue and 150% surge in profit after tax.

The Board performed its duties and responsibilities diligently and contributed effectively to guiding the Company in strategic and governance matters. It also played a key role in monitoring management performance and assessing major risk areas. The Board was fully engaged in the strategic planning process and supporting the vision of the Company. The Board Committees continued to work with a great measure of proficiency. The Board recognizes that well defined corporate governance processes are vital to enhancing corporate accountability and is committed to ensuring high standards of corporate governance to preserve and maintain stakeholders' value. All Board members, including independent directors, fully participated in, and contributed towards the decision-making process of the Board.

The Company has implemented a strong governance framework supportive of effective and prudent management of business matters which is regarded as instrumental in achieving long-term success of the Company. The Board's role was instrumental in steering the Company forward in a challenging environment whilst discharging its statutory responsibilities for the benefits of all stakeholders. The Board has remained cognizant throughout the year of its strategic role in achieving the Company's key objectives and on enhancing the returns for all its stakeholders from focused oversight.

The Board carries out a review of its effectiveness and performance each year on a self-assessment basis. The Board Performance assessment for the year was based on an evaluation of the integral components i.e., Strategic Planning, its Composition, Committees, Procedures, Interactions, Effectiveness, etc. The Board meets frequently enough to adequately discharge its responsibilities. The Non-Executive and Independent Directors are equally involved in important decisions.

The Company's Board has seven Directors, including two Independent Directors, possesses extensive expertise spanning various domains, including business, finance, information technology, and regulations. We are resolute in our commitment to charting the Company's course, promoting its success, and guiding senior management to execute operations efficiently and diligently, all while upholding the principles of sound corporate governance. Additionally, our Audit Committee and Human Resource & Remuneration Committee, staffed by qualified individuals with relevant experience, operate in accordance with their assigned Terms of Reference.

On behalf of the Board of Directors, I would like to express my heartfelt gratitude to all our stakeholders for their unwavering trust, continued support, and encouragement. I recognize and deeply appreciate the exceptional contributions of my Fellow Board Members, senior management, and workforce during these challenging times and thank for valuable contributions for the continued growth of the Company.

Muhammad M. Ismail
Chairman
Dated: September 08, 2023

چیئرمین کی جائزہ رپورٹ

بورڈ آف ڈائریکٹران کی جانب سے، مجھے اپنے شیئر ہولڈرز کو کمپنی کی مجموعی کارکردگی، اس کے بورڈ اور 30 جون، 2023 کو ختم ہونے والے مالی سال کے لیے کمپنی کے اغراض و مقاصد کے حصول میں اس کے کردار کی تاثیر سے متعلق جائزہ رپورٹ پیش کرتے ہوئے بے حد خوشی ہو رہی ہے۔

زیرِ نظر مالی سال عالمی اور قومی سطح پر بہت مشکل تھا۔ ملک کی معیشت اور آپریٹنگ ماحول انتہائی چیلنجنگ رہا اور سماجی، اقتصادی بحرانوں، سیاسی تقطیب، دوہرے ہندسے تک کی بلند افراطِ زر، توانائی کے بحران، غیر ملکی زرمبادلہ کی رکاوٹ اور کرنسی کی تیزی سے قدر میں کمی، پالیسی ریٹ میں غیر معمولی سطح تک اضافہ اور سپلائی چین میں خلل کا شکار رہا۔ ان رکاوٹوں کے باوجود، اسماعیل انڈسٹریز لمیٹڈ نے لچک کا مظاہرہ کیا، اپنے متنوع کاروباری منصوبوں میں مارکیٹ لیڈر کے طور پر ابھر کر اپنی ترقی کی رفتار کو جاری رکھا اور 2023 میں مجموعی آمدنی میں 53% اضافے اور ٹیکس کے بعد منافع میں 150% اضافے کے ساتھ شاندار مضبوط کارکردگی پیش کی۔

بورڈ نے اپنے فرائض اور ذمہ داریوں کو تندہی سے نبھایا اور تدبیر اور ضوابط کے معاملات میں مؤثر طریقے سے تعاون کیا۔ بورڈ نے انتظامی کارکردگی کی نگرانی اور پرخطر شعبوں کا اندازہ لگانے میں بھی کلیدی کردار ادا کیا۔ بورڈ مکمل طور پر تدبیری منصوبہ بندی کے عمل میں مصروف رہا اور کمپنی کے مقاصد کی حمایت کرتے ہوئے بڑی مہارت کے ساتھ کام کرتا رہا۔ بورڈ اس بات کو تسلیم کرتا ہے کہ کارپوریٹ گورننس کا موثر نفاذ طے شدہ عمل کی جوابدہی کو بڑھانے کے لیے ناگزیر ہیں اور اسٹیک ہولڈرز کی قدر کو برقرار رکھنے کے لیے اس کے اعلیٰ معیار کو یقینی بنانے کے لیے پرعزم ہے۔ بورڈ کے تمام ممبران، بشمول آزاد ڈائریکٹران، نے مکمل طور پر بورڈ کے فیصلہ سازی کے عمل میں اپنا اہم کردار ادا کیا۔

کمپنی نے کاروباری معاملات کے موثر انتظام کے لیے ایک مضبوط گورننس فریم ورک نافذ کیا ہے، جسے کمپنی کی طویل مدتی کامیابی حاصل کرنے میں اہم کردار سمجھا جاتا ہے۔

تمام اسٹیک ہولڈرز کے فوائد کے لیے اپنی قانونی ذمہ داریوں کو نبھاتے ہوئے ایک کٹھن ماحول میں کمپنی کو آگے بڑھانے میں بورڈ کا کردار اہم تھا۔ بورڈ کمپنی کے کلیدی مقاصد کو حاصل کرنے اور مسلسل نگرانی سے اپنے تمام اسٹیک ہولڈرز کے منافع کو بڑھانے میں اپنے تدبیری کردار کے بارے میں آشنا رہا۔

بورڈ ہر سال خود تشخیص کی بنیاد پر اپنی حکمت عملی اور کارکردگی کا جائزہ لیتا ہے۔ بورڈ کی کار، روابط، وغیرہ کے جائزے پر مبنی ہے۔

بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے نبھانے کے لیے گاہے بگاہے اجلاس منعقد کرتا رہتا ہے۔ ضروری فیصلوں میں نان ایگزیکٹیو اور آزاد ڈائیریکٹران کا بھی اہم کردار رہتا ہے۔

بورڈ اپنی ذمہ داریوں کو مناسب طریقے سے نبھانے کے لیے گاہے بگاہے اجلاس منعقد کرتا رہتا ہے۔ ضروری فیصلوں میں نان ایگزیکٹیو اور آزاد ڈائیریکٹران کا بھی اہم کردار رہتا ہے

ہمارا بورڈ، بشمول دو آزاد ڈائریکٹران کے سات ڈائریکٹران پر مشتمل ہے،، کاروبار، مالیات، انفارمیشن ٹیکنالوجی، اور ضوابط سمیت مختلف ڈومینز پر محیط وسیع مہارت کا حامل ہے۔ ہم سینیئر انتظامیہ کی جانب سے کمپنی کے کورس کو ترتیب دینے، اس کی کامیابی کو فروغ دینے، اور کارپوریٹ گورننس کے اصولوں کو مدنظر رکھتے ہوئے کام کو موثر اور مستعدی سے انجام دینے کے لیے اپنے عزم پر پختہ ہیں۔ مزید برآں، ہماری آڈٹ کمیٹی اور انسانی وسائل، جس کا عملہ متعلقہ تجربہ رکھنے والے اہل افراد پر مشتمل ہے، ان کی تفویض کردہ شرائط کے مطابق کام کرتی ہے۔

میں اسماعیل انڈسٹریز لمیٹڈ پر ان کے غیر متزلزل اعتماد اور اعتماد کے لیے تمام حصہ داروں کا تہہ دل سے شکریہ ادا کرنا چاہتا ہوں۔ ہم ان مشکل وقتوں میں اپنے بورڈ، سینئر مینجمنٹ اور افرادی قوت کی غیر معمولی شراکت کو تسلیم کرتے ہیں اور ان کی دل کی گہرائیوں سے تعریف کرتے ہیں۔ ہمارے غیر متزلزل عزائم غیر معمولی نتائج کی فراہمی اور آنے والے سالوں میں ہمارے قابل قدر حصص یافتگان کی پائیدار قدر کو پیدا کرنے پر مرکوز ہے۔

محمد ایم اسماعیل
چئیرمین

کراچی 08 ستمبر 2023

DIRECTOR'S REVIEW REPORT

The Directors take pleasure in presenting the brief performance review of the Company together with the annual audited financial statements both stand-alone and consolidated for the year ended June 30, 2023.

MACRO ECONOMIC PROSPECTS

The year under review was challenging for many reasons and severely affected by the global economic slowdown, eventually distressing several industries and businesses of the country, specifically, and global entities in general. Predominant global trends impacted Pakistan's economy and the current political uncertainty deteriorated it further.

One of the main challenges prevailed, was the current account deficit. Restrictions on import mitigated this challenge to a certain extent but many manufacturing businesses were adversely affected by these measures, mainly challenging their supply chain specially for the procurement of raw materials. Depressed macro-economic conditions, prolonged period of global inflation and sharp currency devaluation, were the key drivers towards why the exports and foreign remittances remained sluggish. The delay in recommencement of the IMF program also pressurized the local currency eventually breaching the ever-highest level. To sustain the constancy of macroeconomic elements and normalize the cumulative demand, SBP hiked the policy rate to the ever-highest level of 22%.

Nevertheless, The Company's management is proactively implementing various strategies and plans to mitigate the aforesaid economic headwinds impacting the Company's financial

performance and operations. The management is committed to increasing operational efficiencies through cost optimization, risk management, and employing innovations to deliver value to our stakeholders. While adopting all these proactive measures the main idea is to remain optimistic about the company's long-term prospects for the business and adaptable to the evolving market conditions.

BUSINESS PERFORMANCE

The Company proudly retains its status in the industry as the fastest growing player among the top-line competitors with their strong presence in the confectionery, biscuits, snacks, nutrition, and plastic films industry. Topline sales Rs. 99.73 billion witnessed a hefty growth of 53% compared to Rs. 65.26 billion last year. All this was achieved through rationalized resource utilization, tremendous marketing initiatives and product diversifications. Let's go through the summary of Company's accomplishments this year in the table below:

Description	Jun-23	Jun-22	Change in %
	Rs. in Million		
Sales	99,733	65,256	53%
Gross Profit	18,432	9,845	87%
Gross Profit %	18.48%	15.09%	22%
Operating Profit	10,330	4,244	143%
Profit after Tax	6,382	2,551	150%
Net Profit %	6.40%	3.91%	64%
Earning per Share (Rs.)	96.17	38.44	150%

With all the challenges mentioned earlier, the business has successfully managed to identify and analyze market conditions, changes in consumer behaviors and tough procurement encounters, and thus served these challenges with impressive and promising efforts investing in such a way that resources are utilized rationally, and the end-consumer is satisfied to its maximum.

Below is the segment-wise breakup of annual turnover:

FOOD SEGMENT OPERATIONS

Our food segment is home to an impressive series of confectionary, biscuits, snacks, nutrition, and flour division with a wide range of products including jellies, marshmallows, toffees, candies, lollipops, coated chews, bubbles, chocolates, biscuits, cakes, nutritional food supplements and flour. The best-selling patents that fall under this segment are Candyland, Bisconni, Snackcity, Ismail Nutrition and Ghiza.

Since its arrival in 1988, Candyland retains its top status of being one of the pioneer confectionery sellers in Pakistan. Backed by a consumer centric and innovation driven mindset, Candyland is known to introduce innovative and unique product categories to the consumers one after another, striving hard to always delight its consumers around the globe.

Candyland offers an impressive range of product categories including Jellies, Chocolates, Marshmallows, Candies, Toffees, Chews, Lollipops, Gums, Milk chocolates, Spreads, Brittles, Truffles and Bunties. These categories carry one of the most renowned brands of the country including Chilli Milli, ABC Jelly, Yums, NOW, Sonnet, Paradise, Bisca, You Chocolate, Puffs, Jammin, Bubble Pop, etc. The key success driver of this division is the state-of-the-art and technologically advanced production facilities ensuring to deliver products which provide utmost satisfaction to the consumers. All Candyland products meet the requirements of international standards of quality and food safety, are certified ISO 22000 and have Halal certification from SANHA.

Bisconni has now become a household brand ambitious to deliver unparalleled quality every time and with every new product. Over the past 17 years, Bisconni has spread its footprint in the industry day by day with an unbelievable and impressive pace and unmatched loyalty of its customers despite the competition this industry possesses.

Its consumers are served with the tantalizing, tempting brands under the category of cakes and cookies. The flagship brands include; Cocomo (a nostalgic name and taste to its, now grownups, consumers and popular among the children), Chocolatto, Chocolate Chip Cookie, Novita, Rite, Craving, Flo Cake, Chai Wala Biskut and much more. Constantly remaining customer-centric, Bisconni has always been on the path of expanding product portfolio through innovation and quality. This year's exciting launches include Nice, Zeera and Panda Power biscuits.

Being reliable to provide quality products to the customers, all the products meet the requirements of ISO 22000 and are Halal certified from SANHA. Thus, Bisconni is dedicated to deliver its promises and convert the consumers' brand loyalty into brand love.

Snackcity proudly holds its position as the fastest growing crinkle chips company of the country with an impressive range of product offerings. It has been one of the most popular brands among the consumers with a wide variety of delicious options; Kurleez, Chillz, Fillz, Peanuts and Nimco.
A successful launch of Fillz this year, has already motivated our ambitions and has laid a foundation for the company to even expand more in the future. The company values its customers as their utmost priority which is why all the products are ISO 22000 certified and are declared Halal by SANHA. Additionally, distribution and marketing assignments are thoughtfully managed and implemented, solidifying alignment between all the parties. Business plans are meticulously aligned with distributors, ensuring that all operations are carried out smoothly.

Since its commencement in 2010, Ismail Nutrition is dedicated to serve the population affected by the universal outbreak of Malnutrition. The key drivers to this outbreak are overpopulation and scarcity of adequate resources specially in the areas belonging to lower socioeconomic backgrounds. Company, being a sensible and experienced food manufacturing entity, started producing nutritional supplies to fill this gap. An overwhelming response from the local markets, encouraged the Company to supply these nutritional aids to the international social welfare institutions of the neighboring countries and has been authorized to provide nutritional food supplements to the United Nations World Food Program (WFP) and UNICEF.

The Company is expanding its operations with manufacturing of Super Cereal which has been certified and approved by the WFP as a global supplier. The state-of-the-art Nutrition manufacturing facilities have been approved by the WFP audit for food safety, compliance and GMP requirements. This has also been approved by SANHA, FSSC and is on a path to continuous advancement.

Ghiza was launched during the last quarter of the year under review with the objective of backward integration, offering high quality of flour to Industrial and HoReCa (Hotels/ Restaurants/ Canteen) segment across Pakistan, and to ensure proper nutrition across the nation with quality of super fine flour. Commitment towards smooth and effective processes in selection of high-quality wheat at the time of purchasing and its careful sorting at the time of production is the key indicator of exceptional quality of the products the company delivers. The products under the brand of Ghiza include Ghiza Maida, Ghiza Special Fine Atta and Ghiza Bran.

EXPORT MARKET

With the help of untiring efforts of the management and especially the export team, the Company is constantly growing its export business every year and this year has also been a remarkable one. Our export customers are from more than 50 countries and 5 continents in the globe. Despite inflation, recession and economic uncertainty on the global level, the Company managed to deliver enormous growth in all the sales regions Middle East, Africa, Asia, Oceania, Europe, and North America.

Through enormous marketing research to identify global market demands, culture and environments, product diversification to meet those demands, and delivery of the identified product to the globe, the Company was able to increase its export sales by more than 160% compared to the last year. Participations in regional and global food exhibitions (ISM Middle East, Gulf Food, PLMA Amsterdam, Big 7 South Africa) also helped the Company to increase the global footprint, tap new markets and activate new Key Accounts.

In order to maintain this cycle of expansions in export, we are very committed to deliver much more agile and productive export operations for the coming years with some very good opportunities and projects of South East Asia, Central Asia and USA in the pipeline.

PLASTIC SEGMENT OPERATIONS

Astro Films, being one of the leading packaging film manufacturers in the country has proven itself as one of the best recognized regional as well as international supplier and one of the fastest growing flexible packaging exporters having its clients in more than 26 countries across 5 continents of the world.

The Company is committed to expanding its local business as well as export market share by capturing more untapped regions of the globe and growing business there. All this is motivated with the help of vertical integration, a solution to the procurement of our major raw material through subsidiary Company Ismail Resin (Private) Limited. Thus, both businesses are believed to grow simultaneously and achieve remarkable success in their respective endeavors.

SUBSIDIARY

Hudson Pharma (Private) Limited (HPPL), a subsidiary of Ismail Industries Limited, has been on the path of growth since its inception and has introduced new and advanced innovations each year in the market. With the help of innovative launches of the molecules that are considered as an effective treatment all across the globe, the company is expected to become one among the biggest players in the industry very soon. This year also, has been a remarkable one for HPPL with an increase of nearly 60% in the top line sales. Cosmetology products including cleansing moisturizers, manufactured without harmful and allergic chemicals are the new entrants and are expected to drive the business into new horizons as a part of product diversification thus helping the company to grow and turn the bottom-line into green.

With the approval of shareholders, Ismail Industries Limited has made an equity investment of Rs. 400 million and cross corporate guarantee of Rs. 300 million during the year specifically to meet the current operational expenses / working capital requirements. Additionally, the Board of Directors of the Company has approved in its meeting held on September 8, 2023, an intercompany loan in the aggregate amount of up to Rs. 1,500,000,000 (Rupees: One billion five hundred million), comprising of, *inter alia*, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each.

SUBSIDIARY

Ismail Resin (Private) Limited is a subsidiary company of Ismail Industries Limited. The company is all set to commence its commercial operations from October 2023. It has also executed the audit requirements to acquire certifications of ISO 9000, ISO 14001, HACCP, FSSC 22000 and Halal certification.

Ismail Resin is believed to be a major venture for the expansion of plastic business of Ismail Industries Limited helping it as a backward integrator of its major raw materials' procurement and is also set with the vision to expand its own operations and become an industry leader considering the current growing PET Resing demand across the globe.

With the approval of shareholders, the Company has made an additional equity investment of Rs. 1,125 million and cross corporate guarantee of Rs. 675 million in its subsidiary to meet their project cost over-run and secure their lenders against financing facilities extended to them.

Additionally, the Board of Directors of the Company has approved in its meeting held on September 8, 2023, an intercompany loan in the aggregate amount of up to Rs. 8,000,000,000 (Rupees: Eight billion), comprising of, *inter alia*, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each.

The Bank of Khyber

THE ASSOCIATED COMPANY

During the year under review, the Bank of Khyber posted an increase in its revenues and earnings, which ultimately increases the share of profit of Ismail Industries Limited to Rs. 428 million compared to Rs. 217 million in the corresponding year.

INNOVITA NUTRITION (PRIVATE) LIMITED

THE ASSOCIATED COMPANY

Innovita Nutrition (Private) Limited (INPL) was incorporated in Karachi, Pakistan on December 17, 2021, under Companies Act, 2017 as a private limited company and is the associated company of Ismail Industries Limited, owing to common directorship. The principal activities of INPL are manufacturing all kinds of nutritional products, vitamins, premix, minerals, infant nutrition, clinical nutrition, performance nutrition, cereals, food supplements, allied consumer, and other food products. This project is basically the backward integration for the supply of Premix material (Key ingredient of Nutritional products) which was imported previously by the Company.

The Board of Directors of the Company has approved in its meeting held on September 8, 2023, an intercompany loan in the aggregate amount of up to Rs. 1,000,000,000 (Rupees: One billion), comprising of, *inter alia*, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each.

CORPORATE BRIEFING SESSION

An annual Corporate Briefing Session (CBS) was held on 23rd of November 2022 at Beach View Club Karachi. An interactive session turned out to be very fruitful where all our respected existing as well as potential investors were briefed about the current outlook of the country, its economic indications, Company's financial performance, the challenges and competitive environment it faces, the operational competitive advantages it holds, the expansion and advancements it made in a short span of time, its investment decisions, and their fruitful outcomes etc.

The attendants were also provided with brief information regarding Company's further expansion plans, future pipeline projects in the form of new businesses and product diversification, its future goals and sustainable and impressive plans to attain those goals.

CREDIT RATING

Ismail Industries Limited has successfully upgraded its Credit Rating in the Long Run from **"A"** to **"A+"** and maintained its Credit Rating in the Short Run (**"A1"**) as per the rating report issued by Pakistan Credit Rating Agency (PCRA). This upgrade shows the creditworthiness of the Company having high credit quality and low expectation of credit risk. Thus, the capacity for timely payment of financial commitments is considered strong, both, in long run and short run.

CORPORATE SOCIAL RESPONSIBILITY

Ismail Industries Limited strongly believes in the importance of contribution specially from entities towards the society and considers it as major Corporate Social Responsibility. To quantify and measure its sustainability with the help of ESG, the Company is committed to integrating sustainability in its daily operations, constantly evaluates it and takes each possible step to make it much more effective for society. Moreover, the Company is continuously investing in the noble causes including spreading good healthcare opportunities through health insurances of the families of field force strength and generous donations to hospitals, helping the institutes to provide better education specially to the underprivileged children, providing clean drinking water to the needy areas and much more.

INTERNAL CONTROL FRAMEWORK

Internal Control plays a vital role in operating a business. The Board understands the importance of the responsibility it carries as far as rules, regulations and transparency of the transactions are concerned. The internal control structure of the Company makes sure that the policies, procedures, and processes are accordingly implemented as directed by the concerned governing bodies.

Management, external auditor, and internal auditor provide a report to the audit committee regarding risk management and overall internal controls. The audit committee then, recommends the Board regarding strengthening measures of this framework. This procedure allows the Company to operate its business efficiently, effectively, and with transparency and the financial statements issued are reliable, gaining the trust of shareholders.

INTERNAL AUDIT

To ensure the transparency and accuracy of all the business transactions the Company has a very vigilant internal audit department reportable to the Board Audit Committee. Its main objective is to cover all business aspects to minimize the risk of any potential harm to the Company and its stakeholders.

RISK MANAGEMENT

Risk Management makes it possible for the business to identify possible risks so that the business is equipped with the adequate tools and strategies to deal with them.

The Company has implemented the Enterprise Risk Management methodology through which it seizes any upcoming possibilities and suppresses the chances of risks. The Enterprise Risk Management is under the Supervision of Board Audit Committee whereas it is the responsibility of the Board of Directors to look after for any potential risks.

The Company identifies any possible risks and then evaluates it. If they notice any risk which has a potential to harm the Business, then steps are taken to mitigate its effects. After taking the necessary actions, the Company keeps a close watch on the outcomes of their actions and later conducts a review about the effectiveness of their steps in controlling risks.

Identification of potential hazards is the responsibility of the Board of Directors. As a result, they provide the senior management team the task of risk detection, who are under its supervision. The Board Audit Committee has the duty to oversee the organization-wide application of the enterprise risk management methodology that the Board has adopted. The significant risks for the department are noted, evaluated, and assigned to each functional area. The most effective way to reduce these risks is to upgrade SOPs, restructure, and revamp the procedure for that pertinent function.

CORPORATE GOVERNANCE

The development and application of the highest standards of corporate governance at all levels of the organization are essential to the Company's survival and long-term performance. Our governance structure specifies the organizational culture, behavior, and conduct with an emphasis on facilitating efficient, entrepreneurial, and responsible management that can ensure the Company's long-term success.

Along with the Code of Conduct and Control Framework, the Company assures that it adheres to all applicable statutory and regulatory requirements. This governance structure's guiding principles of accountability and integrity enable the Board to steer the Company in right direction.

GENDER DIVERSITY

The demanding significance of Gender diversity in the organizations arise from the deficiency of it. It helps in bringing variety of views and perspectives necessary to grow the business in this evolving environment. An equality-based culture is a very influential tool to drive innovation and growth. A diverse and inclusive workforce with a range of perspectives, and approaches is definitely more competitive in a globalized economy. Gender diversification is vital in organizations as it helps to bring in various viewpoints, creates inclusive and safer workplaces and increases employee satisfaction. For this reason, the Company provides equal opportunities to both the genders and thus enjoys fruitful result through that.

HUMAN RESOURCE

We have been very blessed to have such a dedicated, enthusiastic, and efficient enough human capital that leads the Company towards these successful results every year. Our employees are aware of the Company's objective and vision and are always thrilled to carry the operations in the right and smart direction to achieve those objectives in a tremendous manner. For these efforts, the board and senior management owe them quality training, development, growth, and opportunities to prove themselves trustworthy for the higher position.

The Company's HR department works very cautiously and vigilantly to recruit, retain, and develop productive human capital. It continuously screens employees' performance, growth pattern, engagement in assigned tasks, effective contributions, and other performance indicators with the help of respective supervisors and makes sure that each and every performing employee is provided a competitive edge over others for his efforts. This motivates every employee to work hard and achieve this opportunity and Company gets comprehensive competency table to identify best available talent in the Company and train them further to hold important strategic positions in future. On the other hand, employees are also given freedom to express their evaluation regarding the Company's work environment and policies through an anonymous evaluation survey that gauges their degree of satisfaction of working with the Company. Moreover, the Company's pay plans, medical facilities, attractive compensation packages, and a healthy working environment increases the productivity of human capital.

INFORMATION TECHNOLOGY

In this era, the importance of information technology in business is nurturing innovation. Innovation is to present output in smarter layouts, improve data storage and faster processing of data and instructions for steady and accurate information. Moreover, innovation helps making businesses operate more efficiently. Thus, information technology plays a critical role in today's business and helps in streamlining operations, cutting costs, boost sales, spread footprints in the potential target markets and maintain competitive edge.

To accomplish the Company's long-term and short-term goals, we have placed a strong emphasis on the alignment of IT strategy with long-term business strategy. The improvement of value delivery, risk avoidance, resource optimization, and effective information flowing across the Company are the goals of investments in IT infrastructure.

The presence of IT in the Company makes the work less tiring and reduces the chances of errors. Information Systems also make it easier for us to keep a record of our purchases, payments, and other monetary transactions. These records assist in data management, enabling the Company to make better and more accurate decisions in the long run.

Benefits from IT infrastructure include timely compliance with legal and regulatory requirements, effective and efficient decision-making, stronger internal controls, and a proper governance mechanism. The inclusion of SAP S/4 Hana has a remarkable impact on our day-to-day operations, especially data management and presentation and also helped us to have more control over the business operations and expand our long-term initiatives.

TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties during the year were carried out at arm's length and were placed before the Board Audit Committee and the Board, for review and approval. These transactions were made and disclosed in compliance with Code of Corporate Governance.

COMPOSITION OF THE BOARD

The Board of Directors of the Company consists of:

Total Number of Directors	
Male	6
Female	1

Categories	Name
CEO	Mr. Munsarim Saifullah
Executive	Mr. Ahmed Muhammad
Independent	Mr. Muhammad Zubair Motiwala
	Ms. Tasneem Yusuf
Non-Executive	Mr. Muhammad M. Ismail
	Mr. Maqsood Ismail
	Mr. Hamid Maqsood Ismail
Female	Ms. Tasneem Yusuf

MEMBERS OF THE BOARD & ATTENDANCE

During the year, the Board Members completed their tenure of three years and elections were held in October 2022. As a result, Mr. Hamid Maqsood Ismail was elected as a director replacing Ms. Mehvish Ahmed Karim. Names of the elected Board Members are listed here under along with the number of meetings they have attended:

Name of Directors	Meetings Attended
Mr. Muhammad M. Ismail*	11/14
Mr. Maqsood Ismail Ahmed*	13/14
Mr. Munsarim Saifullah	14/14
Mr. Hamid Maqsood Ismail**	7/9
Mr. Ahmed Muhammad	14/14
Mr. Muhammad Zubair Motiwala*	10/14
Ms. Tasneem Yusuf*	12/14
Ms. Mehvish Ahmed Karim**	4/5

* Leave of absences were granted to those Directors who could not attend some of the Board Meetings.

** During the year, Board of Directors completed their 3 years tenure and Mr. Hamid Maqsood Ismail was elected as a director replacing Ms. Mehvish Ahmed Karim.

AUDIT COMMITTEE

Board Audit Committee	
Ms. Tasneem Yusuf	Chairperson
Mr. Muhammad M. Ismail	Member
Mr. Maqsood Ismail	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Board Human Resource and Remuneration Committee	
Mr. Muhammad Zubair Motiwala	Chairman
Mr. Maqsood Ismail	Member
Mr. Hamid Maqsood Ismail	Member

DIRECTORS' REMUNERATION

Detail of remuneration and other benefits paid to Directors are disclosed in the note 36 to the financial statements. These remunerations are duly approved by the Board of Directors. The remuneration of the Directors is based on prevailing industry trend and are in accordance with the Listed Companies (Code of Corporate Governance) Regulation 2019. It is ensured that no Director takes part in deciding his own remuneration. Non-Executive Directors are not paid any remuneration in accordance with the remuneration policy of the Company.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2023, required under Section 227 (2) (f) of the Companies Act, 2017 is annexed to this report.

COMPLIANCE WITH CORPORATE AND FINANCIAL REPORTING FRAMWORK

The Company complies with financial reporting and corporate governance framework under the Listed Companies (Code of Corporate Governance) Regulations 2019 and the Companies Act, 2017. It states:

• The financial statements prepared by the management of the Company are presented, according to the result of its operations, cash flows and changes in equity.

• Proper books of accounts of the Company have been maintained.

• Consistent accounting policies following IFRS are applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

• The system of internal control is efficient and has been effectively implemented and monitored.

• There are no doubts with Company continuing on the principle of going concern.

• There has been no material departure from the best practices of corporate governance.

EARNINGS PER SHARE

The Earnings Per Share (EPS) for the year ended June 30, 2023 is Rs. 96/17 compared to corresponding year of Rs. 38/44.

DIVIDEND

The Company remains committed to increasing its shareholders wealth and keeping in view of the results, the Board of Directors are pleased to propose a final cash dividend @ 20% (Rs. 2 per share) for the year ended June 30, 2023, which will be paid to the shareholders whose names appear on the shareholders register at the start of "Closed Period" for the forth coming Annual General Meeting. This is in addition to the interim cash dividend paid @ 100% (Rs. 10 per share).

STATUTORY AUDITORS

The auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants retired and offered themselves for reappointment. The Board Audit Committee and the Board of Directors have recommended for reappointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants as auditors of the Company for the financial year ending on June 30, 2024, on such terms and conditions and remuneration to be mutually decided. The Board has recommended the same for the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

FUTURE OUTLOOK

The global economy is still on the verge of severe economic headwinds. Furthermore, the country's economy and operating environment remained extremely challenging, and the political condition is still looking for a stable platform. In this critical situation, businesses and their operators are very much concerned especially due to a very severe challenge of procurement of raw materials, energy crises, devaluation of currency and higher interest rates than ever.

However, the Company will continue its efforts to stay relevant to consumer by delivering value through sound understanding of their needs, innovations and new price architecture while managing profitability through a combination of optimum pricing and cost transformation initiatives. Our commitment to a long-term optimistic approach shall continue for upcoming years as well with a proactive ambition to deliver competitive, consistent, responsible, and profitable growth benefiting all stakeholders.

ACKNOWLEDGEMENT

The Board takes this opportunity to acknowledge and is determined to continue forging a pathway that creates lasting shared value for all our stakeholders with the dedication of our people, and support of our business partners. We are also grateful to our shareholders for their support and confidence in our management.

Munsarim Saifullah	**Maqsood Ismail Ahmed**
Chief Executive	Director

Karachi: September 08, 2023

بہت زیادہ فکر مند ہیں

تاہم، کمپنی صارفین کو ان کی ضروریات، اختراعات اور قیمتوں کے نئے ڈھانچے کے بارے میں اچھی سمجھ کے ذریعے قیمت فراہم کرتے ہوئے ان سے متعلقہ رہنے کے لیے اپنی کوششیں جاری رکھے گی جبکہ زیادہ سے زیادہ قیمتوں کے تعین اور لاگت میں تبدیلی کے اقدامات کے امتزاج کے ذریعے منافع کا انتظام کرے گی۔

ایک طویل مدتی پر امید نقطہ نظر کے لیے ہماری وابستگی آئندہ برسوں کے لیے بھی جاری رہے گی اور ساتھ ہی ساتھ تمام اسٹیک ہولڈرز کو فائدہ پہنچانے والی مسابقتی، مسلسل، ذمہ دارانہ، اور منافع بخش ترقی فراہم کرنے کے لیے ایک فعال عزائم کے ساتھ مصروف عمل رہے گی۔

اعتراف

بورڈ اس موقع پر تمام مستفیدان کے اعتماد اور مدد کو تسلیم کرتا ہے اور ایک ایسے راستے کی تشکیل جاری رکھنے کے لیے پرعزم ہے جو ہمارے تمام اسٹیک ہولڈرز کے لیے ہمارے لوگوں کی لگن اور ہمارے کاروباری شراکت داروں کی حمایت کے ساتھ پائیدار مشترکہ قدر پیدا کرے۔ ہم اپنے شیئر ہولڈرز کے تعاون اور ہماری انتظامیہ پر اعتماد کے لیے ان کے بھی شکر گزار ہیں۔

منصرم سیف اللہ
چیف ایگزیکٹو آفیسر

مقصود اسماعیل احمد
ڈائریکٹر

کراچی: 8 ستمبر 2023

انسانی وسائل ومعاوضہ کمیٹی

ممبران	حیثیت
جناب محمد زبیر موتی والا	چیئر مین
جناب مقصود اسماعیل	ممبر
جناب حامد مقصود اسماعیل	ممبر

ڈائریکٹران کا معاوضہ

ڈائریکٹران کو ادا کیے جانے والے معاوضے اور دیگر مراعات کی تفصیل مالی بیانات کے نوٹ 36 میں ظاہر کی گئی ہے۔ یہ معاوضے بورڈ آف ڈائریکٹران کے ذریعہ منظور شدہ ہیں۔ ڈائریکٹرز کا معاوضہ صنعت کے مروجہ رجحان پر مبنی ہے اور یہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے مطابق ہے۔ اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کا فیصلہ کرنے میں حصہ نہ لے۔ غیر ایگزیکٹو ڈائریکٹرز کو کمپنی کی معاوضے کی پالیسی کے مطابق کوئی معاوضہ نہیں دیا جاتا ہے۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 کے سیکشن 227(2)(f) کے تحت 30 جون 2023 کو شیئر ہولڈنگ کے پیٹرن کو ظاہر کرنے والا بیان اس رپورٹ کے ساتھ منسلک ہے۔

اداراتی نظم وضبط کے ضبط کی پاسداری

کمپنی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور کمپنیز ایکٹ 2017 کے تحت مالیاتی رپورٹنگ اور کارپوریٹ گورننس فریم ورک کی تعمیل کرتی ہے۔ اس میں کہا گیا ہے:

- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کے آپریشنز، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کے نتیجے میں پیش کیے جاتے ہیں۔
- کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔
- IFRS کے بعد مسلسل اکاؤنٹنگ پالیسیوں کا اطلاق مالیاتی بیانات کی تیاری میں کیا جاتا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔
- اندرونی کنٹرول کا نظام موثر ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- کمپنی کی طرف سے تشویش کے اصول پر جاری رہنے میں کوئی شک نہیں ہے۔
- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے۔

فی حصص آمدنی

30 جون 2023 کو ختم ہونے والے مالی سال کے لیے فی شیئر آمدنی (EPS) 17/96 روپے (گذشتہ سال 44/38 روپے) ہیں۔

منافع منقسمہ

کمپنی اپنے حصص یافتگان کی آمدنی میں اضافے کے لیے پرعزم ہے اور نتائج کو مدنظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لیے 20% (2 روپے فی شیئر) پر حتمی نقد ڈیویڈنڈ تجویز کرنے پر خوش ہیں۔ ان شیئر ہولڈرز کو ادائیگی کی جائے گی جن کے نام اگلی آنے والی سالانہ جنرل میٹنگ کے لیے "بند مدت" کے آغاز پر حصص یافتگان کے رجسٹر پر ظاہر ہوں گے۔ یہ 100% (10 روپے فی شیئر) ادا کیے جانے والے عبوری نقد منافع کے علاوہ ہے۔

قانونی آڈیٹرز

آڈیٹرز M/S گرانٹ تھورنٹن انجم رحمٰن، چارٹرڈ اکاؤنٹنٹس سبکدوش ہوگئے اور خود کو دوبارہ تقرری کے لیے پیش کیا۔ آڈٹ کمیٹی نے میسرز کی دوبارہ تقرری کی سفارش کی ہے۔ 30 جون 2024 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹر کے طور پر گرانٹ تھورنٹن انجم رحمٰن، چارٹرڈ اکاؤنٹنٹس ایسے شرائط وضوابط اور معاوضے پر باہمی طور پر طے کیے جائیں۔ بورڈ نے آئندہ سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری کے لیے اس کی سفارش کی ہے۔

مستقبل کی پیش بینی

عالمی معیشت بدستور شدید اقتصادی بحران کے دہانے پر ہے۔ مزید برآں، پاکستان کا سیاسی اور معاشی ماحول اب بھی ایک مستحکم پلیٹ فارم کی تلاش میں ہے۔ اس نازک حالت میں، کاروبار اور ان کے آپریٹرز خاص طور پر خام مال کی خریداری، کرنسی کی قدر میں کمی اور پالیسی کی شرح سے کہیں زیادہ ہونے کی وجہ سے

یہ لین دین کوڈ آف کارپوریٹ گورننس کی تعمیل میں کیا گیا اور ظاہر کیا گیا۔

بورڈ کی تشکیل بندی

کمپنی کے بورڈ آف ڈائریکٹران ان ممبرز پر مشتمل ہے:

کمپنی کے بورڈ آف ڈائریکٹرز پر مشتمل ہے:

ڈائریکٹرز کی کل تعداد	
مرد	6
عورت	1

اقسام	نام
سی ای او	جناب منصرم سیف اللہ
ایگزیکٹو	جناب احمد محمد
آزاد	جناب محمد زبیر موتی والا
	محترمہ تسنیم یوسف
نان ایگزیکٹو	جناب محمد ایم اسماعیل
	جناب مقصود اسماعیل
	جناب حامد مقصود اسماعیل
خاتون	محترمہ تسنیم یوسف

بورڈ کے ممبران اور ان کی حاضری

سال کے دوران، بورڈ ممبران نے اپنی تین سال کی مدت پوری کی اور اکتوبر 2022 میں انتخابات ہوئے جس کے نتیجے میں، جناب حامد مقصود اسماعیل محترمہ مہوش احمد کریم کی جگہ ڈائریکٹر منتخب ہوئے۔ منتخب بورڈ ممبران کے نام یہاں درج ہیں اور ان میٹنگوں کی تعداد کے ساتھ جن میں انہوں نے شرکت کی ہے۔

ڈائریکٹران کے نام	حاضر اجلاس
جناب محمد ایم اسماعیل *	11 / 14
جناب مقصود اسماعیل احمد *	13 / 14
جناب منصرم سیف اللہ	14 / 14
جناب حامد مقصود اسماعیل *	7 / 9
جناب احمد محمد	14 / 14
جناب محمد زبیر موتی والا *	10 / 14
محترمہ تسنیم یوسف *	12 / 14
محترمہ مہوش احمد کریم**	4 / 5

*ان ڈائریکٹرز کو غیر حاضری کی چھٹی دی گئی جو بورڈ کے کچھ اجلاسوں میں شرکت نہیں کر سکے۔

** سال کے دوران، بورڈ آف ڈائریکٹرز نے اپنی 3 سالہ مدت پوری کی اور جناب حامد مقصود اسماعیل کو محترمہ مہوش احمد کریم کی جگہ ڈائریکٹر کے طور پر منتخب کیا گیا۔

آڈٹ کمیٹی

ممبران	حیثیت
محترمہ تسنیم یوسف	چیئر پرسن
جناب محمد ایم اسماعیل	ممبر
جناب مقصود اسماعیل	ممبر

جنسی تنوع

تنظیموں میں جنسی تنوع کی اہمیت اس کی کمی سے پیدا ہوتی ہے۔ یہ اس بدلتے ہوئے ماحول میں کاروبار کو بڑھانے کے لیےضروری آراءاورنقطہ نظر لانے میں کرتا ہے۔ مساوات پر مبنی ثقافت جدت اور ترقی کو آگے بڑھانے کا ایک بہت ہی بااثر ذریعہ ہے۔ ایک متنوع اور جامع افرادی قوت جس میں متعدد نقطہ نظر موجود ہیں، عالمی معیشت میں یقینی طور پر زیادہ مسابقتی ہے۔ تنظیموں میں صنفی تنوع بہت ضروری ہے کیونکہ یہ مختلف نقطہ نظر کو سامنے لانے میں مدد کرتا ہے، جامع اور محفوظ کام کی جگہیں بناتا ہے اور ملازمین کے اطمینان میں اضافہ کرتا ہے۔ اس وجہ سے کمپنی دونوں جنسوں کو پراجیکٹ کے مساوی مواقع فراہم کرتی ہے اور اس کے ذریعے موثر نتائج حاصل کرتی ہے۔

انسانی وسائل

ہمیں بے حد سرشار، پرجوش اور موثر انسانی سرمایہ حاصل ہونے پر بہت خوشی ہے جو کمپنی کو ہر سال ان کامیاب نتائج کی طرف لے جاتی ہے۔ ہمارے ملازمین کمپنی کے مقصد اور وژن سے بخوبی واقف ہیں اور ان مقاصد کو زبردست طریقے سے حاصل کرنے کے لیے موثر، درست اور سمارٹ سمت میں لے جانے کے لیے ہمیشہ پرجوش رہتے ہیں۔ ان کوششوں کے لیے، بورڈ اور انتظامیہ ان کی معیاری تربیت، ترقی، اوراعلیٰ عہدے کے لیے خود کو قابل اعتماد ثابت کرنے کے مواقع کی مرہون منت ہے۔ کمپنی کا HR ڈیپارٹمنٹ بہت احتیاط اور چوکسی سے کام کرتا ہے تاکہ باصلاحیت انسانی سرمائے کو بھرتی، کیا جائے، برقرار رکھا جائے اور اسے تیار کیا جا سکے۔ یہ متعلقہ سپروائزرز کی مدد سے ملازمین کی کارکردگی، ترقی کے انداز، تفویض کردہ کاموں میں مصروفیت، موثر شراکت، اور کارکردگی کے دیگر اشاریوں کی مسلسل جانچ پڑتال کرتا ہے اور اس بات کو یقینی بناتا ہے کہ کارکردگی دکھانے والے ہر ملازم کو اس کی کوششوں کے لیے دوسروں کے مقابلے میں مسابقتی برتری فراہم کی جائے۔ اس سے ہر ملازم کو سخت محنت کرنے اور اس موقع کو حاصلکرنے کی ترغیب ملتی ہے اور کمپنی میں دستیاب بہترین ٹیلنٹ کی شناخت کرنے اور مستقبل میں اہم اسٹریٹجک عہدوں پر فائز ہونے کے لیے مزید تربیت دینے کے لیے ایک جامع قابلیت کا ٹیبل ملتا ہے۔ دوسری طرف، ملازمین کو ایک گمنام تشخیصی سروے کے ذریعے کمپنی کے کام کے ماحول اور پالیسیوں کے بارے میں اپنی تشخیص کا اظہار کرنے کی بھی آزادی دی جاتی ہے جو کمپنی کے ساتھ کام کرنے کے ان کے اطمینان کی ڈگری کا اندازہ لگاتا ہے۔

مزید برآں، کمپنی کے تنخواہ کے منصوبے، طبی سہولیات، پرکشش معاوضے کے پیکجز، اور صحت مند کام کرنے والا ماحول انسانی سرمائے کی پیداواری صلاحیت کو بڑھاتا ہے۔

انفارمیشن ٹیکنالوجی

اس دور میں کاروبار میں انفارمیشن ٹیکنالوجی کی اہمیت جدت کو فروغ دے رہی ہے۔ اختراع کا مطلب ہے آؤٹ پٹ کو بہتر ترتیب میں پیش کرنا، ڈیٹا اسٹوریج کو بہتر بنانا اور ڈیٹا کی تیز تر پروسیسنگ اور مستقل اور درست معلومات کے لیے ہدایات۔ مزید یہ کہ، جدت طرازی کاروبار کو زیادہ موثر طریقے سے چلانے میں مدد کرتی ہے۔ اس طرح، انفارمیشن ٹیکنالوجی آج کے کاروبار میں ایک اہم کردار ادا کرتی ہے اور آپریشن کو ہموار کرنے، لاگت میں کمی، فروخت کو بڑھانے، ممکنہ ہدف والے بازاروں میں قدموں کے نشانات پھیلانے اور مسابقتی برتری کو برقرار رکھنے میں مدد کرتی ہے۔

کمپنی کے طویل مدتی اور قلیل مدتی اہداف کو پورا کرنے کے لیے، ہم نے طویل مدتی کاروباری حکمت عملی کے ساتھ IT حکمت عملی کی صف بندی پر بھرپور زور دیا ہے۔ ویلیو ڈیلیوری میں بہتری، خطرے سے بچنا، وسائل کی اصلاح، اور پوری کمپنی میں موثر معلومات کا بہاؤ ITانفراسٹرکچر میں سرمایہ کاری کے مقاصد ہیں۔ کمپنی میں آئی ٹی کی موجودگی کام کو کم تھکا دیتی ہے اور غلطیوں کے امکانات کو کم کرتی ہے۔ انفارمیشن سسٹم ہمارے لیے اپنی خریداریوں، ادائیگیوں اور دیگر مالیاتی لین دین کا ریکارڈ رکھنا بھی آسان بناتے ہیں۔ یہ ریکارڈز ڈیٹا مینجمنٹ میں مدد کرتے ہیں، کمپنی کو طویل مدت میں بہتر اور زیادہ درست فیصلے کرنے کے قابل بناتے ہیں۔

ہمارے IT انفراسٹرکچر سے حاصل ہونے والے فوائد میں قانونی اور ریگولیٹری تقاضوں کی بروقت تعمیل، موثر فیصلہ سازی، مضبوط اندرونی کنٹرول، اور ایک مناسب گورننس کی ترکیب شامل ہیں۔ SAPS4-HANA کی شمولیت نے ہمارے روزمرہ کے آپریشنز خاص طور پر ڈیٹا مینجمنٹ اور پریزنٹیشن پر ایک قابل ذکر اثر ڈالا ہے اور ہمیں کاروباری آپریشنز پر زیادہ کنٹرول رکھنے اور اپنے طویل مدتی اقدامات کو وسعت دینے میں بھی مدد ملی ہے۔

متعلقہ فریقوں کے ساتھ لین دین

سال کے دوران متعلقہ فریقوں کے ساتھ تمام لین دین ایک حد تک کیے گئے تھے اور انہیں بورڈ آڈٹ کمیٹی اور بورڈ کے سامنے جائزہ اور منظوری کے لیے پیش کیا گیا

اندرونی گرفت کا نظام

اندرونی کنٹرول کاروبار کو چلانے میں اہم کردار ادا کرتا ہے۔ جہاں تک قواعد، ضوابط اور لین دین کی شفافیت کا تعلق ہے بورڈ اس ذمہ داری کی اہمیت کو سمجھتا ہے۔کمپنی کا اندرونی گرفت کا نظام اس بات کو یقینی بناتا ہے کہ متعلقہ انتظامی عملے کی ہدایت کے مطابق پالیسیاں،طریقہ کار اورعمل کولاگو کیا جائے۔

مینجمنٹ، بیرونی آڈیٹر، اور اندرونی آڈیٹر آڈٹ کمیٹی کو رسک مینجمنٹ اور مجموعی اندرونی کنٹرول کے بارے میں رپورٹ فراہم کرتے ہیں۔اس کے بعد آڈٹ کمیٹی بورڈ کو اس فریم ورک کو مضبوط بنانے کے اقدامات کی سفارش کرتی ہے۔یہ طریقہ کار کمپنی کو اپنے کاروبار کو مؤثر طریقے سے،اور شفافیت کے ساتھ چلانے کی اجازت دیتا ہے اور جاری کردہ مالیاتی جائزہ قابل اعتماد ہیں، جس سے شیئر ہولڈرز کا اعتماد حاصل ہوتا ہے۔

اندرونی آڈٹ

تمام کاروباری لین دین کی شفافیت اور درستگی کو یقینی بنانے کے لیے کمپنی کے پاس ایک انتہائی چونکنا اندرونی آڈٹ ڈیپارٹمنٹ ہے جو بورڈ آڈٹ کمیٹی کو جوابدہ ہے۔ اس کا بنیادی مقصد تمام کاروباری پہلوؤں کا احاطہ کرنا ہے تاکہ کمپنی اور اس کے اسٹیک ہولڈرز کو پہنچنے والے کسی بھی ممکنہ نقصان کے خطرے کو کم سے کم کیا جا سکے۔

خطرات کا انتظام

خطرات کا انتظام کاروبار کے لیے ممکنہ خطرات کی نشاندہی کرنا ممکن بناتا ہے تاکہ کاروباران سے نمٹنے کے لیے مناسب اقدام اور حکمت عملیوں سے لیس ہو۔

کمپنی نے انٹرپرائز رسک مینجمنٹ کے طریقہ کار کو لاگو کیا ہے جس کے ذریعے وہ آنے والے کسی بھی خطرے کے امکانات کو پکڑتی ہے اور اس میں تخفیف کرتی ہے۔انٹرپرائز رسک مینجمنٹ بورڈ آڈٹ کمیٹی کی نگرانی میں ہے جبکہ کسی بھی ممکنہ خطرات کی دیکھ بھال کرنا بورڈ آف ڈائریکٹرز کی ذمہ داری ہے۔

ممکنہ خطرات کی نشاندہی بورڈ آف ڈائریکٹرز کی ذمہ داری ہے۔ نتیجے کے طور پر، وہ سینئر مینجمنٹ ٹیم کو خطرے کا پتہ لگانے کا کام فراہم کرتے ہیں، جو اس کی نگرانی میں ہوتے ہیں۔ بورڈ کی آڈٹ کمیٹی کا فرض ہے کہ وہ انٹرپرائز رسک مینجمنٹ کے طریقہ کار کے پورے تنظیمی اطلاق کی نگرانی کرے جسے بورڈ نے اپنایا ہے۔ محکمے کے لیے اہم خطرات کو نوٹ کیا جاتا ہے،ان کا جائزہ لیا جاتا ہے،اور ہر فنکشنل ایریا کو تفویض کیا جاتا ہے۔ان خطرات کو کم کرنے کا سب سے مؤثر طریقہ یہ ہے کہ SOPs کو اپ گریڈ کیا جائے،اس متعلقہ کام کے لیے طریقہ کار کو از سر نو بنایا جائے۔

ادارتی نظم وضبط

ادارے کی تمام سطحوں پر ادارتی نظم وضبط کے اعلیٰ ترین معیارات کی ترقی اور اطلاق کمپنی کی بقا اور طویل مدتی کارکردگی کے لیے ضروری ہے۔ ہماری نظم وضبط کی ساخت تنظیمی ثقافت، رویے، اور طرز عمل کی وضاحت کرتی ہے جس میں موثر، کاروباری، اور ذمہ دارانہ انتظام کو سہولت فراہم کرنے پر زور دیا جاتا ہے جو کمپنی کی طویل مدتی کامیابی کو یقینی بنا سکتا ہے۔

ضابطہ اخلاق اور گرفت کے نظام کے ساتھ، کمپنی یقین دلاتی ہے کہ وہ تمام قابل اطلاق قانونی اور ریگولیٹری تقاضوں کی پابندی کرتی ہے۔اس گورننس ڈھانچے کے جوابدہی اور دیانتداری کے رہنما اصول بورڈ کو کمپنی کو صحیح سمت میں لے جانے کے قابل بناتے ہیں۔

انوویٹا نیوٹریشن (پرائیویٹ) لمیٹڈ

ایسوسی ایٹڈ کمپنی

انوویٹا نیوٹریشن (پرائیویٹ) لمیٹڈ (INPL) 17 دسمبر 2021 کو کراچی، پاکستان میں کمپنی ایکٹ 2017، کے تحت ایک پرائیویٹ لمیٹڈ کمپنی کے طور پر شامل کیا گیا تھا اور مشترکہ ڈائریکٹرشپ کی وجہ سے اسماعیل انڈسٹریز لمیٹڈ سے وابستہ کمپنی ہے۔ INPL کی بنیادی سرگرمیاں ہر قسم کی غذائی مصنوعات، وٹامنز، پریمکس، معدنیات، بچوں کی غذائیت، طبی غذائیت، کارکردگی کی غذائیت، سیریلز، فوڈ سپلیمنٹس، الائیڈ کنزیومر، اور دیگر غذائی مصنوعات تیار کرنا ہیں۔ یہ پراجیکٹ بنیادی طور پر پریمکس مواد (غذائی مصنوعات کے کلیدی اجزاء) کی فراہمی کے لیے عمودی انضمام ہے جو پہلے کمپنی درآمد کیا کرتی تھی۔

کمپنی کے بورڈ آف ڈائریکٹرز نے 8 ستمبر 2023 کو ہونے والی اپنی میٹنگ میں 1,000,000,000 (ایک بلین روپے) تک کی مجموعی رقم میں انٹر کمپنی لون، بشمول، قرضوں، ایڈوانسز اور/یا کسی بھی شکل میں سیکیورٹی (بشمول بغیر کسی حد کی ضمانتیں، سرکاری سیکیورٹیز، نقد، درج/غیر فہرست شدہ سیکیورٹیز وغیرہ)، کی منظوری دی ہے۔ جو کہ ریوولنگ لائن آف کریڈٹ کی شکل میں خصوصی قرارداد کی تاریخ سے ایک سال کی مدت کے لیے درست ہے، جس کی تجدید کمپنی ایک سال کے مسلسل پانچ ادوار تک کرسکتی ہے۔

ادارتی اختصاری نشست

ایک سالانہ ادارتی اختصاری نشست (کارپوریٹ بریفنگ سیشن) 23 نومبر 2022 کو بیچ ویو کلب کراچی میں منعقد ہوا۔ یہ ایک انٹرایکٹیشن اور بہت نتیجہ خیز ثابت ہوا جہاں ہمارے تمام معزز موجودہ اور ممکنہ سرمایہ کاروں کو ملک کے موجودہ آؤٹ لک، اس کے معاشی اشارے، کمپنی کی مالی کارکردگی، چیلنجز اور مسابقتی ماحول، اس کے آپریشنل مسابقتی فوائد کے بارے میں بتایا گیا۔ کمپنی کی مختصر وقت میں کی جانے والی توسیع اور پیشرفت، اس کے سرمایہ کاری کے فیصلے اور ان کے نتیجہ خیز نتائج وغیرہ کے بارے میں بتایا گیا۔

حاضرین کو کمپنی کے مزید توسیعی منصوبوں، نئے کاروباری کی شکل میں مستقبل کے زیر غور منصوبوں اور مصنوعات کی تنوع، اس کے مستقبل کے اہداف اور ان اہداف کو حاصل کرنے کے لیے پائیدار اور متاثر کن منصوبوں کے بارے میں بھی مختصر معلومات فراہم کی گئیں۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PCRA) کی جانب سے جاری کردہ ریٹنگ رپورٹ کے مطابق اسماعیل انڈسٹریز لمیٹڈ نے طویل مدتی کریڈٹ ریٹنگ میں اپنی ریٹنگ کو کامیابی کے ساتھ "A" سے "A+" میں اپ گریڈ کیا ہے اور مختصر مدتی کریڈٹ ریٹنگ میں اپنی کریڈٹ ریٹنگ ("A1") کو برقرار رکھا ہے۔ یہ اپ گریڈ اعلی کریڈٹ کوالٹی اور کریڈٹ رسک کی کم توقع رکھنے والی کمپنی کی ساکھ کی اہلیت کو ظاہر کرتا ہے۔ اس طرح، مالی وعدوں کی بروقت ادائیگی کی صلاحیت کو طویل مدتی اور مختصر مدت دونوں میں مضبوط سمجھا جاتا ہے۔

ادارتی سماجی ذمہ داری

اسماعیل انڈسٹریز لمیٹڈ خاص طور پر اداروں کی طرف سے معاشرے کے لیے شراکت کی اہمیت پر پختہ یقین رکھتی ہے اور اسے بڑی ادارتی سماجی ذمہ داری سمجھتی ہے۔ ماحولیاتی، سماجی، ادارتی گورننس کی مدد سے اس کی پائیداری کی مقدار اور پیمائش کرنے کے لیے، کمپنی اپنے روزمرہ کے کاموں میں پائیداری کو مربوط کرنے کے لیے پرعزم ہے، مسلسل اس کا جائزہ لیتی ہے اور اسے معاشرے کے لیے زیادہ موثر بنانے کے لیے ہر ممکن اقدام کرتی ہے۔ مزید برآں، کمپنی نیک مقاصد میں مسلسل سرمایہ کاری کررہی ہے جس میں فیلڈ فورس کے ملازمین کے خاندانوں کے ہیلتھ انشورنس کے ذریعے صحت کی دیکھ بھال کے اچھے مواقع کو پھیلانا اور ہسپتالوں کو فراخدلی سے عطیات دینا، انسٹی ٹیوٹ کی مدد کرنا، خاص طور پر پسماندہ بچوں کو بہتر تعلیم فراہم کرنا، پینے کے صاف پانی کی فراہمی اور بہت کچھ شامل ہے۔

پلاسٹک کے شعبہ افعال

ایسٹرو فلمز، ملک میں پیکجنگ فلم بنانے والے صف اول میں سے ایک ہونے کے ناطے اپنے آپ کو ایک بہترین تسلیم شدہ علاقائی اور بین الاقوامی سپلائر اور سب سے تیزی سے بڑھتے ہوئے لچکدار پیکجنگ برآمد کنندگان میں سے ایک کے طور پر 5 براعظموں کے 26 سے زائد ممالک میں اپنے کلائنٹس کے ساتھ ثابت کر چکی ہے۔

کمپنی دنیا کے مزید خطوں پر پہنچ کر اپنے مقامی کاروبار کے ساتھ ساتھ برآمدات کو بڑھانے اور وہاں کاروبار بڑھانے کے لیے پرعزم ہے۔ یہ سب، عمودی انضمام کی مدد سے ہماری ذیلی کمپنی اسماعیل ریزین کے ذریعے ہمارے بڑے خام مال کی خریداری سے ممکن ہے۔ اس طرح، خیال کیا جاتا ہے کہ دونوں کاروبار بیک وقت ترقی کریں گے اور اپنی اپنی کوششوں میں قابل ذکر کامیابی حاصل کریں گے۔

ہڈسن فارما (پرائیویٹ) لمیٹڈ۔ ذیلی کمپنی

ہڈسن فارما (پرائیویٹ) لمیٹڈ (HPPL)، اسماعیل انڈسٹریز لمیٹڈ کا ذیلی ادارہ، اپنے قیام کے بعد سے ترقی کی راہ پر گامزن ہے اور ہر سال مارکیٹ میں نئی اور جدید ایجادات متعارف کراتی ہے۔ ان مالیکیولز کی اختراعی لانچوں کی مدد سے جنہیں پوری دنیا میں ایک موثر علاج سمجھا جاتا ہے، توقع ہے کہ کمپنی بہت جلد انڈسٹری کے سب سے بڑے کھلاڑیوں میں سے ایک بن جائے گی۔ یہ سال بھی HPPL کے لیے قابل ذکر رہا ہے جس میں ٹاپ لائن سیلز میں تقریباً 60% اضافہ ہوا ہے۔ کاسمیٹولوجی پروڈکٹس بشمول کلینزنگ موئسچرائزرز، جو نقصان دہ اور الرجک کیمیکلز کے بغیر تیار کیے گئے ہیں، نئے داخلے ہیں اور توقع کی جاتی ہے کہ وہ مصنوعات کے تنوع کے ایک حصے کے طور پر کاروبار کو نئے افق کی طرف لے جائیں گے اس طرح کمپنی کو ترقی کرنے اور کاروبار کو منافع بخش بنانے میں مدد ملے گی۔ آپریشنل اخراجات/ ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کے لیے شیئر ہولڈرز کی منظوری کے ساتھ، اسماعیل انڈسٹریز لمیٹڈ نے 400 ملین روپے کی ایکویٹی سرمایہ کاری کی ہے اور 300 ملین روپے کراس کارپوریٹ گارنٹی کی منظوری دی ہے۔ مزید برآں، کمپنی کے بورڈ آف ڈائریکٹرز نے 8 ستمبر 2023 کو ہونے والی اپنی میٹنگ میں، 1,500,000,000 (ایک ارب 500 ملین روپے:) تک کی مجموعی رقم میں انٹر کمپنی لون، بشمول، قرضوں، ایڈوانسز اور/ یا کسی بھی شکل میں سیکیورٹی پر مشتمل (بشمول حد بندی کی ضمانتیں، سرکاری سیکیورٹیز، نقد، درج/ غیر فہرست شدہ سیکیورٹیز وغیرہ) کی منظوری دی ہے۔ جو کہ، ریوولنگ لائن آف کریڈٹ کی شکل میں خصوصی قرارداد کی تاریخ سے ایک سال کی مدت کے لیے درست ہے، جس کی تجدید کمپنی ایک سال کے مسلسل پانچ ادوار تک کر سکتی ہے۔

اسماعیل ریزن (پرائیویٹ) لمیٹڈ۔ ذیلی کمپنی

اسماعیل ریزین (پرائیویٹ) لمیٹڈ (IRPL) اسماعیل انڈسٹریز لمیٹڈ کی ایک ذیلی کمپنی ہے۔ کمپنی اکتوبر 2023 سے اپنا کام شروع کرنے کے لیے پوری طرح تیار ہے۔ اس نے ، ISO9000، ISO14001، HACCP، 22000 FSSC اور حلال سرٹیفیکیشن حاصل کرنے کے لیے آڈٹ کی ضروریات کو بھی پورا کر لیا ہے۔

اسماعیل ریزن کو اسماعیل انڈسٹریز لمیٹڈ کے پلاسٹک کے کاروبار کی توسیع کے لیے ایک بڑا منصوبہ سمجھا جاتا ہے جو اس کے بڑے خام مال کی خریداری میں ایک عمودی انضمام کے طور پر مدد فراہم کرتا ہے اور اس کے اپنے کاموں کو بڑھانے اور صنعت کے رہنما بننے کے وژن کے ساتھ بھی تیار ہے۔

آپریشنل اخراجات کی ضرورت کو پورا کرنے کے لیے شیئر ہولڈرز کی منظوری کے ساتھ، کمپنی نے 1,125 ملین روپے کی اضافی ایکویٹی سرمایہ کاری اور 675 ملین روپے کی کراس کارپوریٹ گارنٹی کی منظوری دی ہے۔

مزید برآں، کمپنی کے بورڈ آف ڈائریکٹرز نے 8 ستمبر 2023 کو ہونے والی اپنی میٹنگ میں 8,000,000,000 (آٹھ بلین روپے)، تک کی مجموعی رقم میں انٹر کمپنی لون، بشمول، قرضوں، ایڈوانسز اور/ یا کسی بھی شکل میں سیکیورٹی (بشمول بغیر کسی حد کی ضمانتیں، سرکاری سیکیورٹیز، نقد، درج/ غیر فہرست شدہ سیکیورٹیز وغیرہ)، کی منظوری دی ہے۔ جو کہ ریوولنگ لائن آف کریڈٹ کی شکل میں خصوصی قرارداد کی تاریخ سے ایک سال کی مدت کے لیے درست ہے، جس کی تجدید کمپنی ایک سال کے مسلسل پانچ ادوار تک کر سکتی ہے۔

بینک آف خیبر۔ ملحق کمپنی

زیر نظر مالی سال کے دوران، بینک آف خیبر نے اپنی آمدنی میں اضافہ کیا، جس کی وجہ سے بالآخر اسماعیل انڈسٹریز لمیٹڈ کے منافع کا حصہ 217 ملین سے بڑھ کر 428 ملین روپے ہو گیا۔

ISO22000 سے مصدقہ ہیں اور SANHA کی طرف سے حلال قرار دی گئی ہیں۔ مزید برآں، مصنوعات کی تقسیم اور اشاعت کے طریقہ کار کو سوچ سمجھ کر منظم کیا جاتا ہے اور ان پر عمل درآمد کیا جاتا ہے، جس سے تمام فریقین کے درمیان صف بندی مضبوط ہوتی ہے۔ کاروباری منصوبے احتیاط سے تقسیم کاروں کے ساتھ منسلک ہوتے ہیں، اس بات کو یقینی بناتے ہوئے کہ تمام کام آسانی سے انجام پائیں۔

اسماعیل نیوٹریشن

2010 میں اپنے آغاز کے بعد سے، اسماعیل نیوٹریشن غذائی قلت کی عالمگیر وباء سے متاثرہ آبادی کی خدمت کے لیے وقف ہے۔ اس وباء کے اہم محرکات زیادہ آبادی اور خاص طور پر کم سماجی اقتصادی پس منظر سے تعلق رکھنے والے علاقوں میں مناسب وسائل کی کمی ہیں۔ کمپنی، ایک سمجھدار اور تجربہ کار فوڈ مینوفیکچرنگ ادارہ ہونے کے ناطے، اس خلا کو پُر کرنے کے لیے غذائیت کا سامان تیار کرتی ہے۔

مقامی منڈیوں کے زبردست ردعمل نے کمپنی کی حوصلہ افزائی کی کہ وہ ہمسایہ ممالک کی بین الاقوامی سماجی بہبود کے اداروں کے لیے یہ غذائی امداد فراہم کرے اور اسے اقوام متحدہ کے ورلڈ فوڈ پروگرام کی جانب سے غذائی سپلیمنٹس فراہم کرنے کا اختیار دیا گیا ہے۔

کمپنی سیریلز کی تیاری کے ساتھ اپنے کام کو بڑھا رہی ہے اور اسے ورلڈ فوڈ پروگرام نے سپر سیریلز کے عالمی سپلائر کے طور پر سرٹیفائیڈ کیا ہے۔ کمپنی خوراک کی حفاظت، تعمیل اور غذائی پیداوار کی ضروریات کے لئے ورلڈ فوڈ پروگرام کا جدید ترین پیداواری پلانٹ کا آڈٹ پاس کر چکی ہے اور SANHA، FSSC سے منظور شدہ اور مسلسل بہتری کی راہ پر گامزن ہے

غذا

غذا سال کی چوتھی سہ ماہی کے دوران شروع کیا گیا جس کا مقصد عمودی انضمام، پورے پاکستان میں صنعتی اور HoReCa (ہوٹلز/ریسٹورنٹ/کینٹین) کو معیاری آٹا فراہم کرنا، اور ملک بھر میں معیاری سپر فائن آٹے کے ساتھ مناسب غذائیت کو یقینی بنانا ہے۔ خریداری کے وقت اعلیٰ معیار کی گندم کے انتخاب کے ہموار اور موثر عمل کے لیے عزم اور پیداوار کے وقت اس کی احتیاط سے چھانٹنا کمپنی کی جانب سے فراہم کردہ مصنوعات کے غیر معمولی معیار کا کلیدی اشارہ ہے۔ غذا کے لیبل کے تحت مصنوعات میں شامل ہیں؛

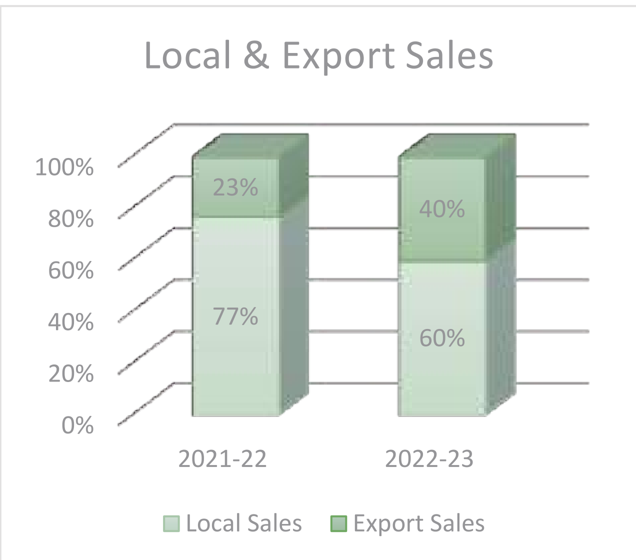
غزا میدہ، غزا اسپیشل فائن، اور چوکر

برآمدی مارکیٹ

انتظامیہ اور خاص طور پر برآمدات ٹیم کی انتھک کوششوں کی بدولت کمپنی ہر سال اپنے برآمدی کاروبار میں مسلسل اضافہ کر رہی ہے اور یہ سال بھی شاندار رہا۔ ہمارے برآمدی صارفین دنیا کے 50 سے زیادہ ممالک اور 5 براعظموں سے ہیں۔ مہنگائی، کساد بازاری اور عالمی سطح پر معاشی غیر یقینی صورتحال کے باوجود، کمپنی تمام فروخت والے خطوں - مشرق وسطی، افریقہ، ایشیا، اوشیانا، یورپ اور شمالی امریکہ میں زبردست ترقی کرنے میں کامیاب رہی۔

عالمی مارکیٹ کے تقاضوں، ثقافت اور ماحول کی نشاندہی کرنے کے لیے موثر مارکیٹ تحقیق؛ ان مطالبات کو پورا کرنے کے لیے مصنوعات کی تنوع؛ اور دنیا میں شناخت شدہ مصنوعات کی ترسیل، کمپنی گذشتہ سال کے مقابلے میں اپنی برآمدی فروخت میں 160 فیصد سے زیادہ اضافہ کرنے میں کامیاب رہی۔ علاقائی اور عالمی فوڈ نمائش (Middle East, Gulf Food, PLMA ISM Amsterdam, Big 7 South Africa) میں شرکت نے بھی کمپنی کو عالمی نقش کو بڑھانے، نئی مارکیٹوں میں قدم جمانے، اور نئے کلیدی اکاؤنٹس کو فعال کرنے میں مدد کی۔

برآمدات میں توسیع کے اس سلسلے کو برقرار رکھنے کے لیے، ہم آنے والے برسوں کے لیے بہت زیادہ چست اور نتیجہ خیز برآمدی کارروائیاں فراہم کرنے کے لیے بہت پرعزم ہیں اور جنوب مشرقی ایشیا، وسطی ایشیا اور امریکہ کے کچھ بہت اچھے مواقع اور منصوبے زیر غور ہیں۔



پہلے ذکر کیے گئے تمام چیلنجوں کے ساتھ، کاروبار نے مارکیٹ کے حالات، صارفین کے رویوں میں تبدیلیوں اور خریداری کے سخت مقابلوں کی شناخت اور تجزیہ کرنے میں بھرپور کامیابی حاصل کی ہے، اور اس طرح سرمایہ کاری کی متاثر کن اور امید افزا کوششوں کے ساتھ ان چیلنجوں کو پورا کیا ہے تاکہ وسائل کو معقول طور پر استعمال کیا جا سکے اور صارفین کو زیادہ سے زیادہ مطمئن کیا جا سکے:

شعبہ جاتی جائزہ درج ذیل ہے

:

غذائی شعبے کے افعال

ہمارا غذائی شعبے میں کنفیکشنری بسکٹ، اسنیکس، غذائی مصنوعات اور آٹے کی تقسیم کا مجموعہ ہے جس میں مصنوعات کی ایک وسیع انواع شامل ہیں۔ جس میں جیلی، مارشمیلو، ٹافیاں، کینڈی، لالی پاپ، کوٹڈ چیوز، چاکلیٹ بسکٹ، کیک، غذائی اجزاء، سپلیمنٹس اور آٹا شامل ہیں۔ بہترین فروخت ہونے والے برانڈ جو اس طبقہ کے تحت آتے ہیں وہ کینڈی لینڈ، بسکونی، اسنیک سٹی، اسماعیل نیوٹریشن اور غذا ہیں۔

کینڈی لینڈ

1988 میں اپنی آمد کے بعد سے، کینڈی لینڈ پاکستان میں کنفیکشنری فروخت کرنے والوں میں ایک اعلیٰ حیثیت کی حامل ہے۔ صارفین پر مرکوز اور جدت پر مبنی ذہنیت کی حمایت سے، کینڈی لینڈ صارفین کو ایک کے بعد ایک اختراعی اور منفرد پروڈکٹ کی اقسام متعارف کروانے کے لیے جانا جاتا ہے، جو پوری دنیا میں اپنے صارفین کو ہمیشہ مطمئین کرنے کی بھرپور کوشش کرتا ہے۔

کینڈی لینڈ مصنوعات کی کیٹیگریز کی ایک متاثر کن رینج پیش کرتا ہے جس میں جیلیز، چاکلیٹ، مارشمیلو، کینڈی، ٹافیاں، چیوز، لالی پاپ، دودھ کی چاکلیٹ، اسپریڈز، برٹلز، ٹرفلز اور بنٹی شامل ہیں۔ ان کیٹیگریز میں ملک کے مشہور برانڈز چلی ملی، اے بی سی جیلی، یمس، ناؤ، سونیٹ، پیراڈائز، بسکا، یو چاکلیٹ، پفس، جیمن، ببل پاپ وغیرہ شامل ہیں۔ تکنیکی طور پر جدید ترین پیداواری سہولیات ایسی مصنوعات کی فراہمی کو یقینی بناتی ہے جو صارفین کو انتہائی اطمینان فراہم کرتی ہے۔ کینڈی لینڈ کی تمام مصنوعات فوڈ سیفٹی کے بین الاقوامی معیار کے تقاضوں کو پورا کرتی ہیں، ISO 22000 کی تصدیق شدہ ہیں اور SANHA سے حلال سرٹیفیکیشن رکھتی ہیں۔

بسکونی

بسکونی اب ایک گھریلو برانڈ بن گیا ہے جو ہر بار اور ہر نئی پروڈکٹ کے ساتھ بے مثال معیار فراہم کرتا ہے۔ پچھلے 17 سالوں میں، بسکونی نے صنعت میں اپنے قدموں کے نشانات کو دن بہ دن ایک ناقابل یقین اور متاثر کن رفتار اور اپنے صارفین کی بے مثال وفاداری کے ساتھ پھیلایا ہے۔

اس کے صارفین کو کیک اور کوکیز کے زمرے کے تحت دلکش، پرکشش برانڈز پیش کیے جاتے ہیں۔ پرچم بردار برانڈز میں شامل ہیں؛ کوکومو (ایک پرانی یادوں کا نام اور اس کا ذائقہ، اب نوجوانوں اور بچوں میں مقبول)، چاکلیٹو، چاکلیٹ چپ کوکی، نوویٹا، رائٹ، کریونگ، فلو کیک، چائی والا بسکٹ اور بہت کچھ۔ مسلسل صارفین پر مرکوز رہتے ہوئے، بسکونی ہمیشہ جدت اور معیار کے ذریعے پروڈکٹ پورٹ فولیو کو بڑھانے کی راہ پر گامزن رہا ہے۔ اس سال کے متعارف کردہ برانڈز میں نائس، زیرا اور پانڈا پاور بسکٹ شامل ہیں۔

صارفین کو معیاری مصنوعات فراہم کرنے کے ذمہ دار ہونے کے ناطے، تمام مصنوعات ISO 22000 کے تقاضوں کو پورا کرتی ہیں اور SANHA سے حلال سند یافتہ ہیں۔ اس طرح، بسکونی اپنے وعدوں کو پورا کرنے اور صارفین کی برانڈ کی وفاداری کو برانڈ کی محبت میں تبدیل کرنے کے لیے وقف ہے۔

اسنیک سٹی

اسنیک سٹی ملک کی سب سے تیزی سے ترقی کرنے والی کرینکل چپس کمپنی کے طور پر فخر کے ساتھ مصنوعات کی پیشکش میں شاندار رینج کے ساتھ اپنا مقام رکھتی ہے۔ یہ مختلف قسم کے مزیدار انتخاب (کرلیز، چلز، فلز، مونگ پھلی اور نمکو) کے ساتھ صارفین کے درمیان مقبول ترین برانڈز میں سے ایک رہا ہے۔

اس سال Fillz کے کامیاب آغاز نے پہلے ہی ہمارے عزائم کو متحرک کر دیا ہے اور کمپنی کو مستقبل میں مزید وسعت دینے کی بنیاد رکھ دی ہے۔ کمپنی اپنے صارفین کو اپنی اولین ترجیح کے طور پر قدر کی نگاہ سے دیکھتی ہے یہی وجہ ہے کہ تمام مصنوعات

ڈائیریکٹران کی جائزہ رپورٹ

ڈائریکٹران آپ کو 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے انفرادی اور مجموعی کیے گئے سالانہ آڈٹ شدہ مالیاتی گوشوارے کے ساتھ کمپنی کی کارکردگی کا ایک مختصر جائزہ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مجموعی اقتصادی جائزہ

زیرنظر سال عالمی اقتصادی سست روی سے بری طرح متاثر ہوا، بالآخر ملک کی متعدد صنعتوں اور کاروبار، خاص طور پر، اور عمومی طور پر عالمی اداروں کو پریشان کیا۔ غالب عالمی رجحانات نے پاکستان کی معیشت کو متاثر کیا اور موجودہ سیاسی غیریقینی صورتحال نے اسے مزید بگاڑ دیا۔

غالب چیلنجوں میں سے ایک کرنٹ اکاؤنٹ خسارہ تھا۔ درآمد پر پابندیوں نے اس چیلنج کو ایک حد تک کم کیا لیکن بہت سے صنعتی کاروباران اقدامات سے بری طرح متاثر ہوئے، خاص طور پر خام مال کی خریداری کے سلسلے کو متاثر کیا۔ درماندہ مجموعی معاشی حالات، عالمی مہنگائی کا طویل دورانیہ اور روپے کی قدر میں غیر معمولی کمی، برآمدات اور غیرملکی ترسیلات زر میں سست روی کی طرف کلیدی محرک تھے۔ آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں تاخیر نے مقامی کرنسی کو بلندترین سطح کو عبور کرنے پر دباؤ ڈالا۔ مجموعی معاشی عناصر کی مستقل مزاجی کو برقرار رکھنے اور مجموعی طلب کو معمول پر لانے کے لیے، اسٹیٹ بنک نے پالیسی ریٹ کو 22% کی بلندترین سطح تک بڑھادیا۔

اس کے باوجود، کمپنی کی انتظامیہ مختلف حکمت عملیوں کو فعال طور پر نافذ کر رہی ہے، اور کمپنی کی مالیاتی کارکردگی اور آپریشنز کو متاثر کرنے والی مذکورہ بالا اقتصادی مشکلات کو معتدل کرنے کے لیے قابل ذکر اقدامات کو فعال طور پر انجام دے رہی ہے۔ انتظامیہ لاگت کی اصلاح خطرات کی پیش بینی اور اپنے اسٹیک ہولڈرز کو قدر فراہم کرنے کے لئے ایجادات کو بروئے کار لا کر عملیاتی افادیت کو بڑھانے کے لئے پرعزم ہے۔ ان تمام فعال اقدامات کو اپناتے ہوئے بنیادی خیال یہ ہے کہ کمپنی کے کاروبار کے طویل مدتی امکانات کے بارے میں پرامید رہیں اور مارکیٹ کے بدلتے ہوئے حالات کو اپنانے کے قابل ہوں۔

کاروباری جائزہ

کمپنی کنفیکشنری بسکٹ، اسنیکس، نیوٹریشن، اور پلاسٹک فلموں کی صنعت میں اپنی مضبوط موجودگی کے ساتھ اہم حریفوں میں سب سے تیزی سے ترقی کرنے والے کھلاڑی کے طور پر انڈسٹری میں اپنی حیثیت کو فخر کے ساتھ برقرار رکھتی ہے۔ ٹاپ لائن سیلز میں گزشتہ سال کے مقابلے میں 53% کی زبردست نمو دیکھی گئی جس میں 99.73 ارب روپے کا کاروبار ہوا

(گزشتہ سال 65.2 ارب روپے)۔ یہ سب وسائل کے معقول استعمال، مارکیٹنگ کے زبردست اقدامات اور مصنوعات کی تنوع کے ذریعے حاصل کیا گیا۔

آیئے نیچے دیے گئے جدول میں کمپنی کی اس سال کی کامیابیوں کا خلاصہ دیکھیں:

Description	Jun-23	Jun-22	Change in %
	Rs. in Million		
Sales	99,733	65,256	53%
Gross Profit	18,432	9,845	87%
Gross Profit %	18.48%	15.09%	22%
Operating Profit	10,330	4,244	143%
Profit after Tax	6,382	2,551	150%
Net Profit %	6.40%	3.91%	64%
Earning per Share (Rs.)	96.17	38.44	150%

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Year Ended June 30, 2023

Ismail Industries Limited

Ismail Industries Limited (hereinafter referred to as "the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, ("the Regulations") in the following manner:

1. The total number of directors are seven as per the following:

   a) Male: Six*
   b) Female: One

   * Male directors include CEO.

2. The composition of the Board is as follows:

<table>
<tr><th>Category</th><th>Name</th></tr>
<tr><td rowspan="2">Independent Directors*</td><td>Mr. Muhammad Zubair Motiwala</td></tr>
<tr><td>Ms. Tasneem Yusuf</td></tr>
<tr><td rowspan="3">Non-Executive Directors</td><td>Mr. Muhammad M. Ismail</td></tr>
<tr><td>Mr. Maqsood Ismail Ahmed</td></tr>
<tr><td>Mr. Hamid Maqsood Ismail</td></tr>
<tr><td rowspan="2">Executive Directors</td><td>Mr. Munsarim Saifullah</td></tr>
<tr><td>Mr. Ahmed Muhammad</td></tr>
<tr><td>Female Director</td><td>Ms. Tasneem Yusuf</td></tr>
</table>

   * Regulation 6(1) of the Regulations stipulates the mandatory requirement for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. The current Board of Directors of the Company comprises seven members, which constitutes 2.33 as one-third of total number of directors. As the fractional value falls below 0.5, rounding up to one is not warranted. This is particularly so due to the fact that the present independent directors possess the requisite skills, knowledge, and diversified work experience essential for rendering independent decisions in the best interests of the Company.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The Company has prepared a Code of Conduct and ensured that appropriate steps have been taken to disseminate it throughout the Company, along with its supporting policies and procedures.

5. The Board has developed a vision and mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that a complete record of particulars of the significant policies, along with their dates of approval or updating, is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017, (the Act) and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. All Directors of the Company have completed or are exempted from the requirements of the Directors' Training program.

10. The Board had approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

    a) Audit Committee
        - Ms. Tasneem Yusuf - Chairperson
        - Mr. Muhammad M. Ismail - Member
        - Mr. Maqsood Ismail Ahmed - Member

    b) Human Resource and Remuneration Committee
        - Mr. Muhammad Zubair Motiwala - Chairman
        - Mr. Maqsood Ismail Ahmed - Member
        - Mr. Hamid Maqsood Ismail - Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committees were as per following:

    a) Audit Committee – 5 meetings held during the year
    b) Human Resource and Remuneration Committee – 2 meetings held during the year

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan, and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International

Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firms involved in the audit are not a close relative (spouse, parent, dependent, and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary, or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied.

MUHAMMAD M. ISMAIL
Chairman

Karachi: September 08, 2023

CODE OF CONDUCT AND OPERATING STRUCTURE

Code of Conduct

Code of Conduct of Ismail Industries Limited (IIL) sets out the Company's objectives and its responsibilities to various stakeholders and the ethical standards required from its directors and employees to meet such objectives and responsibilities.

Financial Disclosure

All transactions should be accurately reflected according to accounting principles in the books of accounts. Falsification of its books, any of the recorded bank accounts and transactions are strictly prohibited.

Conflict of Interest

The directors and employees of the Company must recognize that in the course of performing their duties, they may come across a position where there is a conflict of interest in the performance of their duties with their personal interest. Conflict of interest must be avoided in all circumstances and it is necessary for all directors and employees to act in the best interest of the Company.

Compliance with Laws & Regulations

It is mandatory for all directors and employees of IIL to comply with all applicable laws, regulations, directives and rules applicable in relevant jurisdictions including instructions issued by the Board of Directors and the management.

Confidentiality

Confidentiality of the Company's internal information must be maintained and upheld by all directors and employees. This includes proprietary, technical, business, financial, customer and employee information that is not available publicly.

Conduct of Personnel in Dealings with Government Officials

The Company shall deal with the Government officials fairly and honestly and within the ambit of the applicable laws, in order to uphold the corporate image of the Company.

Time Management

The directors and employees of the Company shall ensure that they adopt efficient and productive time management schedules.

Business Integrity

The directors and employees will strive to promote honesty, integrity and fairness in all aspects of its business and its dealings with vendors, contractors, customers, joint venture partners and Government officials.

Gifts, Entertainment & Bribery

The directors and employees shall not provide or accept gifts, entertainment or any other personal benefit or privilege that could influence business dealings.

Ethics

Our Code of Conduct reflects our commitment to meet the expectations of our stakeholders and contains the fundamental principles and rules concerning ethical business conduct.

IIL is committed to conduct its business with honesty and integrity, and we expect all our employees to maintain high standards in accordance with the Code.

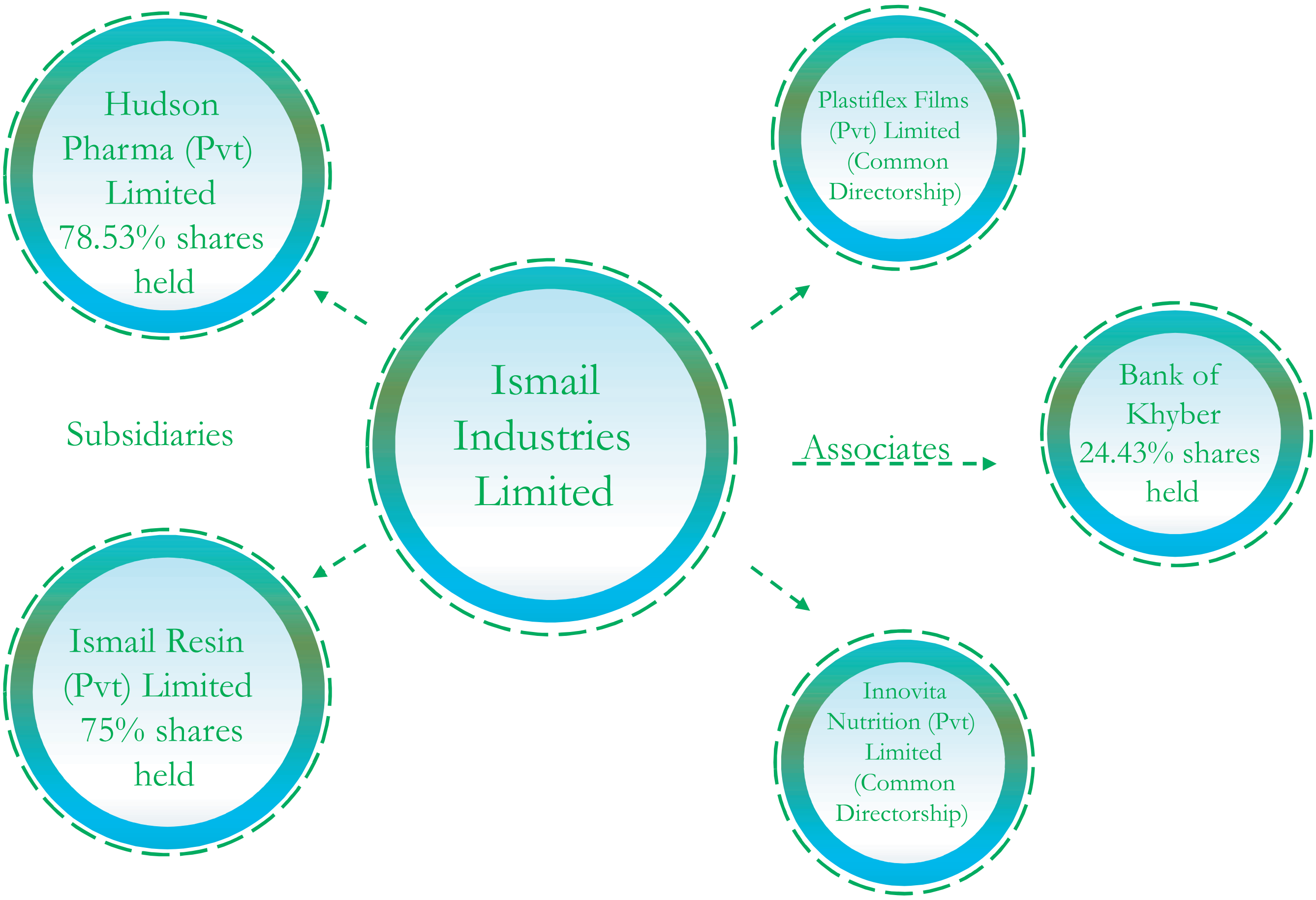
IIL's Code of Conduct forms an integral part of the terms of employment of all employees. The Company insists on full compliance and does not tolerate any misconduct and unlawful behavior. Breach of the IIL Code of Conduct may lead to disciplinary action up to and including termination of employment.

Ownership, Operating Structure and Relationship with Group Companies

IIL is a listed company categorized in the 'Food & Personal Care Products' sector by Pakistan Stock Exchange (PSX). The ownership of the Company is held by diversified market participants of PSX and directors of the Company. The market capitalization of the Company is over Rs. 34 billion as on June 30, 2023.

The Company has two subsidiaries Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited and three associated companies, Plastiflex Films (Private) Limited, Innovita Nutrition (Private) Limited and The Bank of Khyber. Hudson Pharma is engaged in the pharmaceutical business. Through Ismail Resin, we are setting up Polyester Resin plant and will commence its commercial production in the upcoming financial year.

Group Structure



Significant Factors Affecting the External Environment

Factors	Description	Significant Change from Last Year	Organization's response
Political	Political factors determine the extent to which a government may influence the economy or a certain industry. Political uncertainty trembles the business environment	- Political uncertainties. - Rifts among political parties.	The Company continuously analyzes and monitors the political situation of the country including changes in duty structures, taxes and other levies to mitigate any unwarranted affect.
Economic	Economic factors refer to the financial state of the country. A strong economy invigorates business and vice versa.	- Increased inflation. - High discount rates. - Exorbitant exchange rates	IIL has been on strong financial standing. The Company keeps optimal Debt: Equity ratio. Furthermore, it has negotiated competitive rates with various banks for its financing needs. Additionally, healthy relation with suppliers ensures timely supply of material at competitive rates. The Company monitors exchange rates closely. It plans its rapprochement of imported raw material keeping in view, the economic situations, international supply chain issues and outlook of exchange parity. The Company also considers hedging contract where necessary to dampen the impact of exchange difference.
Social	Social responsibility of a company cannot be ignored. The Company must play its role in betterment of the society in which it operates. Health issues, education problems are among the social problems.	- Continuous improvement in HSE department. - Natural catastrophe causing public unrest.	The Company always strive to be a part of social causes and for the betterment of society. For this purpose, the Company donates in various social causes including education programs and health & safety of society. On the business front, the Company has full-fledged HSE department which works for the betterment and welfare of workers at factories.

Factors	Description	Significant Change from Last Year	Organization's response
Technological	Technology plays a vital role in success of any Company. Technologically primitive companies often end-up being shutdown.	- Upgradation of network and security measures. - SAP S/4HANA implementation.	The Company is equipped with latest technology to face the challenges of a dynamic environment. Product innovation is inevitable to meet the ever-changing customer demands. Therefore, technological upkeep of machinery is preordained. The Company continuously monitors and improves its networking infrastructure for smooth data processing and prevention from cyber threats. Viewing the developments in ERP environment and technological landscape.
Environmental	Almost every manufacturing company has an impact on the environment. Climate change and water shortage is the major area of concern.	- Special focus on saving of electricity and water - Inclusion of Renewable energy including solar and hydel power - Plantation of trees.	The Company has always strived to work for the betterment of the environment. This year, the Company has focused on the prevention of scarce natural resources like water and saving of electricity. Further, the Company generates tree plantation drive every year.
Legal	Companies are required to abide by various laws and regulations. Every responsible company must follow all rules and regulations laid by the Government.	- Companies Act, 2017 - Income Tax Ordinance, 2001 - Sales Tax Act, 1990 - SECP Acts, Rules and Regulations - Code of Corporate Governance - IFRS Amendments.	The Company abides by all the laws enacted by Government. The Company has employed various professionals of respective fields so that the Company would strongly and strictly follow all the laws that are applicable to the Company.

Seasonality of Business

The Company's production and sales of all products remain consistent throughout the year. There is no significant impact of seasonality in the Company's business.

Competitive Landscape and Market Positioning

IIL is a diversified conglomerate – with Food and Plastic segments. Customers of every age demands better quality products and attractive packaging. The Company's major revenue is derived from food segment. Besides confectionary, IIL is also setting foot in plastic market. It gained a rich experience of thousands of man-hours during its journey of more than 34 years. With a promising outlook on the back of confectionary products, the Company is focusing on expanding its market share in the years to come.

Significant Events During the Year
During the year, the Company has made capital investment amounting to Rs. 400 million and Rs. 1,125 million in its subsidiaries i.e. Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited respectively for the purpose of expansion of business. Further, the Company also commenced the commercial production of flour in the last quarter of the year having production capacity of 240 TPD.

STRATEGY AND RESOURCE ALLOCATION

Strategic Objective	Short term	Medium-term	Long term
Growth in production and .sales	✓	✓	✓
Increase in reserves of the Company		✓	✓
Superior returns to investors	✓	✓	✓
Diversification into new ventures		✓	✓
Ensure all activities meet high standards of Health and Safety requirements	✓	✓	✓
Continue being recognized as a good corporate citizen	✓	✓	✓

Strategy to achieve the above objectives
Growth is the prime focus of IIL's strategy. With a premium market share, IIL is better placed to strengthen its leading position as a producer of food and plastic products to meet the rising demand. The Company has recently diversified into Flour business and will continue to focus on its core business and expand into other value-adding related business segments.

The Company will continue to evaluate various significant projects in food and plastic industry with a view to further expand and diversify the business portfolio and add value through available strategic partnerships at business levels.

Health & safety will remain the key component of the Company's operational excellence. Utmost importance will be given to training of employees and contractors for enhancing safety awareness and active incorporation of the industry's best practices in the overall operating setup.

The Company, as a good corporate citizen, shall continue to promote social development of the communities where it operates and shall extend financial and in-kind support for the welfare and development organizations working across the Country.

The Company cares deeply about the environment and will continue to exercise due care in environmental protection.

The Company will make efforts for optimum leveraging of the available financial resources and project management skills so that large projects in the food and plastic business can be undertaken as and when required.

The Company places great emphasis on investing in people to build a world-class workforce, as the timely availability of qualified and trained manpower is vital for undertaking complex and diverse operations of the Company.

Key Performance Indicators (KPIs)
The Company monitors its performance in achieving its strategic objectives through the following KPIs and all the indicators will continue to be relevant in future for monitoring:

- Earnings per share
- Return on Equity (ROE)
- Revenue contribution from each segment
- CSR contribution
- Working capital cycle
- Production volume

External Environment Impact on Strategy and Resource Allocation
The business environment remains in a state of flux, that's why, IIL proactively addresses new developments in technology, sustainability, Environment, Social and Governance (ESG) etc. Such externalities have a profound influence in reshaping the future business strategy of the organization. Every coming year, this well-worked-out strategy is refined and then crystalized into a coherent action plan.

Management monitors imminent challenges and prioritizes its actions through appropriate resource allocation. However, any development that has potential to materialize in future also remains under the radar for effective planning and formulation of strategy.

Strategic Decisions Process
IIL has strengthened its Strategic Planning and Management System for development and execution of the strategic planning process in the organization. Strategy is decided keeping it aligned with the mission and vision and incorporating the associated risks, both at developmental and implementation stages.

Considering the risk appetite of the organization, strategic decisions are deliberated at multiple levels before approval and subsequent implementation.

Positioning in the Wider Market
IIL has an established marketing department set up for development of new products based on the customer, market and global sustainability needs. IIL is positioned to offer wide variety of products with unique features. Products are not only delivered in Pakistan but are also exported to number of countries.

Long-Term Strategies' in Relation to Current Business Model
Being a conglomerate, our aim is to diversify into various business segments. Our focus is on food safety and security and this will remain important for us as well as for policymakers. Sustainability of core business, i.e., manufacturing and marketing of food and plastic products is one of the key components of our long-term strategy, whether it is based on existing or new sources of raw material.

Resource Allocation Plans to Implement Strategy
To achieve the strategic objectives of the organization, resource allocation plans are prepared and resources are allocated to the strategic initiatives. These resource allocation plans include required financial and human resources to implement the strategy. In this way, business planning is aligned to strategic planning in the organization.

Measurement of Achievements & Target Outcomes in Short, Medium and Long Term
Strategic Plans are made which cover the measurement of strategic objectives through Key Performance Indicators (KPIs), their benchmark and performance criteria. Real time measurement and reporting of KPIs is done for the Management to exercise control and support decision-making process. On the other hand, Strategic Initiatives in strategic plan help to achieve the desired outcome of the strategy. Like KPIs, these strategic initiatives / projects are also continuously monitored with respect to scope, cost and timeline for management information and control.

Resource Allocation Plan

Capital	Resource allocation plan
Financial	The financial capital on account of the increased cost of finance is allocated based on the need and utility analysis. Overall expected cashflow availability for the upcoming year is determined at the start of the business planning cycle based on which operations and investments are planned.
Human	Human capital planning is at the core of Company's operational strategy ensuring that right skill set is identified and placed for a particular job. Staff rotation is planned and implemented each year to further develop and diversify the core competencies of our human resources. On-the-job and off the job training sessions are conducted including knowledge sharing sessions that are arranged by core functions for non-core functions and vice versa for the enhancement of overall knowledge base.
Manufactured	IIL takes pride to be the leader in possessing state-of-the-art machinery. The Company is exploring various areas of potential. Further, the Company is also putting its effort to increase its production and widen its market share. The Company is in partnership with its clients to work out various alternate cost-effective solutions which would not only benefit the Company in shape of increased revenue but also the clients in shape of cheaper yet high quality product.
Intellectual	The Company also capitalizes on its intellectual capital by adopting and implementing best in class processes in all functions. IT systems provide an enabling environment for the staff to excel and thrive in the delivery of their job responsibilities including the critical work-from-home infrastructure.
Social	The Company develops its social relationships by adequately investing in CSR activities in the areas where poverty is best in class CSR model has been adopted ensuring the adequate deployment of funds.
Natural	Natural capital is being managed by reducing use of papers and planting trees.

Liquidity Management

The Company manages liquidity by having an adequate mix of debt to equity ratio. The Company has not made any default in repayment of its debt and is generating adequate cashflows from operations.

Key Resources and Capabilities

IIL is known for delivering best products and add value to customers' needs. The Company has state-of-the-art machinery together with vast experience in food and plastic business and top suppliers which enable us to add value to the customers' needs. Our key resources and capabilities are:

SAP S/4 HANA

IIL has implemented most updated version of SAP i.e. SAP S/4 HANA. The Company has well-established in-house IT department which caters all the customization needs of the Company.

Diversified Business

IIL is among one of the few entities having vertically integrated Food and Plastic segment as well.

Energy Efficient and Cost Minimization

The Company utilizes modern state-of-the-art technology and machineries which assists in achieving the Company's objectives to utilize its scarce resources in cost-efficient manner.

STAKEHOLDERS RELATIONSHIP & ENGAGEMENT

Stakeholder Engagement
Following are the key stakeholders of the company:

- People / Employees
- Customers and suppliers
- Society
- Shareholders and analysts
- Government and regulatory bodies
- Lenders

Accurate identification of key stakeholders enables the Company to direct its capitals equitably towards right relationships and activities. The Company assesses stakeholders on the following criteria:

- Does the stakeholder have a fundamental impact on the Company?
- Can the Company identify what it wants from the stakeholder?
- Does the Company want the relationship to grow?
- Can the Company exist without the stakeholder or can easily replace the stakeholder?
- Has the stakeholder already been identified through another relationship?

Our Stakeholder Engagement Process

Stakeholders	**Engagement Process**	**Frequency of Engagements**
Our People	• Focused and continuous conversations related to new health and safety procedures. • Offering opportunities for personal and professional growth to become the best team in the industry. • Highly competitive compensation despite challenging economic environment.	Continuous
Our Customers & Suppliers	• Continuous dialogue and surveys with our customers and suppliers to understand and address their needs. • Further, our focus is to provide healthy food and packaging solutions to our customers.	Continuous
Society	• To understand needs of our communities and support the people, we partnered with several institutions for innovation and sustainability.	Continuous
Our Shareholders and Analysts	• Open and honest communication during General Meeting and Corporate Briefings session • Issuance of quarterly reports to keep our shareholders and analysts well informed of all the ongoing activities of the Company.	Annually with regard to General Meetings and Quarterly with regard to issuance of reports
Our regulators	• We monitor and adhere to all the rules, regulations, policies and governance practices as required by our regulators such as PSX, SECP, FBR etc.	Continuous
Lenders	• We ensure that our lenders are informed of our strategic decisions which affect their financial exposure. • • We strive to comply with the agreed timelines and secure our lenders' interest.	As and when required

Encouragement of Minority Shareholders to Attend the General Meeting

The management of the Company believes that shareholders are valuable. Each shareholder is important to the Company irrespective of the holding and voting power.

We value our investors, their concerns and their grievances (if any). The notices of General Meetings and Corporate Briefing Sessions are circulated by the Company within the regulatory time frames to the registered addresses of the shareholders (including minority shareholders). We take the following steps to encourage our minority shareholders to attend the general meetings:

1. Notice of the meeting is sent to all the shareholders at least 21 days before the meeting;
2. Notices are published in the English and Urdu newspapers having country-wide circulation;
3. DVDs of the Annual Report of the Company along with the printed proxy forms are circulated to every shareholder. The proxy form enables them to nominate someone to attend the meeting on their behalf; and
4. Notices are posted on the Company's website and disseminated to PSX for better reach to the shareholders.

We encourage and appreciate two-way communication in the general meeting and listen to our shareholders' views and concerns.

Redressal of Investors' Complaints

The management of the Company is committed to provide equal and fair treatment to all investors/shareholders through transparent investor relations, increased awareness, effective communication, and prompt resolution of investors'/ shareholders' complaints.

Issues Raised in the Last AGM

General queries and clarifications sought by shareholders regarding the agenda points were resolved to their satisfaction. Apart from those queries, no significant issue or concern was raised.

Corporate Briefing Sessions

IIL continues to maintain a healthy relationship with investor community by holding Corporate Briefing sessions annually, whereby the company apprises the local and foreign investor base about the entity's business environment as well as the economic indicators of the country. The company also takes this as an opportunity to brief analysts regarding its performance and investment decisions.

RISKS & OPPORTUNITIES

The Board of Directors of IIL principally assumes the responsibility to mitigate all possible risks that may affect the Company. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives.

Robust Assessment of Principal Risks

The Board of Directors has carried out a detailed assessment of risks facing the Company originating from various sources. The Board is satisfied with the Company's risk management practices and the mitigating strategies adopted to counter such risks.

Key Risks and Its Sources

IIL is susceptible to various risks. However, through comprehensive planning and an acute business understanding of the management, the Company continues to identify and mitigate actual, potential and perceived risks. Following are the major risks that may affect our business operations and mitigating strategies for controlling these risks:

Risk	**Area of Impact**	**Source**	**Description**	**Mitigating Strategy**
Rising cost of imported raw material	Financial capital	External	Raw material cost component is a substantial part of the overall cost of production of the Company. Suppliers increase the cost of products supplied in view	The Company analyses raw material prices offered by various suppliers on a regular basis to compare and control its purchasing cost. Moreover, it has

			of devaluation of currency, international economic conditions and rising costs of fuel and transportation.	strategic relationships with key international raw material suppliers which benefit the Company in price negotiation and prompt material delivery.
Exchange Rate Fluctuation	Financial capital	External	Cost of imported material is very high which made it difficult for the Company to remain cost-effective in the market due to frequent devaluation of PKR parity against USD and Euro.	The Company regularly scrutinizes the parity fluctuations and whenever needed, enters into hedging arrangements.

Key Opportunities and Its Sources

Opportunities	**Area Impact**	**Source**	**Description**	**Utilization Strategy**
Investment on state-of-the-art technology	Manufactured Capital	Internal	State-of-the-art technology utilized for production resulting in production efficiency and lower costs. This will result not only in attracting and retaining new customers but will also increase value for stakeholders. Further, the establishment of new production facility flour mill and nutrition division has increased the production capacity as well as quality of output.	The company actively pursues investments in new and innovative technologies so that it continues with its legacy of being one of the most efficient producer.
Efficient work environment	Human Capital	Internal	Improvement in working conditions, and personal and professional development of employees.	The Company is relentlessly striving to improve its work environment through various initiatives directed towards increasing employee satisfaction and continuous training for the personal and professional development of employees.

Statement of Unreserved Compliance of International Financial Reporting Standards Issued by International Accounting Standards Board

IIL prepares unconsolidated and consolidated financial statements of the Company in accordance with the applicable financial reporting standards as applicable in Pakistan. The applicable financial reporting standards comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
  Where provisions of and directives issued under the Companies Act, 2017 differ from IFRS, the provisions of and directives issued under the Companies Act, 2017 are followed.

GOVERNANCE

How the Board Operates and the Matters Delegated to the Management

- Management is primarily responsible for implementing the strategies as approved by the Board of Directors. It is the responsibility of the management to conduct the routine business operations of the Company in an effective and ethical manner in accordance with the strategies and goals as approved by the Board and to identify and administer the key risks and opportunities which could impact the Company in the ordinary course of execution of its business.
- Management is also concerned with keeping the Board members updated regarding any changes in the operating environment. It is also the responsibility of the management, with the supervision of the Board and its Audit Committee, to prepare financial statements that fairly present the financial position of the Company in accordance with applicable financial reporting standards and legal requirements.
- The Board has developed a vision/mission statement, overall corporate strategy, and significant policies for the Company.
- The Board ensures that a complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act, 2017 and other related laws.
- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with all the requirements with respect to frequency, recording and circulating minutes of meeting of the Board.
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
- The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements.
- Chief Executive Officer, Director and Chief Financial Officer duly endorsed the financial statements before approval of the Board.
- The Board has set up an effective internal audit function comprising of suitably qualified and experienced staff who are conversant with the policies and procedures of the Company.

Annual Appraisal of the Board's Performance
As per the criteria of Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors are required to carry out an annual evaluation of their performance and its committees' performance. This year, the evaluation was carried out by the Board of Directors of the Company, and the results were found to be satisfactory.

The following major criteria are used to measure the Board's own performance and its committees, including the CEO and the Chairman:

- The Board demonstrates integrity, credibility, trustworthiness, and active participation in its affairs, and has the ability to handle conflict constructively.
- The Board provides guidance and direction, rather than management to the Company.
- The Board reviews management succession planning as needed.
- The level of communication between the Board and relevant parties (i.e., committees, auditors, management and business heads, etc.) is appropriate.
- The Board reviews the adequacy of internal controls and risk management procedures.
- The Board has developed a strategy for the organization that is central to its vision and mission statement.
- The Board receives signals of potential issues that may adversely affect the Company's key targets or financial performance.

- The Board ensures that professional standards and corporate values are put in place that promotes integrity for the Board, senior management, and employees in the form of the Company's Code of Conduct.

Performance Evaluation of Board of Directors and Board Committees
The Board carries out annual evaluation of the Board of Directors, it's Committees and Independent Directors as part of Code of Corporate Governance. Strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires.

Directors' Orientation and Training

- All the directors of the Company are well-experienced and have diverse backgrounds. At the time of induction of any new director, he or she is given proper orientation about the operations of the Company and his or her fiduciary responsibilities.
- All Directors of the Company have either completed or are exempted from the requirement of the Directors' Training program.

External Oversight of Functions
The senior management ensures the efficiency, effectiveness, accuracy and credibility of all its functions by regularly monitoring the KPIs, making benchmarks and assesses the targets and goals assigned to each department. Following is the summary of measures taken to attain the benchmarks through oversight:

- All our processes are subject to review by the Internal Audit function.
- The manufacturing processes are reviewed on the basis of industry's best practices and industry norms.
- The Information Systems and network security are periodically reviewed by the Information Systems auditors.
- Surveys conducted by third parties or otherwise to ensure the credibility and control hallmarks.

Governance of risk and internal controls.
For appraisal of internal controls and monitoring compliance, the Company has in place an appropriately staffed, Internal Audit department. The Audit Committee reviewed the resources and performance of the Internal Audit department to ensure that they have adequate resources for the planned scope of the Internal Audit function. Head of Internal Audit Department has direct access to the Audit Committee.

Gender Diversity
We place a strong focus on the value of gender equality and diversity throughout all divisions of the Company and ensures gender diversity in all areas of operation, including the composition of the Board. Our goal is to establish a working environment in which the diversity and gender equality are actively leveraged to further meet the company's strategic goals effectively.

Social and Environmental Responsibility Policy
IIL has very high regard for its social and environmental responsibility. The Company ensures that all social and environmental dimensions are considered when developing its strategies, policies, practices and procedures. We have consistently demonstrated our steadfast commitment by acting responsibly towards our connected community and environment. We believe that success of the Company is best reflected in development of the community. The company's social and environmental responsibility policy is aligned with all our corporate statements while confirming the company's steadfast commitment to sustainable development within the country.
The following items are the guiding principles:

- To promote any/all development that has economic, social and environmental implications
- To respect human rights and condemn any/all practices that result in any type of discrimination or violation of these rights
- Energy conservation

- To embrace and understand that ethics and transparency are the founding pillars that will solidify our relationship with all stakeholders
- Occupational health & safety
- Environmental protection measures
- To promote fair business practices

Whistle Blower Policy
An important aspect of accountability and transparency is a mechanism to enable all individuals to voice concerns internally in a responsible and effective manner when they discover information which they believe shows serious malpractice.

Our whistle-blower policy is therefore fundamental to the organization's professional integrity. In addition, it reinforces the value the organization places on staff to be honest and respect their colleagues. It provides a method of properly addressing bona fide concerns that individuals within the organization might have, while also offering whistle-blowers protection from victimization, harassment or disciplinary proceedings.

Fundamental elements of our Whistle Blower Policy:

- All staff are protected from victimization, harassment or disciplinary action as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain.
- All disclosures are required to be made in writing.
- Disclosures made anonymously are not entertained.
- Disclosures made are fully investigated including interviews with all the witnesses and other parties involved.
- All whistle-blowers' disclosures made are treated as confidential and the identity of the whistle-blower is protected at all stages in any internal matter or investigation.
- Disciplinary action (up to and including dismissal) may be taken against the wrongdoer depending on the results of the investigation.
- There are no adverse consequences for anyone who reports a whistle-blowing concern in good faith. However, any individual found responsible for making allegations maliciously or in bad faith may be subject to disciplinary action.

Safety of Records Policy
The company is effectively implementing the policy to ensure the safety of records. All records must be retained for as long as they are required to meet legal, administrative, operational and other requirements of the Company.

Company's Approach to Policies
The Company's approach to managing and reporting policies related to procurement, waste, and emissions is aligned with our commitment to minimizing our environmental impact, promoting responsible resource management, and contributing positively to the communities in which we operate. As a reputed employer we are cordially concerned to take relevant actions & adopt suitable practices to monitor and manage procurement, waste and emissions effectively.

Meetings Held Outside Pakistan
During the year, there was no board meeting was held outside Pakistan.

IT GOVERNANCE

IIL has a well-implemented IT Governance Policy which seeks to ensure that IT is aligned with IIL's organizational goals and strategies and delivers value to the organization. The policy is designed to promote effective, efficient, timely, and informed decision-making concerning IIL's IT investments and operations. Specifically, the policy aims to establish the IT governance structure and its associated procedures, roles and responsibilities, as a critical component of the overall IT Management (ITM) Framework.

IIL's IT Governance Policy is mainly charged with:

- Establishing a shared vision of how IT can add value to the organization;
- Establishing IT goals and the strategies for achieving those goals;
- Establishing principles and guidelines for making IT decisions and managing initiatives;
- Establishing and communicating organizational IT priorities;
- Determining IT priorities in resource allocation;
- Establishing, amending and retiring as necessary, organizational IT and other technology
- related policies; and
- Determining the distribution of responsibility between the IT Department and the end user.

IT Security Policy

The objective of Information Security is to ensure the continuity of business of the company and to minimize business damage by preventing and limiting the impact of security incidents.

Policy

The purpose of the Policy is to protect the Company's information assets from all types of threats including cybersecurity threats, whether internal or external, deliberate or accidental. These assets relate to the information stored and processed electronically.

It is the Policy of the Company to ensure that:

- Information will be protected against unauthorized access;
- Confidentiality of information will be assured by protection from unauthorized disclosure or interruption;
- Integrity of information (its accuracy and completeness) will be maintained by protecting against unauthorized modification;
- Regulatory and legislative requirements will be met, including record keeping, according to Information Security Management System standards;
- Disaster Recovery Plans will be produced, maintained, and tested, to ensure that information and vital services are available to Company when needed;
- Information on security matters will be made available to all staff;
- All breaches of information security, actual or suspected, will be reported to and investigated by the Cybersecurity team; and
- The controls, rules, and procedures for all individuals accessing and using an organization's IT assets and resources.

Industry-specific requirements for cybersecurity and strategy

The Board has approved and enforced IT teams to implement multiple controls for cybersecurity attacks and risks mitigation.

The IT team has implemented multiple controls like next generation edge network firewalls, user end-point security system, email security gateway and user access policy and procedures as best industry practices to ensure secured environment from any type of cybersecurity threats.

Board's risk oversight function for Cybersecurity

When it comes to cybersecurity governance, the Board of Directors has specifically assigned agenda to IT team to align with management on the appropriate risk appetite related to cybersecurity.

Management engagement with the board

The Board's audit committee while performing risk oversight functions also reviews and evaluates the cybersecurity risks. Internal Audit department regularly performs network and cyber security audits, the results of which are presented to the Board's Audit Committee.

Controls and procedures about cybersecurity risks and incidents

Networks and systems are constantly evolving due to threats, organizational growth or new regulatory & business requirements. Traditional analysis products focus on recording and identifying company-wide threats through logging, analysis and reporting over time.

Company has deployed multiple systems to secure IT systems and data i.e. network firewall, email security gateway and end point security systems which are all monitored by system and firewall log analyzer.

Managing Contingencies

The Board has approved and continuously reviews the IT Policy and Business Continuity Plan of the Company. The management has arranged offsite data storage facilities. All the key records are being maintained at different locations. Employees are aware of the steps required to be taken in case of any emergency.

Business Continuity Plan

Business Continuity Planning is a process used to develop a practical plan for how a business can recover or partially restore critical business activities within a predetermined timeframe after a crisis or disaster.

Manufacturing Facilities

The Company's manufacturing facilities are located in Karachi, Hub and Lahore and are state-of-the-art construction. The buildings are fire-resilient and fully equipped with modern firefighting equipment. It also meets HSE requirements at all levels. Hence, it has a lesser probability of disruption of operations.

Advancement in digital transformation

In the past few decades, a fourth industrial revolution has emerged, known as Industry 4.0. It takes the emphasis on digital technology from recent decades to a whole new level with the help of interconnectivity through the Internet of Things (IoT), access to real-time data, and the introduction of cyber-physical systems. Industry 4.0 offers a more comprehensive, interlinked, and holistic approach to manufacturing. It connects physical with digital and allows for better collaboration and access across departments, partners, vendors, products, and people.

Industry 4.0 empowers business owners to better control and understands every aspect of their operation, and allows them to leverage instant data to boost productivity, improve processes, and drive growth. There are hundreds of concepts and terms (ERP, IoT, RPA, Block Chain, AI, Big data, Cloud Computing etc) that relate to Industry 4.0, but we have to decide in which domain we want to invest in Industry 4.0 solutions as per our business requirement.

In our case, board of directors decided to invest in SAP and Cloud computing to improve business process management tools and reporting that can be used to manage information across an organization.

They decided to migrate the company's on-premises SAP ERP solution to SAP S/4HANA on the cloud. The Company has now moved towards SAP S/4HANA and success factors on cloud. Multiple cloud service provider solutions have been reviewed and evaluated by the Board and finalized one cloud service provider.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ismail Industries Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ismail Industries Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Dated: September 15, 2023
UDIN: CR2023101548AdfeoL6g

UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Ismail Industries Limited** (the Company), which comprise the unconsolidated statement of financial position as at **June 30, 2023**, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Valuation of Stock-in-trade** As at June 30, 2023 the Company's total stock-in-trade balance amounting to Rs. 15.88 billion as disclosed in note 11 represents 44.83% of the total current assets of the Company. The value of stock-in-trade is based on the	In response to this matter, our audit procedures included the following: • Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock in trade.

	weighted average cost method for raw materials, packing materials and work in process and lower of weighted average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit. The Company is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions. This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.	• Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade. • Tested the valuation method used by the management in valuation of stock in trade. • Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade, tested the accuracy of the aging analysis of stock-in-trade on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the board and management level to identify any indicators of obsolescence. • Compared the NRV to the cost of stock in trade whether any adjustment is required to value stock in trade in accordance with the accounting policy; and • Assessed the adequacy of the disclosures on stock-in-trade in these unconsolidated financial statements.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.

Grant Thornton Anjum Rahman.

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Dated: September 15, 2023

UDIN: AR202310154qI5QimyNH

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		------------ Rupees	------------
ASSETS			
Non-current assets			
Property, plant and equipment	6	**28,838,283,325**	25,100,648,537
Right-of-use assets	6.1	**-**	26,661,774
Intangible assets	7	**2,226,707**	5,995,440
Long term investments	8	**8,751,140,930**	7,145,568,786
Long term deposits	9	**26,314,265**	23,550,568
Total non-current assets		**37,617,965,227**	32,302,425,105
Current assets			
Stores and spares	10	**628,624,878**	509,098,029
Stock-in-trade	11	**15,884,922,017**	8,337,857,789
Trade debts	12	**10,504,519,178**	5,746,087,378
Loans and advances	13	**3,217,437,351**	1,963,345,154
Trade deposits and short term prepayments	14	**286,829,531**	37,312,320
Short term investments	15	**1,151,277,927**	965,120,059
Other receivables	16	**1,229,970,513**	117,740,491
Taxation - net	17	**1,003,831,065**	1,122,685,139
Cash and bank balances	18	**1,530,218,047**	242,333,100
Total current assets		**35,437,630,507**	19,041,579,459
Total assets		**73,055,595,734**	51,344,004,564

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		------------ Rupees	------------
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (2022: 250,000,000) ordinary shares of Rs. 10 each		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up share capital	19	**663,569,400**	663,569,400
Reserves	20	**17,052,163,857**	11,916,011,853
Total shareholders' equity		**17,715,733,257**	12,579,581,253
Non-current liabilities			
Long term finances - secured	21	**23,192,131,400**	19,689,292,674
Lease liabilities	22	**-**	2,657,700
Deferred liabilities	23	**2,474,283,601**	2,358,751,602
Total non-current liabilities		**25,666,415,001**	22,050,701,976
Current liabilities			
Trade and other payables	24	**8,369,012,245**	3,474,859,492
Accrued mark-up	25	**1,091,598,751**	374,333,248
Short term finances - secured	26	**15,108,282,892**	9,088,758,920
Current portion of:			
- long term finances - secured	21	**4,096,392,253**	3,380,756,599
- lease liabilities	22	**-**	4,829,319
Unclaimed dividend		**5,069,267**	4,044,553
Advances from customers - unsecured		**1,003,092,068**	386,139,204
Total current liabilities		**29,673,447,476**	16,713,721,335
Total liabilities		**55,339,862,477**	38,764,423,311
Total equity and liabilities		**73,055,595,734**	51,344,004,564
Contingencies and commitments	27		

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------ Rupees ------------	
Sales	28	99,733,046,867	65,255,748,409
Sales returns, discounts and direct expense		(2,112,153,669)	(2,475,750,755)
Export rebate		31,217,117	25,289,225
		(2,080,936,552)	(2,450,461,530)
		97,652,110,315	62,805,286,879
Sales tax		(8,746,314,390)	(7,544,587,684)
Sales - net		88,905,795,925	55,260,699,195
Cost of sales	30	(70,473,695,459)	(45,415,201,624)
Gross profit		18,432,100,466	9,845,497,571
Selling and distribution expenses	31	(7,053,585,034)	(4,784,661,261)
Administrative expenses	32	(1,048,236,416)	(816,535,268)
Operating profit		10,330,279,016	4,244,301,042
Other operating expenses	33	(822,860,092)	(422,789,237)
Other income	34	1,995,430,693	762,853,691
		11,502,849,617	4,584,365,496
Finance cost	35	(4,399,443,729)	(1,413,989,787)
		7,103,405,888	3,170,375,709
Share of profit from associated company - net	8.3	428,075,707	216,582,895
Profit before taxation		7,531,481,595	3,386,958,604
Taxation	37	(1,149,797,012)	(835,938,376)
Profit for the year		6,381,684,583	2,551,020,228
Earnings per share - basic and diluted	38	96.17	38.44

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------ Rupees ------------	
Profit for the year		**6,381,684,583**	2,551,020,228
Other comprehensive loss:			
Items that may be reclassified to unconsolidated statement of profit or loss in subsequent periods		**-**	-
Items that will not be reclassified to unconsolidated statement of profit or loss in subsequent periods:			
Loss on remeasurements of defined benefit obligation - net of tax	23.2.7	**(16,840,103)**	(32,832,701)
Unrealized loss on remeasurement of investment classified as value through OCI - net of tax		**(4,317,300)**	(3,787,384)
Share of other comprehensive loss from associate - net of tax		**(295,378,016)**	(214,201,434)
Other comprehensive loss		**(316,535,419)**	(250,821,519)
Total comprehensive income for the year		**6,065,149,164**	2,300,198,709

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail Ahmed
Director

Ahmed Raza Parekh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up share capital	Total Reserves						Total shareholders' equity
		Capital reserve		Revenue reserve			Total reserves	
		Share premium	Amalgamation reserves	Remeasurement of investment in associate	Remeasurement of investments at fair value through OCI	Unappropriated profit		
	------- Rupees -------							
Balance as at July 01, 2021	663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	8,417,555,738	10,611,167,244	11,274,736,644
Profit for the year	-	-	-	-	-	2,551,020,228	2,551,020,228	2,551,020,228
Remeasurement of defined benefit obligation - net of tax - note 23.2.7	-	-	-	-	-	(32,832,701)	(32,832,701)	(32,832,701)
Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	(3,787,384)	-	(3,787,384)	(3,787,384)
Share of other comprehensive loss from associate - net of tax	-	-	-	(214,201,434)	-	-	(214,201,434)	(214,201,434)
Other comprehensive loss	-	-	-	(214,201,434)	(3,787,384)	(32,832,701)	(250,821,519)	(250,821,519)
Total comprehensive (loss) / income	-	-	-	(214,201,434)	(3,787,384)	2,518,187,527	2,300,198,709	2,300,198,709
Final dividend for the year ended June 30, 2021 @ Rs. 15 per share	-	-	-	-	-	(995,354,100)	(995,354,100)	(995,354,100)
Balance as at June 30, 2022	**663,569,400**	**1,472,531,500**	**916,862,067**	**(406,125,879)**	**(7,645,000)**	**9,940,389,165**	**11,916,011,853**	**12,579,581,253**
Profit for the year	-	-	-	-	-	6,381,684,583	6,381,684,583	6,381,684,583
Loss on remeasurement of defined benefit obligation - net of tax - note 23.2.7	-	-	-	-	-	(16,840,103)	(16,840,103)	(16,840,103)
Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	(4,317,300)	-	(4,317,300)	(4,317,300)
Share of other comprehensive loss from associate-net of tax	-	-	-	(295,378,016)	-	-	(295,378,016)	(295,378,016)
Other comprehensive loss	-	-	-	(295,378,016)	(4,317,300)	(16,840,103)	(316,535,419)	(316,535,419)
Total comprehensive (loss) / income	-	-	-	(295,378,016)	(4,317,300)	6,364,844,480	6,065,149,164	6,065,149,164
Final cash dividend paid for the year ended June 30, 2022 @ Rs.4 per share	-	-	-	-	-	(265,427,760)	(265,427,760)	(265,427,760)
Interim cash dividend paid for the year ended June 30, 2023 @ Rs. 10 per share	-	-	-	-	-	(663,569,400)	(663,569,400)	(663,569,400)
Balance as at June 30, 2023	**663,569,400**	**1,472,531,500**	**916,862,067**	**(701,503,895)**	**(11,962,300)**	**15,376,236,485**	**17,052,163,857**	**17,715,733,257**

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail Ahmed
Director

Ahmed Raza Parekh
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------ Rupees ------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	**4,395,647,625**	2,251,137,130
Gratuity paid	23.2.3	**(69,101,253)**	(43,948,262)
Income tax paid - net		**(988,450,738)**	(703,643,893)
Long term deposits - net		**(2,763,697)**	3,288,322
Net cash generated from operating activities		**3,335,331,937**	1,506,833,297
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		**(6,231,203,211)**	(6,617,572,848)
Intangible assets		**-**	(1,000,000)
Investment in subsidiaries	8.1 & 8.2	**(1,525,000,000)**	(1,903,262,500)
Short-term investments made - net	15	**(190,097,060)**	(651,578,469)
Proceeds from disposal of property, plant and equipment	6.6	**177,245,211**	551,940,577
Net cash used in investing activities		**(7,769,055,060)**	(8,621,473,240)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from long term finances - net		**4,319,721,789**	6,438,931,069
Lease repayments		**(7,761,442)**	(54,679,863)
Short term finances - secured		**1,737,050,819**	3,076,907,538
Interest / mark-up paid		**(3,681,903,803)**	(1,202,322,057)
Dividend paid		**(927,972,446)**	(994,212,144)
Net cash generated from financing activities		**1,439,134,917**	7,264,624,543
Net (decrease) / increase in cash and cash equivalents		**(2,994,588,206)**	149,984,600
Cash and cash equivalents at the beginning of the year		**(915,742,282)**	(1,065,726,882)
Cash and cash equivalents at the end of the year		**(3,910,330,488)**	(915,742,282)
Cash and cash equivalents at the end of the year comprise of:			
Cash and bank balances	18	**1,530,218,047**	242,333,100
Running finance utilized under mark-up arrangements	26.5	**(5,440,548,535)**	(1,158,075,382)
		(3,910,330,488)	(915,742,282)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND OPERATIONS

1.1 Ismail Industries Limited (the Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted into a public limited company. The registered office / head 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 Limited effective from January 11, 2016 the shares of the Company are now quoted on Pakistan Stock Exchange Limited. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips, nutritional products, flour, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'Candyland', 'Bisconi', 'Snackcity', 'Ismail nutrition', Ghiza' and 'Astro films' respectively.

These are the separate unconsolidated financial statements of the Company in which investment in subsidiaries are stated at cost less any impairment costs, if any and investment in associates are carried under equity method of accounting.

In addition to the above registered office, geographical location and addresses of business units including manufacturing units of the Company are as under:

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.

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

Unit-10
E164-168, North Western Zone, Port Qasim.

Further the Company's liaison offices and warehouses are situated in Karachi, Hyderabad, Sukkur, Multan, Lahore, Islamabad, Faisalabad and Peshawar.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

2.1 During the year, the Company has made capital investment amounting to Rs. 400 million and Rs. 1,125 million in its subsidiaries i.e. Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited respectively for the purpose of expansion of business. Further, the Company also commenced the commercial production of flour in the last quarter of the year having production capacity of 240 TPD.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:
- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies.

3.3 Functional and presentation currency

Items included in these unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. These unconsolidated financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency. The figures have been rounded off to the nearest Pakistani Rupee.

3.4 Reclassification for better presentation

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

3.5 Standard, Amendments and Interpretations to Approved Accounting Standards

3.5.1 Standards, amendments and interpretations to the published standards that may be relevant to the Company and adopted in the current year

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 financial statements.

3.5.2 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 certain amendments to accounting and reporting standards that are not yet effective 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 financial statements.

3.5.2.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain IFRS have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these unconsolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, management has made the following accounting estimates and judgments which are significant to the unconsolidated financial statements:

		Note
a)	Property, plant and equipment	4.1 & 5.1
b)	Right-of-use assets	5.1.2
c)	Intangible assets	5.2
d)	Stock-in-trade, stores and spares	4.2 , 5.7 & 5.8
e)	Taxation	4.4 & 5.14
f)	Staff retirement benefits	4.5 & 5.13
g)	Provisions	5.15
h)	Impairment of non-financial assets	5.3
i)	Contingent liabilities	5.23
j)	Impairment of financial assets	4.3 & 5.25.5

4.1 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

4.2 Stock-in-trade, stores and spares

The Company's management reviews the net realizable value (NRV) of stock-in-trade, stores and spares to assess any diminution in the respective carrying values and wherever required, provision for impairment is made.

4.3 Trade debts and other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.25.5 of these unconsolidated financial statements.

4.4 Taxation

In making the estimate for taxation by the Company, the management refers to the current income tax laws and the decisions of appellate authorities on certain issues in the past.

4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 23.1 to these unconsolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect the amounts recognized in those years.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

5.1 Property, plant and equipment

5.1.1 Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the unconsolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note no. 6 to the unconsolidated financial statements. Depreciation on leasehold land is charged to the unconsolidated statement of profit or loss, applying the straight-line method at rates given in note no. 6 to these unconsolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

5.1.2 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance method as given in note no. 6.1 of these unconsolidated financial statements of June 30, 2023. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term.

5.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses, if any, are recorded on the basis as defined in note 5.3.

5.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying straight line method and impairment losses if any are recorded on the basis as defined in note 5.3.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

5.3 Impairment of non-financial assets

Assets that are subject to depreciation/amortization including capital work-in-progress are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.4 Investments in subsidiaries

Investment in subsidiaries are recognized and carried at cost in these unconsolidated financial statements. The carrying amount of investments is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the investment's recoverable amount is estimated which is the higher of its value in use and its fair value less cost to sell. An impairment loss is recognized if the carrying amount exceeds its recoverable amount. Impairment losses are recognized in the unconsolidated statement of profit or loss. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the unconsolidated statement of profit or loss in the period in which they are occurred.

5.5 Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulations prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income / loss of the associate after the date of acquisition.

5.6 Long term deposits

These are stated at amortized cost which represents the fair value of consideration given.

5.7 Stores and spares

All stores, spares and loose tools either imported or purchased locally are charged to the unconsolidated statement of profit or loss when consumed and are valued at lower of weighted moving average cost or estimated NRV except for items-in-transit which are stated at invoice value plus other incidental charges paid thereon up to the reporting date. Provision is made for obsolete and slow moving items where necessary and is recognized in the unconsolidated statement of profit or loss.

5.8 Stock-in-trade

These are valued at the lower of cost or net realizable value. Cost is determined as follows:

	Types of stock	Valuation method
a)	Raw and packing materials	weighted average cost method
b)	Work-in-process	weighted average cost method
c)	Finished goods	lower of weighted average cost or net realizable value
d)	Goods in-transit	invoice value plus other charges incurred thereon
e)	Trading goods	lower of weighted average cost or net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realizable value and an allowance is recorded against the inventory balances for any such declines.

5.9 Trade debts and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

5.10 Cash and cash equivalents

For the purposes of the unconsolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

5.11 Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the unconsolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

5.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the unconsolidated statement of profit or loss in the period in which they are incurred.

5.13 Staff retirement benefits - gratuity

The Company operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the Company. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note no. 23.1 using the projected unit credit method.

5.14 Taxation

5.14.1 Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the Ordinance, whichever is higher.

5.14.2 Deferred

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.15 Provisions

Provisions are recognized in these unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.16 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.17 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Pakistani Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the unconsolidated statement of profit or loss.

5.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food and plastic division.

5.19 Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5.20 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Company to do so.

5.21 Share Capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

5.23 Contingent liabilities

Contingent liability is disclosed when:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.24 Operating, administrative and selling expenses

These expenses are recognized in the unconsolidated statement of profit or loss upon utilization of the services or as incurred except as specifically stated in these unconsolidated financial statements.

5.25 Financial Instruments - Initial Recognition and subsequent measurement

5.25.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

5.25.2 Classification of financial assets

The Company classifies its financial assets in the following categories:
- at fair value through profit or loss ("FVTPL")
- at fair value through other comprehensive income ("FVTOCI"), or
- at amortized cost.

The Company determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

5.25.3 Classification of financial liabilities

The Company classifies its financial liabilities at amortised cost.

5.25.4 Subsequent measurement

i) Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial liabilities and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the unconsolidated statement of profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the unconsolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

5.25.5 Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive).

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

5.25.6 Derecognition

i) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable, is recognized in the unconsolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the unconsolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the unconsolidated statement of profit or loss, but is transferred to retain earnings.

ii) Financial liabilities

The Company derecognizes its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the unconsolidated statement of profit or loss.

5.25.7 Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these unconsolidated statement of financial position if the Company has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.26 Revenue

The Company is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods net of discount and sales related indirect taxes. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The following are the specific recognition criteria that must be met before revenue is recognized:

a) Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.

b) Processing income is recognized when services are rendered.

c) Gain or loss on sale of investments is taken to income in the period in which it arises.

d) Interest income is recognized on an accrual basis using the effective interest method.

e) Dividend is recognized when the right to receive is established.

f) Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

	Note	2023	2022
		------------ Rupees ------------	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating assets		**24,468,208,608**	21,337,873,957
Capital work in progress - at cost	6.8	**4,370,074,717**	3,762,774,580
		28,838,283,325	25,100,648,537
6.1 Right-of-use assets		-	26,661,774

6.2 Detailed movement of operating assets and right-of-use assets are as follows;

Year ended June 30, 2023	Operating assets									Grand total	Right-of-use assets		Grand total
	Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles	Cooling tower & chillers		Plant and machinery	Vehicles	
	---------- Rupees ----------												
As at June 30, 2022													
Cost	538,069,245	88,688,580	6,088,539,046	24,437,562,520	122,890,814	372,315,162	133,593,231	905,214,295	29,400,000	32,716,272,893	-	50,006,263	50,006,263
Accumulated depreciation	(55,928,329)	-	(2,049,760,059)	(8,750,358,281)	(52,037,199)	(145,481,487)	(37,923,640)	(285,276,610)	(1,633,332)	(11,378,398,936)	-	(23,344,489)	(23,344,489)
Net book value	**482,140,916**	**88,688,580**	**4,038,778,987**	**15,687,204,239**	**70,853,615**	**226,833,675**	**95,669,591**	**619,937,685**	**27,766,668**	**21,337,873,957**	**-**	**26,661,774**	**26,661,774**
July 01, 2022													
Opening net book value	482,140,916	88,688,580	4,038,778,987	15,687,204,239	70,853,615	226,833,675	95,669,591	619,937,685	27,766,668	21,337,873,957	-	26,661,774	26,661,774
Additions / Transfers from CWIP	583,620,696	-	765,057,058	3,641,262,544	78,280,890	79,806,686	15,833,913	460,041,287	-	5,623,903,074	-	-	-
Transfer from right-of-use assets to owned assets													
Cost	-	-	-	-	-	-	-	50,006,263	-	50,006,263	-	(50,006,263)	(50,006,263)
Accumulated depreciation	-	-	-	-	-	-	-	(25,644,419)	-	(25,644,419)	-	25,644,419	25,644,419
	-	-	-	-	-	-	-	24,361,844	-	24,361,844	-	(24,361,844)	(24,361,844)
Disposal													
Cost	-	-	-	(32,737,841)	(389,755)	(435,187)	(6,381,164)	(178,247,408)	-	(218,191,355)	-	-	-
Accumulated depreciation	-	-	-	4,139,543	299,665	339,983	3,632,304	87,708,366	-	96,119,861	-	-	-
	-	-	-	(28,598,298)	(90,090)	(95,204)	(2,748,860)	(90,539,042)	-	(122,071,494)	-	-	-
Depreciation charge for the year	(16,875,884)	-	(411,974,751)	(1,741,421,620)	(9,529,392)	(25,151,611)	(20,218,452)	(160,887,063)	(9,800,000)	(2,395,858,773)	-	(2,299,931)	(2,299,931)
Closing net book value	**1,048,885,728**	**88,688,580**	**4,391,861,294**	**17,558,446,865**	**139,515,023**	**281,393,546**	**88,536,192**	**852,914,711**	**17,966,668**	**24,468,208,608**	**-**	**-**	**-**
As at June 30, 2023													
Cost	1,121,689,941	88,688,580	6,853,596,104	28,046,087,223	200,781,949	451,686,661	143,045,980	1,237,014,437	29,400,000	38,171,990,875	-	-	-
Accumulated depreciation	(72,804,213)	-	(2,461,734,810)	(10,487,640,358)	(61,266,926)	(170,293,115)	(54,509,788)	(384,099,726)	(11,433,332)	(13,703,782,267)	-	-	-
Net book value	**1,048,885,728**	**88,688,580**	**4,391,861,294**	**17,558,446,865**	**139,515,023**	**281,393,546**	**88,536,192**	**852,914,711**	**17,966,668**	**24,468,208,608**	**-**	**-**	**-**
Depreciation rate (%)	**1**		**10**	**10**	**10**	**10**	**20**	**20**	**33**		**10**	**20**	

Year ended June 30, 2022	Operating assets										Right-of-use assets		
	Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipment	Computers	Vehicles	Cooling tower & chillers	Grand total	Plant and machinery	Vehicles	Grand total
	---------- Rupees ----------												
As at June 30, 2021													
Cost	646,963,055	88,688,580	5,285,554,544	21,961,507,112	111,609,001	349,478,728	78,317,729	590,827,982	-	29,112,946,731	-	132,040,372	132,040,372
Accumulated depreciation	(57,268,751)	-	(1,653,596,728)	(7,160,138,938)	(46,860,687)	(123,536,819)	(33,792,628)	(216,822,782)	-	(9,292,017,333)	-	(49,277,534)	(49,277,534)
Net book value	**589,694,304**	**88,688,580**	**3,631,957,816**	**14,801,368,174**	**64,748,314**	**225,941,909**	**44,525,101**	**374,005,200**	**-**	**19,820,929,398**	**-**	**82,762,838**	**82,762,838**
July 01, 2021													
Opening net book value	589,694,304	88,688,580	3,631,957,816	14,801,368,174	64,748,314	225,941,909	44,525,101	374,005,200	-	19,820,929,398	-	82,762,838	82,762,838
Additions / Transfers from CWIP	17,818,190	-	802,984,502	2,480,375,247	13,991,024	25,197,614	67,026,846	394,376,581	29,400,000	3,831,170,004	-	-	-
Transfer From leased assets to owned assets													
Cost	-	-	-	-	-	-	-	82,034,109	-	82,034,109	-	(82,034,109)	(82,034,109)
Accumulated depreciation	-	-	-	-	-	-	-	(37,255,535)	-	(37,255,535)	-	37,255,533	37,255,533
	-	-	-	-	-	-	-	44,778,574	-	44,778,574	-	(44,778,576)	(44,778,576)
Disposal													
Cost	(126,712,000)	-	-	(4,319,839)	(2,709,211)	(2,361,180)	(11,751,344)	(162,024,377)	-	(309,877,951)	-	-	-
Accumulated depreciation	7,035,445	-	-	3,901,360	2,177,362	1,999,231	9,989,286	80,538,084	-	105,640,768	-	-	-
	(119,676,555)	-	-	(418,479)	(531,849)	(361,949)	(1,762,058)	(81,486,293)	-	(204,237,183)	-	-	-
Depreciation charge for the year	(5,695,023)	-	(396,163,331)	(1,594,120,703)	(7,353,874)	(23,943,899)	(14,120,298)	(111,736,377)	(1,633,332)	(2,154,766,838)	-	(11,322,489)	(11,322,489)
Closing net book value	**482,140,916**	**88,688,580**	**4,038,778,987**	**15,687,204,239**	**70,853,615**	**226,833,675**	**95,669,591**	**619,937,685**	**27,766,668**	**21,337,873,957**	**-**	**26,661,774**	**26,661,774**
As at June 30, 2022													
Cost	538,069,245	88,688,580	6,088,539,046	24,437,562,520	122,890,814	372,315,162	133,593,231	905,214,295	29,400,000	32,716,272,893	-	50,006,263	50,006,263
Accumulated depreciation	(55,928,329)	-	(2,049,760,059)	(8,750,358,281)	(52,037,199)	(145,481,487)	(37,923,640)	(285,276,610)	(1,633,332)	(11,378,398,936)	-	(23,344,489)	(23,344,489)
Net book value	**482,140,916**	**88,688,580**	**4,038,778,987**	**15,687,204,239**	**70,853,615**	**226,833,675**	**95,669,591**	**619,937,685**	**27,766,668**	**21,337,873,957**	**-**	**26,661,774**	**26,661,774**
Depreciation rate (%)	**1**		**10**	**10**	**10**	**10**	**20**	**20**	**33**		**10**	**20**	

6.3 Property plant and equipment of the Company is under charge against long term finances as mentioned in note no. 21.

6.4 The expenses have been allocated to the unconsolidated statement of profit or loss as follows:

	Note	2023	2022
		------------ Rupees ------------	
6.4.1 Depreciation charge of operating assets			
Cost of sales	30	**2,174,348,782**	2,018,962,268
Selling and distribution expenses	31	**80,632,029**	51,492,204
Administrative expenses	32	**140,877,962**	84,312,366
		2,395,858,773	2,154,766,838
6.4.2 Depreciation charge of right-of-use-assets			
Cost of sales	30	**418,300**	3,516,485
Selling and distribution expenses	31	**958,984**	4,984,531
Administrative expenses	32	**922,647**	2,821,473
		2,299,931	11,322,489

6.5 Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Locations	Usage of immovable property	* Total area
17 - Bangalore Town, Shahrah-e-Faisal, Karachi.	Registered office / Head office	1000 sq. yd
C-230, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 1	7.54 acres
B-140, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 2	4.59 acres
G-1, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 3	3.486 acres
G-22, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 4	9.00 acres
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	Manufacturing facility - Unit 5	4.02 acres
D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 6	7.50 acres
E164-168, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 7	2.74 acres
E154-157, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 8	5.04 acres
G-1A, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 9	3.185 acres
E164-168, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 10	3.50 acres
D-101/M, D-101/N, S.I.T.E area, Nooriabad,	For future expansion	20.50 acres
PT2-24-2402, Pearl Tower, Plot # 7 (R9) Cresent Bay, Karachi.	Administrative purpose	2,209.57 sq. ft
Sabzi mandi road, Chak no. 241 Dist. Faisalabad.	For future expansion	0.88 acres
39-B, Sundar Industrial Estate, Raiwind Road, Lahore.	For future expansion	1.138 acres
EIZ/1/P-II-B, Eastern industrial Zone, Port Qasim, Karachi.	For future expansion	15 acres

* The covered area includes multi-storey buildings.

6.6 Following are the particulars of the disposed assets having a book value exceed five hundred thousand rupees.

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
		.... Rupees					
Plant and Machinery							
21,382,500	1,425,500	19,957,000	21,382,500	1,425,500	EFU General Insurance	Insurance Claim	As per Contract
9,500,000	1,014,652	8,485,348	9,500,000	1,014,652	EFU General Insurance	Insurance Claim	As per Contract
30,882,500	**2,440,152**	**28,442,348**	**30,882,500**	**2,440,152**			
Vehicles							
Mercedes							
21,282,280	16,464,079	4,818,201	21,875,000	17,056,799	Tahir Mohsin	Independent party	Negotiation
7,175,000	6,674,110	500,890	3,600,000	3,099,110	Tahir Javed	Independent party	Negotiation
28,457,280	**23,138,189**	**5,319,091**	**25,475,000**	**20,155,909**			
Toyota Fortuner							
8,072,875	2,798,596	5,274,279	10,000,000	4,725,721	EFU General Insurance	Insurance Claim	As per Contract
8,072,875	**2,798,596**	**5,274,279**	**10,000,000**	**4,725,721**			
Kia Sportage							
5,787,488	289,374	5,498,114	7,185,000	1,686,886	Nazeer Ahmed Arain	Independent party	Negotiation
5,359,418	267,971	5,091,447	6,635,000	1,543,553	Kia Lucky Motors	Independent party	Negotiation
11,146,906	**557,345**	**10,589,561**	**13,820,000**	**3,230,439**			
Honda Civic							
3,047,750	1,758,311	1,289,439	1,632,098	342,659	Muhammad Sabir	Employee	Company Policy
3,047,750	**1,758,311**	**1,289,439**	**1,632,098**	**342,659**			
Honda City							
3,411,164	341,117	3,070,048	4,157,996	1,087,949	Zaid M. Ali Habib	Employee	Company Policy
3,411,164	**341,117**	**3,070,048**	**4,157,996**	**1,087,949**			
Kia Picanto							
1,897,809	362,692	1,535,117	1,950,925	415,808	Kamran Hussain Naqvi	Employee	Company Policy
1,608,866	332,498	1,276,368	1,933,051	656,683	Ayesha Sabah	Employee	Company Policy
3,506,675	**695,190**	**2,811,485**	**3,883,976**	**1,072,491**			
Suzuki Cultus							
2,220,719	648,943	1,571,776	2,097,981	526,205	Muhammad Ashraf	Employee	Company Policy
1,542,567	429,176	1,113,391	1,936,680	823,289	Murtaza Mehdi	Employee	Company Policy
1,521,368	464,186	1,057,182	1,832,620	775,438	Saeed Ullah Khan	Employee	Company Policy
2,414,700	1,209,282	1,205,418	1,745,300	539,882	Saad Anjum	Employee	Company Policy
1,490,911	287,000	1,203,911	1,524,796	320,885	Irfan Nazir	Employee	Company Policy
1,543,217	473,252	1,069,965	1,441,480	371,515	Muhammad Asad	Employee	Company Policy
1,521,367	484,132	1,037,235	1,423,580	386,345	Abdul Rasheed	Employee	Company Policy
1,490,911	392,605	1,098,306	1,407,504	309,198	Uzair Rabbani	Employee	Company Policy
1,512,053	742,067	769,986	1,112,832	342,846	Umber Jawed	Employee	Company Policy
1,511,678	755,692	755,986	1,094,811	338,825	M Ashar Azhar	Employee	Company Policy
1,765,250	884,037	881,213	1,094,455	213,242	M Asif Khan	Employee	Company Policy
1,767,350	915,854	851,496	1,059,150	207,654	Shujat Ali Ansari	Employee	Company Policy
1,512,853	571,522	941,331	706,240	(235,091)	Naveed Anwar	Employee	Company Policy
1,771,850	852,109	919,741	706,100	(213,641)	Sohail Aslam	Employee	Company Policy
1,403,250	838,656	564,594	697,925	133,331	Kamran Iftikhar	Employee	Company Policy
24,990,044	**9,948,513**	**15,041,531**	**19,881,454**	**4,839,923**			

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
		....	Rupees	....			
Suzuki Alto							
1,203,267	350,952	852,315	1,804,520	952,205	Mehmood Ul Hassan	Employee	Company Policy
1,203,267	265,721	937,546	1,580,235	642,689	Imran Dawood	Employee	Company Policy
1,203,767	300,942	902,825	1,563,330	660,505	Rehan Ghouri	Employee	Company Policy
1,242,441	281,620	960,821	1,433,000	472,179	EFU General Insurance	Insurance Claim	As per Contract
1,781,400	804,501	976,899	1,402,416	425,517	Abdul Rafay	Employee	Company Policy
1,559,579	259,929	1,299,650	1,370,018	70,368	Abdul Hakeem	Employee	Company Policy
1,242,441	498,356	744,085	1,349,273	605,188	Asim Ali	Employee	Company Policy
1,207,600	481,966	725,634	1,347,149	621,515	Anees Ahmed	Employee	Company Policy
1,203,267	233,968	969,299	1,183,350	214,051	Adil Masood	Employee	Company Policy
1,203,466	265,765	937,701	1,166,445	228,744	Nasir Maqbool	Employee	Company Policy
1,242,441	409,729	832,712	1,088,591	255,879	Sulman Khan	Employee	Company Policy
1,203,267	316,860	886,407	1,081,920	195,513	Abdul Saboor Khan	Employee	Company Policy
1,203,267	316,860	886,407	1,081,920	195,513	Touheed Amin	Employee	Company Policy
1,207,641	481,983	725,658	955,702	230,044	Keith James	Employee	Company Policy
1,211,536	483,536	728,000	938,004	210,004	Sharjeel Ahmed	Employee	Company Policy
1,217,727	562,801	654,926	852,513	197,587	Khalid Ali	Employee	Company Policy
1,211,927	583,698	628,229	796,419	168,190	Muhammad Farhan	Employee	Company Policy
1,211,927	583,698	628,229	796,418	168,189	M Imran Khan	Employee	Company Policy
1,242,441	422,430	820,011	1,052,305	232,294	Noman Shakeel	Employee	Company Policy
1,423,355	685,269	738,086	796,418	58,332	M Haseeb Iqbal	Employee	Company Policy
1,211,927	594,744	617,183	778,720	161,537	Hafiz Ahsan Azhar	Employee	Company Policy
1,325,905	637,347	688,558	761,188	72,630	Hadi Nawaz	Employee	Company Policy
1,325,905	699,943	625,962	678,450	52,488	Subhan Altaf	Employee	Company Policy
1,203,267	317,529	885,738	1,529,520	643,782	Mazhar Ali	Employee	Company Policy
30,493,028	**10,840,147**	**19,652,881**	**27,387,824**	**7,734,943**			
Toyota Corolla							
2,900,988	1,605,265	1,295,723	1,620,675	324,952	M Imran Khan	Employee	Company Policy
2,336,590	1,290,063	1,046,527	1,421,096	374,569	Muhammad Hassan	Employee	Company Policy
2,792,813	1,505,884	1,286,929	1,117,125	(169,804)	Zubair latif	Employee	Company Policy
1,924,250	1,302,704	621,546	766,880	145,334	M Nasir Khan	Employee	Company Policy
2,647,880	1,457,581	1,190,299	1,055,982	(134,317)	Salman Shahid	Employee	Company Policy
2,000,000	1,293,782	706,218	943,861	237,643	Syed Ali Ghalib	Employee	Company Policy
2,339,290	1,293,346	1,045,944	933,866	(112,078)	Amjad Kamal	Employee	Company Policy
2,336,790	1,328,203	1,008,587	931,866	(76,721)	Zaid Habib	Employee	Company Policy
2,779,891	1,365,483	1,414,408	2,072,518	658,110	Yousuf	Employee	Company Policy
1,935,100	1,274,719	660,381	824,396	164,015	Khalid Ahmed	Employee	Company Policy
2,005,500	1,354,613	650,887	818,700	167,813	Abdul Rasheed Paryani	Employee	Company Policy
1,926,750	1,316,100	610,650	766,880	156,230	Najam Ul Hassan	Employee	Company Policy
27,925,842	**16,387,743**	**11,538,099**	**13,273,845**	**1,735,746**			
Toyota Yaris							
2,419,836	542,446	1,877,390	3,490,000	1,612,610	Ali Raza Kazmi	Employee	Company Policy
2,419,836	**542,446**	**1,877,390**	**3,490,000**	**1,612,610**			
143,471,400	**67,007,597**	**76,463,804**	**123,002,193**	**46,538,390**			
174,353,900	**69,447,749**	**104,906,152**	**153,884,693**	**48,978,542**			

Aggregate of assets disposed off having net book value not exceeding Rs. 500,000

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)
Plant and Machinery	1,855,341	1,699,391	155,951	-	(155,951)
Furniture& Fixtures	389,755	299,665	90,090	-	(90,090)
Computers	6,381,164	3,632,304	2,748,860	1,014,458	(1,734,402)
Equipments	435,187	339,983	95,204	-	(95,204)
Vehicles	34,776,008	20,700,770	14,075,238	22,346,060	8,270,822
Sub-total	**43,837,455**	**26,672,113**	**17,165,343**	**23,360,518**	**6,195,176**
2023 - total	**218,191,355**	**96,119,861**	**122,071,494**	**177,245,211**	**55,173,717**
2022 - total	309,877,951	105,640,768	204,237,183	551,940,577	347,703,394

6.7 All disposal are made through negotiation or otherwise specified in 6.6 of these unconsolidated financial statements.

		Note	2023	2022
			------------Rupees---------	
6.8	**Capital work-in-progress**			
	Civil works		**1,659,075,856**	1,062,030,391
	Plant and machinery		**2,506,502,348**	2,693,906,789
	Equipment and fittings		**204,496,513**	6,837,400
		6.8.1	**4,370,074,717**	3,762,774,580

6.8.1 Movement of capital work in progress:

	Civil works	Plant and machinery	Equipment and fittings	Total
	------------------------------Rupees------------------------------			
Balance as at July 1, 2021	177,900,924	798,470,812	-	976,371,736
Capital expenditure incurred during the year	1,687,113,969	4,375,805,925	23,813,162	6,086,733,056
Trial production cost incurred - net	-	-	-	-
Transferred to operating fixed assets	(802,984,502)	(2,480,369,948)	(16,975,762)	(3,300,330,212)
Balance as at June 30, 2022	**1,062,030,391**	**2,693,906,789**	**6,837,400**	**3,762,774,580**
Capital expenditure incurred during the year	**1,446,836,998**	**3,330,389,768**	**346,199,632**	**5,123,426,398**
Trial production cost incurred - net	**-**	**123,468,335**	**-**	**123,468,335**
Transferred to operating fixed assets	**(849,791,533)**	**(3,641,262,544)**	**(148,540,519)**	**(4,639,594,596)**
Balance as at June 30, 2023	**1,659,075,856**	**2,506,502,348**	**204,496,513**	**4,370,074,717**

		Note	2023	2022
7	**INTANGIBLE ASSETS**		------------Rupees---------	
	As at July 1			
	Cost	7.1	**99,973,357**	98,973,357
	Accumulated amortization		**(93,977,917)**	(65,242,574)
	Opening net book value		**5,995,440**	33,730,783
	Addition for the year		**-**	1,000,000
	Amortization charge for the year		**(3,768,733)**	(28,735,343)
	Closing net book value		**2,226,707**	5,995,440
	As at June 30			
	Cost		**99,973,357**	99,973,357
	Accumulated amortization		**(97,746,650)**	(93,977,917)
	Closing net book value		**2,226,707**	5,995,440
	Amortization rate		**33.33%**	33.33%

7.1 Software includes licenses which are amortized on straight line basis over a period of 36 months.

		Note	2023	2022
7.2	The amortization charge has been allocated as follows:		------------Rupees---------	
	Cost of sales	30	**-**	12,631,650
	Selling and distribution expenses	31	**-**	6,974,312
	Administrative expenses	32	**3,768,733**	9,129,381
			3,768,733	28,735,343
8	**LONG TERM INVESTMENTS**			
	Investment in subsidiary companies - unquoted shares			
	Hudson Pharma (Private) Limited	8.1	**2,525,984,000**	2,125,984,000
	Ismail Resin (Private) Limited	8.2	**3,000,000,000**	1,875,000,000
			5,525,984,000	4,000,984,000
	Investment in associated company			
	The Bank of Khyber	8.3	**3,225,156,930**	3,144,584,786
			8,751,140,930	7,145,568,786
8.1	**Hudson Pharma (Private) Limited**			
	Balance as at July 1		**2,125,984,000**	1,605,984,000
	Increase during the year		**400,000,000**	520,000,000
	Balance as at June 30		**2,525,984,000**	2,125,984,000

The Company has acquired 252,598,400 (2022: 212,598,400) shares of Hudson Pharma (Private) Limited (HPPL), which is equivalent to 78.53**%** (2022: 78.26%) of the total paid up capital. HPPL is incorporated under Companies Act, 2017 as a private company limited by shares. The registered office of 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 drugs, medicines and derma products. The shares of subsidiary are not publicly listed on a stock exchange and hence published price quotes are not available. The financial reporting date of HPPL is June 30.

Based on the projections of the Subsidiary Company there is no indicator of any impairment in value of investment.

	2023	2022
8.2 Ismail Resin (Private) Limited	**------------Rupees---------**	
Balance as at July 1	**1,875,000,000**	491,737,500
Increase during the year	**1,125,000,000**	1,383,262,500
Balance as at June 30	**3,000,000,000**	1,875,000,000

The Company has acquired 300,000,000 (June 2022: 187,500,000) shares of Ismail Resin (Private) Limited (IRPL), which is equivalent to 75% (June 2022: 75%) of total paid up capital of the IRPL. The IRPL was incorporated in Karachi, Pakistan as a private limited company. The registered office of the IRPL is situated at 17 - Bangalore Town, main Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of the IRPL are manufacturing and selling of Polyester Resin. The shares of IRPL are not publicly listed on stock exchange, hence published price quotes are not available. The financial reporting date of IRPL is June 30.

Based on the projections of the Subsidiary Company there is no indicator of any impairment in value of investment.

8.3 The Bank of Khyber

The total shareholding of the Company in the Bank of Khyber (the Bank) is 269,383,781 (June 2022: 269,383,781) shares which represents 24.43% of paid-up capital of the Bank (June 2022: 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 financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2022 and unaudited interim financial statement for the six months period ended June 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 at June 30, 2023 was Rs. 3,633.98 million (June 30, 2022: Rs. 4,040.756 million), which is placed in level 1 of the fair value hierarchy.

	The Bank of Khyber	
	2023	2022
	-------------Rupees------------	
Balance as at July 1	**3,144,584,786**	3,180,003,578
Share of profit	**428,075,707**	216,582,895
Share of other comprehensive loss	**(347,503,563)**	(252,001,687)
Balance as at June 30	**3,225,156,930**	3,144,584,786

Summarized financial information in respect of the Company's associate as at June 30 is set out below:

	The Bank of Khyber	
	2023	2022
	Un-audited	Un-audited
	-----------------Rupees-----------------	
Total assets	**345,762,514,000**	394,240,287,000
Total liabilities	**328,873,320,000**	377,685,898,000
Revenue	**9,601,237,000**	7,065,905,000
Profit for the period	**1,752,436,000**	886,632,000
Other comprehensive loss for the period	**(1,422,620,719)**	(1,029,987,000)
Total comprehensive income / (loss) for the period	**329,815,281**	(143,355,000)

	2023	2022
9 LONG TERM DEPOSITS	**-------------Rupees------------**	
Utility companies	**13,228,520**	13,228,520
Others	**13,085,745**	10,322,048
	26,314,265	23,550,568

		2023	2022
10	**STORES AND SPARES**	-------------Rupees-----------	
	Stores	**113,581,104**	111,835,789
	Spare parts	**482,392,061**	373,491,888
	Others	**32,651,713**	23,770,352
		628,624,878	509,098,029

10.1 This includes provision for slow moving amounting to Rs 8,591,420 (June 2022: Rs 8,591,420)

		Note	2023	2022
11	**STOCK-IN-TRADE**	**Note**	-------------Rupees-----------	
	Raw material	11.2 & 11.3	**9,788,455,953**	4,073,577,604
	Packing material	11.2	**2,229,628,657**	1,393,150,814
	Work-in-process	30	**640,053,565**	414,667,383
	Finished goods	11.2	**3,226,783,842**	2,456,461,988
			15,884,922,017	8,337,857,789

11.1 Stock-in-trade of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.

11.2 Reconciliation for stock-in-trade	**2023** Raw material	Packing material	Finished goods
	---------------------- Rupees	--------------------	
Stock-in-trade	**9,880,218,628**	**2,342,892,734**	**3,226,783,842**
Provision for slow moving			
- opening	**(47,738,834)**	**(127,297,185)**	**-**
- charge	**(103,654,713)**	**(104,961,339)**	**-**
- Write-off	**59,630,872**	**118,994,447**	**-**
- closing	**(91,762,675)**	**(113,264,077)**	**-**
Stock-in-trade-net	**9,788,455,953**	**2,229,628,657**	**3,226,783,842**

	2022 Raw materials	Packing materials	Finished goods
	---------------------- Rupees	--------------------	
Stock-in-trade	4,121,316,438	1,520,447,999	2,456,461,988
Provision for slow moving			
- opening	(13,576,856)	(152,848,549)	-
- charge for the year	(57,425,947)	(34,666,750)	-
- Write-off	23,263,969	60,218,114	-
- closing	(47,738,834)	(127,297,185)	-
Stock-in-trade-net	4,073,577,604	1,393,150,814	2,456,461,988

11.3 This includes raw material in transit amounting to Rs. 1,945,268,243 (June 30, 2022: Rs. nil).

		Note	2023	2022
12	**TRADE DEBTS**	**Note**	------------Rupees---------	
	Considered good			
	- export - secured		**5,805,638,355**	1,430,204,301
	- local - unsecured		**4,857,344,865**	4,423,853,717
			10,662,983,220	5,854,058,018
	Allowance for expected credit loss	12.2	**(158,464,042)**	(107,970,640)
	Trade debts - net		**10,504,519,178**	5,746,087,378

12.1 Trade debts of the Company is under hypothecation charge against short term finances as mentioned in note no. 26.

		Note	2023	2022
12.2	**Allowance for expected credit loss**	**Note**	------------Rupees---------	
	Balance at the beginning of the year		**(107,970,640)**	(100,970,640)
	Charge during the year	31	**(50,493,402)**	(7,000,000)
	Balance at the end of the year		**(158,464,042)**	(107,970,640)

		Note	2023	2022
12.3	**Age analysis of trade debts**		------------Rupees---------	
	Not Due		**9,377,984,075**	5,239,963,864
	More than 45 days but not more than 3 months		**542,862,019**	247,431,639
	More than 3 months but not more than 6 months		**398,539,140**	147,754,398
	More than 6 months but not more than 1 year		**235,981,637**	134,999,001
	More than 1 year		**107,616,349**	83,909,116
			10,662,983,220	5,854,058,018

13 LOANS AND ADVANCES

	Note	2023	2022
Loans - secured - employees	13.1	**99,845,955**	58,525,902
Advances - unsecured			
- suppliers		**2,852,094,901**	1,849,628,605
- LC margins	13.2	**265,496,495**	55,190,647
		3,217,437,351	1,963,345,154

13.1 These represents intrest free loan that are to be paid within a period of one year in equal monthly installments as per policy. Any outstanding laon due from an employee at the time of leaving the service is adjustable against the final settlement of staff.

		Note	2023	2022
			------------Rupees---------	
13.2	Allied Bank Limited		**63,748,128**	38,165,941
	Habib Bank Limited		**181,457,668**	11,239,764
	Meezan Bank Limited		**8,127,380**	4,068,500
	Dubai Islamic Bank Pakistan		**-**	1,716,442
	Soneri Bank Limited		**12,163,319**	-
			265,496,495	55,190,647

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2023	2022
Trade deposits - unsecured	**286,277,691**	24,043,579
Short term prepayments	**551,840**	10,611,041
Current maturity of lease deposits- Islamic	**-**	2,221,600
Current maturity of lease deposits- Conventional	**-**	436,100
	286,829,531	37,312,320

15 SHORT TERM INVESTMENTS

Held at:	Note	2023	2022
Amortised cost	15.1	**316,812,927**	775,120,059
Fair value through other comprehensive income	15.2	**834,465,000**	190,000,000
		1,151,277,927	965,120,059

15.1 These investments are made in trade deposit reciepts of various banks at the rates range from 13% to 18% (June 2022: 9% to

15.2 These investments are made in term finance certificates in various banks, which have been listed on Pakistan stock exchange. The fair value of these certificates range from 95.33% to 99.38% of their face value (June 2022: 95%).

16	**OTHER RECEIVABLES**	Note	2023	2022
			------------Rupees---------	
	Export rebate		**36,605,266**	17,338,462
	Sales tax carry forward		**1,092,963,220**	-
	Other receivables	16.1	**100,402,027**	100,402,029
			1,229,970,513	117,740,491

16.1 This amount includes Rs. 100.217 million (June 2022; Rs. 100.217 million) due from Nazir of the Sindh High Court as referred in note 27.1.2.

17	**TAXATION - net**	Note	2023	2022
			------------Rupees---------	
	Advance income tax		**2,221,515,513**	1,954,656,680
	Provision for taxation	37	**(1,217,684,448)**	(831,971,541)
			1,003,831,065	1,122,685,139

		2023	2022
18	**CASH AND BANK BALANCES**	------------Rupees---------	
	Cash in hand	**5,723,588**	4,583,253
	Cash at banks:		
	- current accounts - conventional	**1,123,432,695**	87,507,426
	- current accounts - Islamic	**401,061,764**	150,242,421
		1,530,218,047	242,333,100

19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

Number of Shares				
2023	2022			
53,072,940	53,072,940	Ordinary shares of Rs. 10 each fully paid in cash	**530,729,400**	530,729,400
13,284,000	13,284,000	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation	**132,840,000**	132,840,000
66,356,940	66,356,940		**663,569,400**	663,569,400

		Note		
20	**RESERVES**	**Note**		
	Capital reserve			
	- Share premium	20.1	**1,472,531,500**	1,472,531,500
	- Reserve arising due to amalgamation	20.2	**916,862,067**	916,862,067
	Revenue Reserve			
	- Remeasurement of investment in associate		**(701,503,895)**	(406,125,879)
	- Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		**(11,962,300)**	(7,645,000)
	- Unappropriated profit		**15,376,236,485**	9,940,389,165
	Total reserves		**17,052,163,857**	11,916,011,853

20.1 This represents share premium amount pertains to issue of shares at premium. This reserve can be utilized by the Company for the purpose specified in section 81(2) of the Companies Act, 2017.

20.2 This represents reserve created under scheme of arrangement for amalgamation of an Astro Plastics (Private) Limited with the

20.3 Movement of the total reserves have been reflected in the unconsolidated statement of changes in equity.

		Note	2023	2022
21	**LONG TERM FINANCES - secured**	**Note**	--------- **Rupees** ---------	
	Long term finances - secured - conventional	21.1	**17,218,177,780**	12,717,909,568
	Long term finances - secured - islamic	21.2	**5,973,953,620**	6,971,383,106
			23,192,131,400	19,689,292,674

21.1 ***CONVENTIONAL***

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- **Rupees** ---------	
Habib Bank Limited						
- Term Finance - FCY	Monthly	2021-2024	1 month EURIBOR + 1.75%	36	**37,536,947**	385,011,855
- SBP-LTFF	Quarterly	2018-2030	SBP + 0.25%	36	**258,425,301**	313,616,859
- Term finance	Monthly	2017-2023	1 month KIBOR + 0.25%	60	**-**	83,333,341
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.25%	34	**1,202,042,649**	1,370,077,235
- SBP-TERF	Quarterly	2022-2031	SBP + 1.25%	36	**207,817,224**	234,533,253
- Term finance	Quarterly	2025-2033	3 month KIBOR + 1.25%	32	**98,279,764**	-
- Term finance	Monthly	2024-2028	1 month KIBOR + 0.75%	48	**1,130,505,670**	-
Bank Al-Habib Limited						
- SBP-LTFF	Quarterly	2019-2029	SBP + 0.75%	32	**239,118,000**	289,118,690
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.50%	32	**37,415,000**	44,503,000
MCB Bank Limited						
- SBP-LTFF	Quarterly	2018-2028	SBP + 0.75%	36	**169,457,553**	207,422,020
- SBP-LTFF	Quarterly	2020-2030	SBP + 0.25%	36	**352,335,158**	406,545,634
- SBP-TERF	Quarterly	2024-2031	SBP + 1%	32	**377,849,792**	258,840,000
- Term finance	Monthly	2024-2029	3 months KIBOR + 0.80%	60	**1,000,000,000**	-
Allied Bank Limited						
- SBP-LTFF	Semi-annual	2022-2031	SBP +0.25%/0.75 %	18	**1,457,858,000**	1,652,227,500
- Term finance	Monthly	2021-2024	3 months KIBOR + 0.25%	48	**100,000,012**	200,000,001
Balance carried forward					**6,668,641,070**	5,445,229,388

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- Rupees ---------	
Balance brought forward					**6,668,641,070**	5,445,229,388
- Term finance	Quarterly	2024-2027	3 months KIBOR + 1%	16	**245,000,000**	245,000,000
Pak Brunei Investment Company Limited						
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.5%	32	**367,994,300**	430,499,000
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.5%	32	**151,434,800**	175,436,900
Pak Oman Investment Company Limited						
- SBP-LTFF	Quarterly	2022-2030	SBP + 1.5%	32	**363,770,621**	418,205,342
- SBP-LTFF	Quarterly	2025-2032	SBP + 1.5%	32	**286,519,000**	264,884,000
Bank Al falah Limited						
- Term finance	Quarterly	2022-2025	6 month KIBOR + 0.75%	16	**250,000,000**	375,000,000
- Term finance	Quarterly	2023-2026	3 month KIBOR + 0.75%	16	**450,000,000**	600,000,000
- SBP-LTFF	Quarterly	2017-2029	SBP+0.5%	40/36	**241,381,235**	291,512,404
- SBP-REFF	Quarterly	2025-2035	SBP+0.5%	40	**199,927,000**	-
JS Bank Limited						
-SBP Payroll finance	Quarterly	2021-2023	SBP+3%	8	**-**	161,966,566
- SBP-LTFF	Quarterly	2022-2030	SBP+0.30%	32	**101,374,217**	117,594,093
- SBP-LTFF	Quarterly	2025-2033	SBP+1.50%	32	**400,845,950**	-
Habib Metropolitan Bank Ltd						
- SBP-TERF	Semi Annual	2024-2031	SBP+1.50%	16	**1,097,677,000**	1,079,177,000
The Bank of Punjab						
- SBP-TERF	Quarterly	2023-2031	SBP + 1.25%	32	**1,495,913,586**	1,499,997,368
- Term finance	Monthly	2022-2027	1 month KIBOR + 0.75%	60	**391,666,671**	491,666,667
Balance carried forward					**12,712,145,450**	11,596,168,728

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- Rupees ---------	
Balance brought forward					**12,712,145,450**	11,596,168,728
National Bank of Pakistan						
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.25%	48	**-**	100,000,011
- SBP-LTFF	Quarterly	2021-2030	SBP+0.65%	36	**747,434,248**	858,921,136
- SBP-TERF	Quarterly	2022-2031	SBP+1%	36	**422,987,081**	467,668,749
- SBP-FFSAP	Quarterly	2023-2030	SBP+0.75%	28	**129,734,000**	139,714,000
Askari Bank Limited						
- SBP-REFF	Quarterly	2021-2031	SBP+0.50%	40	**167,001,575**	190,036,275
- Term finance	Monthly	2019-2024	1 month KIBOR + 0.50%	48	**91,666,679**	191,666,675
-SBP Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	**-**	243,000,845
- Term finance	Monthly	2023-2027	1 month KIBOR + 0.75%	48	**437,499,998**	500,000,000
- Syndicated Term Finance	Monthly	2024-2029	1 month KIBOR + 0.80%	60	**4,250,000,000**	-
Soneri Bank Limited						
- Term finance	Monthly	2019-2025	1 month KIBOR + 0.75%	60	**191,666,679**	291,666,675
- Term finance	Monthly	2023-2028	1 month KIBOR + 0.75%	60	**441,666,669**	500,000,000
PAIR Investment Company Limited						
- Term finance	Quarterly	2021-2025	3 month KIBOR + 0.75%	16	**131,250,000**	206,250,000
- SBP-REFF	Quarterly	2023-2033	SBP+0.50%	40	**199,519,941**	130,568,973
- SBP-LTFF	Quarterly	2025-2033	SBP+1.50%	32	**23,500,000**	-
Total long term loan - secured					**19,946,072,320**	15,415,662,067
Less: Current portion of long term finances shown under current liabilities					**(2,727,894,540)**	(2,697,752,499)
					17,218,177,780	12,717,909,568

21.2 ***ISLAMIC***

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
MCB Islamic Bank Limited						
- Islamic financing	Quarterly	2018-2023	3 months KIBOR + 0.25%	20	**-**	70,000,000
- SBP ITERF	Quarterly	2023-2030	SBP+0.75%	32	**349,986,000**	349,987,639
- Islamic financing	Quarterly	2023-2028	3 months KIBOR + 0.75%	20	**270,000,000**	300,000,000
Balance carried forward					**619,986,000**	719,987,639

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- Rupees ---------	
Balance brought forward					**619,986,000**	719,987,639
Dubai Islamic Bank Pakistan Limited						
- SBP ILTFF	Quarterly	2022-2027	SBP+1%	20	**189,166,035**	247,455,881
- SBP ILTFF	Quarterly	2024-2030	SBP+1%	20	**412,638,448**	270,475,059
Meezan Bank Limited						
- Islamic financing	Monthly	2023-2029	1 months KIBOR + 0.75%	78	**-**	600,000,000
- Islamic financing	Monthly	2022-2025	1 months KIBOR + 0.75%	48	**-**	687,500,005
- Islamic financing	Monthly	2022-2025	1 months KIBOR + 0.75%	48	**-**	308,333,337
- Islamic financing	Monthly	2024-2030	1 months KIBOR + 0.85%	72	**600,000,000**	-
- Islamic financing	Monthly	2024-2026	1 month KIBOR + 1%	24	**562,500,007**	-
- Islamic financing	Monthly	2024-2025	1 month KIBOR + 0.85%	18	**258,333,339**	-
- Islamic financing	Monthly	2020-2023	3 month KIBOR + 0.25%	24	**-**	62,500,007
- Syndicated	Monthly	2024-2028	3 month KIBOR + 0.80%	60	**4,000,000,000**	4,000,000,000
Faysal Bank Limited						
- SBP-ILTFF	Quarterly	2021-2030	SBP+1%	36	**224,827,504**	258,135,278
Bank Islami Pakistan Limited						
- Islamic financing	Quarterly	2023-2028	3 month KIBOR + 0.65%	20	**475,000,000**	500,000,000
Total long term loan - secured					**7,342,451,333**	7,654,387,206
Less: Current portion of long term finances shown under current liabilities					**(1,368,497,713)**	(683,004,100)
					5,973,953,620	6,971,383,106

21.3 These represent financings for property, plant and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Company and personal guarantees of sponsors.

21.4 The Company's total limit for long term loan amounting to Rs. 34,187 million. (June 2022: Rs. 29,310 million)

22 LEASE LIABILITIES

	2023	2022
	------------Rupees---------	
22.1 As at July 1	**7,487,019**	62,166,882
Interest Expense relating to lease liabilities	**274,423**	3,321,861
Payment (lease and interest)	**(7,761,442)**	(58,001,724)
As at June 30	**-**	7,487,019

	Note	2023	2022
		--------- Rupees ---------	
23 DEFERRED LIABILITIES			
Provision for staff gratuity scheme - unfunded	23.1	**696,630,495**	565,497,677
Deferred tax liability	23.3	**1,777,653,106**	1,793,253,925
		2,474,283,601	2,358,751,602

23.1 Provision for staff gratuity scheme - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2023 using the "Projected Unit Credit Method". Provision has been made in these unconsolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as follows:

23.1.1 Risk on account of staff gratuity scheme - unfunded

The Company faces the following risk on account of staff gratuity scheme.

23.1.2 Final salary risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

23.1.3 Mortality risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

23.1.4 Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

23.2 Significant actuarial assumptions

	2023	2022
Financial assumptions		
Discount rate (per annum)	**16.25%**	13.25%
Expected rate of increase in salaries (per annum)	**16.25%**	13.25%
Demographic assumptions		
Mortality rates (for death in service)	**Adjusted SLIC 2001-2005**	Adjusted SLIC 2001-2005
Retirement assumption	**60 years**	60 years

23.2.1 Statement of Financial Position reconciliation

	Note	2023	2022
		--------- Rupees ---------	
Present value of defined benefit obligation	23.2.3	**696,630,495**	565,497,677
Net liability in statement of financial position	23.2.4	**696,630,495**	565,497,677

23.2.2 Maturity profile

	2023	2022
1-5 Years	**524,153,414**	403,572,578
6-10 Years	**929,808,926**	561,634,802
10 Years onwards	**24,836,247,794**	11,015,391,507
Weighted average duration	**8 Years**	8 Years

23.2.3 Movement in the defined benefit obligation

	Note	2023	2022
		--------- Rupees ---------	
Present value of defined benefit obligation as at July 1		**565,497,677**	447,306,385
Current service cost		**108,135,073**	83,902,911
Past service cost		**-**	2,899,021
Interest cost		**70,360,341**	42,050,262
Remeasurement on obligation	23.2.7	**21,589,876**	42,946,633
Payments during the year		**(59,441,980)**	(43,948,262)
Benefits payable transferred to short term liability		**(9,510,492)**	(9,659,273)
Present value of defined benefit obligation as at June 30		**696,630,495**	565,497,677

23.2.4 Movement in the net liability at reporting date is as follows:

	Note	2023	2022
		--------- Rupees ---------	
Opening balance of net liability		**565,497,677**	447,306,385
Charge for the year	23.2.5	**178,495,414**	128,852,194
Remeasurements recognized in 'OCI'	23.2.7	**21,589,876**	42,946,633
Payments during the year		**(59,441,980)**	(43,948,262)
Benefits payable transferred to short term liability		**(9,510,492)**	(9,659,273)
Closing balance of net liability		**696,630,495**	565,497,677

23.2.5 The amounts recognized in the unconsolidated statement of profit or loss account against defined benefit scheme are as follows:

	2023	2022
Current service cost	**108,135,073**	83,902,911
Past service cost	**-**	2,899,021
Interest cost	**70,360,341**	42,050,262
Charge for the year	**178,495,414**	128,852,194

23.2.6 For the year ended June 30, 2024, expected provisions to the staff retirement benefit scheme is Rs. 248.518 million.

23.2.7 Remeasurement recognized in 'other comprehensive income'

	2023	2022
	--------- Rupees ---------	
Experience losses	**21,589,876**	42,946,633
Related deferred tax	**(4,749,773)**	(10,113,932)
	16,840,103	32,832,701

23.2.8 Amounts for the current and previous four years are as follows:

Comparison for five years	2023	2022	2021	2020	2019
	---Rupees---				
Present value of the defined benefit obligation	**696,630,495**	565,497,677	447,306,385	436,910,015	358,574,405

23.2.9 The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
		--------------Rupees--------------	
Discount rate	1%	645,099,032	755,713,540
Salary growth rate	1%	756,658,644	643,323,199

23.2.10 The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognized within the unconsolidated statement of financial position.

23.3 Deferred taxation

	2023	2022
	--------- Rupees ---------	
The details of deferred tax on temporary differences are as follows:		
- accelerated tax depreciation allowances	**1,871,225,378**	1,866,214,417
- provision for gratuity	**(153,258,709)**	(133,174,703)
- allowance for expected credit loss	**(34,862,090)**	(25,427,086)
- investment in associates at fair value through OCI	**143,326,392**	131,240,570
- STI - Term finance certificates	**(1,781,868)**	(2,355,000)
- provision for stores and spares	**(1,890,112)**	(2,023,279)
- provision for stock in trade	**(45,105,885)**	(41,220,994)
Deferred tax liability	**1,777,653,106**	1,793,253,925

23.3.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2021	Recognized in Statement of profit or loss	Recognized in other comprehensive income	Balance as at June 30, 2022	Recognized in Statement of profit or loss	Recognized in statement of other comprehensive income	Balance as at June 30, 2023
	--------------------------------	--------------------------------	--------------------------------	Rupees	--------------------------------	--------------------------------	--------------------------------
Provision for gratuity	(112,900,132)	(10,160,639)	(10,113,932)	**(133,174,703)**	**(15,334,233)**	**(4,749,773)**	**(153,258,709)**
Allowance for expected credit loss	(25,484,990)	57,904	-	**(25,427,086)**	**(9,435,004)**	**-**	**(34,862,090)**
Investment in associates at fair value through OCI	136,553,389	32,487,434	(37,800,253)	**131,240,570**	**64,211,356**	**(52,125,534)**	**143,326,392**
Provision for stores & spares	(2,168,474)	145,195	-	**(2,023,279)**	**133,167**	**-**	**(1,890,112)**
Provision for stock in trade	(42,005,772)	784,778	-	**(41,220,994)**	**(3,884,891)**	**-**	**(45,105,885)**
Accelerated tax depreciation allowances	1,891,286,053	(25,071,636)	-	**1,866,214,417**	**5,010,961**	**-**	**1,871,225,378**
Term Finance Certificates-Habib Bank Limited	(1,302,384)	-	(1,052,616)	**(2,355,000)**	**1,790,832**	**(1,217,698)**	**(1,781,866)**
	1,843,977,690	(1,756,964)	(48,966,801)	**1,793,253,925**	**42,492,188**	**(58,093,005)**	**1,777,653,106**

24 TRADE AND OTHER PAYABLES

	Note	2023	2022
		--------- Rupees	---------
Trade creditors		**5,907,554,310**	1,665,882,890
Accrued liabilities		**1,960,049,469**	1,158,629,095
Gratuity payable	24.1	**9,510,492**	9,659,273
Workers' profit participation fund	24.2	**333,060,046**	165,092,738
Workers' welfare fund		**144,967,468**	69,121,605
Sales tax payable		**-**	392,242,715
Other liabilities		**13,870,460**	14,231,176
		8,369,012,245	3,474,859,492

24.1 This represents benefits payable transferred to short term liability (note 23.2.3).

24.2 Workers' profit participation fund

	Note	2023	2022
		--------- Rupees	---------
Balance at the beginning of the year		**165,092,738**	106,257,803
Contribution for the year	33	**381,493,334**	181,898,959
Interest on funds utilized in the Company's business	35	**2,208,112**	4,285,279
		548,794,184	292,442,041
Less: Payments made during the year		**(215,734,138)**	(127,349,303)
Balance at the end of the year		**333,060,046**	165,092,738

25 ACCRUED MARK-UP

		2023	2022
Accrued mark-up on:			
Conventional			
- long term finances - secured		**265,469,799**	130,413,870
- short term finances - secured		**687,556,038**	165,059,977
Islamic			
- long term finances - secured		**111,352,976**	65,046,890
- short term finances - secured		**27,219,938**	13,812,511
		1,091,598,751	374,333,248

26 SHORT TERM FINANCES - secured

	Note	2023	2022
From banking companies			
Term finances - conventional	26.1	**1,649,997,917**	530,000,000
Term finances - islamic	26.2	**452,236,440**	286,170,800
Export refinances	26.3	**7,565,500,000**	6,215,496,502
Finance against discounting of export bills / receivables	26.4	**-**	899,016,236
Running finance utilized under mark-up arrangements	26.5	**5,440,548,535**	1,158,075,382
		15,108,282,892	9,088,758,920

26.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 6,365 million (June 2022: Rs. 1,565 million). These are secured against pari-passu / ranking hypothecation charge 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 16.20% to 22.20% per annum (June 2022: 7.18% to 15% per annum).

26.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (June 2022: Rs. 800 million). These are secured against pari-passu / ranking hypothecation charge 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 12.64% to 22.27% per annum (June 2022: 8.70% to 13.94% per annum).

26.3 These represent facilities for export refinance arranged from various banks aggregating to Rs. 7,665 million (June 2022: Rs. 6,265 million). These were secured against pari-passu / ranking hypothecation charge of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (June 2022: 0.25% to 1% above SBP rate per annum).

26.4 These represent facilities for finances against discounting of export bills / receivable arranged from various banks aggregating to Rs 1,400 million (June 2022: Rs 900 million). These are secured against pari-passu/ranking hypothecation charge 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 1% above the State Bank of Pakistan (SBP) rate per annum (June 2022: 1% above SBP rate per annum).

26.5 These represent facilities for running finances available from various banks aggregated to Rs. 9,155 million (June 2022: Rs. 4,355 million). These are secured against pari-passu/ ranking hypothecation charge of stocks and book debts and personal guarantees of the directors. These carry mark-up at the rates ranging from 14.50% to 22.98% per annum (June 2022: 7.61% to 14.81% per annum).

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 The Ministry of Industries has declared the BOPET film manufacturing project of the Company as Pioneer Industry due to which import of capital goods shall be duty free. The Company approached the Board of Investment (BOI) for the permission of imports who entertained the request and was 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 in favour of Collector of Custom amounting to Rs. 557.403 million (2022: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the 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 Constitutional Petition in the High Court of Sindh vide D-2666 on May 13, 2015 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 the Ministry of Industries dated August 15, 2012. The High Court has passed interim order dated May 13, 2015, in favour of the Company which is still operative and last hearing was held on September 04, 2023. The management of the Company is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospectively based on legal counsel's opinion.

27.1.2 The Company had filed Constitutional Petition 620-K of 2015 on November 27, 2015 against Federation of Pakistan, Federal Board of Revenue and Collectorate of Custom in the Supreme Court of Pakistan against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% duty on import of Poly Ethylene Terephthalate (PET Resin). In this connection the High Court vide order dated March 12, 2013 directed those custom duties at the rate of 3% to be paid by the Company to custom authorities and insofar as differential amount is concerned, 2.5% shall be deposited in cash and 2.5% shall be paid through post-dated cheques to the Nazir of the High Court. In this connection, the Company had deposited pay orders amounting to Rs. 100.217 million (2022: Rs. 100.217 million) and issued post-dated cheques amounting to Rs. 100.217 million (2022: Rs. 100.217 million) in favour of Nazir of the High Court as directed. Further, the Company had filed petition in the High Court of Sindh for rationalization of duty structure on PET Resin. The main grievance of the Company was 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 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 had been regretted by the High Court which was challenged in the Honorable Supreme Court of Pakistan. Supreme Court of Pakistan via its order 17621/22 dated September 30, 2022 had disposed off the case and Alternate Dispute Resolution Committee (ADRC) has been formed the last meeting was held on dated August 08, 2023. The decision of ADRC is pending and the Company's management and legal counsel believes that there is no immediate financial liability against the Company.

27.1.3 The Company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) who refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and the Company would not pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to the Company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards. The High Court had allowed the Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above suits / petitions was Rs. 606.4 million (June 2022: Rs 606.4 million). Currently, Bank guarantees of Rs.142.768 million (June 2022: Rs 119.562 million) has been released by the Order of the Sindh High Court and Bank Guarantees of Rs. 463.632 million (June 2022: Rs 486.832 million) are held by the Collector of Customs. Few Suits / Petitions are still pending in the Sindh High Court. The Company's legal counsel is of the opinion that Company has a good prima facie case and there will be no financial liability on the Company.

27.1.4 During the fiscal year 2017, Federal Board of Revenue had issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that the Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million (June 2022: Rs. 477.804 million) in their sales tax returns. In response to SCN, the Company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it has categorically mentioned that the High Court of Sindh, at Karachi, has sanctioned the petition no. J.Misc. 13/ 2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and the Company has claimed the input sales tax on that basis. However, the Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was withdrawn by the Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee which is still in process. As per the legal counsel, the Company has reasonable grounds to believe that it will not have to incur any financial liability.

27.1.5 The Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by the Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order / Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was withdrawn by the Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee which is still in process. The Company's legal counsel is confident that the case will be decided in favour of the Company.

27.1.6 The Company had filed the Constitutional Petition 2752/2011 on August 09, 2011 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. In 2021, the case had been disposed off by the High Court in favour of Excise and Taxation Department. However, the Company along with the industry has challenged the applicability of said order in Honorable Supreme of Pakistan through case number 4978 of 2021 and the Court has granted the stay order on Sep 01, 2021 upon providing the fresh bank guarantees equivalent to the amount already provided to the High Court, keeping the previously furnished bank guarantees operative and enforceable against the release of all future consignments of imported goods and restrained the authorities to take any coercive action against the Company. The total quantum of bank guarantees involved is Rs. 863 million (June 2022: Rs 518 million).

27.1.7 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA , SSGC and SNGPL in different Honourable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015 and the Company has challenged that GIDC Act 2015 and filed a writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC Act, 2015. In October 2015, Sindh High Court (SHC) decided this suit in favour of the Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where the Company was not party to such litigation. The Honorable Supreme Court of Pakistan has disposed off the case on 13 August, 2020 and instructed the gas distribution companies to recover the outstanding amount in 24 equal instalments only from those consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, the Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on January 10, 2022. The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 826 million (June 2022: Rs 826 million) (inclusive of Sales Tax). The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

27.1.8 Through Finance Act, 2019, the Government had reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Company has challenged the provision of Finance Act, 2019 before the High Court of Sindh on 19 December, 2019 against the Federation of Pakistan and obtained the interim relief of claiming 10% tax credit on all investments already planned including its ancillary costs. The case was disposed off by the Honourable High Court of Sindh during the year in favour of the Company which has been challenged by the department in Honourable Supreme Court of Pakistan. The management and Company's legal council are confident that the case will be decided in favour of the Company.

27.1.9 The Company had filed two petitions S-1803 & 1905 of 2020 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2020 dated October 23, 2020 for increase in the price of natural gas and different prices for industrial and captive connection where the same is used for internal consumption by industrial undertaking. The Court vide its order dated November 11, 2020 & December 03, 2020 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 balance amount by way of bank guarantee or cheque in favour of the Nazir of Court. The cumulative differential amount is approximately Rs 158.932 million (June 2022: Rs 114.012 million) (exclusive of sales tax) which has not been recorded in the statement of financial position. During the year, the single bench of the High Court of Sindh disposed off the case against the Company and the Company has filed another case with the Divisional Bench of the same court. The Divisional Bench has granted the stay order. The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

27.1.10 During the year, the Board of Revenue (BOR) has issued a notice to the Company in accordance with section 73 of the Stamp Act, 1899 for inspection of books of accounts and subsequently issued a demand notice of Rs. 297.907 million as a stamp duty due against various contracts undertaken by the Company during the year 2021 and 2022. The Company challenged the said demand notice and filed a Constitutional Petition D-8084 of 2022 on 26 December 2022 against BOR in the Honorable High Court of Sindh (SHC) and cited that section 73 of the Stamp Act, 1899 allows the representative of BOR to inspect documents available in public office only and inclusion of private office under the definition of Public Office is ultra vires and against the principles of natural justice. SHC has granted stay order to the Company against the impugned demand notice and restrained the BOR from taking any coercive action against the plaintiff. The matter is still pending in the SHC. The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

26.1.11 With reference to the contingency in associated company, The Bank of Khyber (BOK), please refer the note 20 of interim financial statement of June 30, 2023.

		2023	2022
		--------- Rupees ---------	
27.2	**Commitments**		
27.2.1	Outstanding letters of guarantee	**3,065,474,545**	2,509,325,740
27.2.2	Cross Corporate guarantees issued by the Company on behalf of Subsidiary companies	**4,838,811,644**	4,163,811,644
27.2.3	Outstanding letters of credit for:		
	- capital expenditure	**726,605,896**	671,049,690
	- raw material	**5,585,776,940**	1,529,969,416

27.2.4 The Company has extended 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.

		2023	2022
27.2.5	The Company's share of commitments of associated companies.		
	- Guarantees	**9,129,399,388**	5,581,829,733
	- Commitments	**10,570,628,182**	22,334,098,319

28 OPERATING RESULTS

	Note	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Total 2023	Total 2022
		Reportable segment					
		--------	--------	Rupees	--------	--------	--------
Disaggregation of revenue							
Local sales		**44,590,523,704**	37,068,823,819	**15,263,399,639**	13,041,105,764	**59,853,923,343**	50,109,929,583
Export sales		**37,950,689,573**	12,996,489,018	**1,928,433,951**	2,149,329,808	**39,879,123,524**	15,145,818,826
		82,541,213,277	50,065,312,837	**17,191,833,590**	15,190,435,572	**99,733,046,867**	65,255,748,409
Sales returns, discounts and direct expense		**(2,060,718,759)**	(2,439,977,886)	**(51,434,910)**	(35,772,869)	**(2,112,153,669)**	(2,475,750,755)
		80,480,494,518	47,625,334,951	**17,140,398,680**	15,154,662,703	**97,620,893,198**	62,779,997,654
Add: Export rebate		**31,217,117**	24,798,153	**-**	491,072	**31,217,117**	25,289,225
		80,511,711,635	47,650,133,104	**17,140,398,680**	15,155,153,775	**97,652,110,315**	62,805,286,879
Sales tax		**(6,441,760,893)**	(5,593,663,897)	**(2,304,553,497)**	(1,950,923,787)	**(8,746,314,390)**	(7,544,587,684)
Sales - net		**74,069,950,742**	42,056,469,207	**14,835,845,183**	13,204,229,988	**88,905,795,925**	55,260,699,195
Cost of sales	30	**(57,882,211,611)**	(34,302,049,720)	**(12,591,483,848)**	(11,113,151,904)	**(70,473,695,459)**	(45,415,201,624)
Gross profit		**16,187,739,131**	7,754,419,487	**2,244,361,335**	2,091,078,084	**18,432,100,466**	9,845,497,571
Selling and distribution expenses	31	**(6,473,369,784)**	(4,277,097,833)	**(580,215,250)**	(507,563,428)	**(7,053,585,034)**	(4,784,661,261)
Administrative expenses	32	**(859,553,862)**	(694,054,979)	**(188,682,554)**	(122,480,289)	**(1,048,236,416)**	(816,535,268)
		(7,332,923,646)	(4,971,152,812)	**(768,897,804)**	(630,043,717)	**(8,101,821,450)**	(5,601,196,529)
Operating profit		**8,854,815,485**	2,783,266,675	**1,475,463,531**	1,461,034,367	**10,330,279,016**	4,244,301,042
Unallocated items							
Other operating expense	33					**(822,860,092)**	(422,789,237)
Other income	34					**1,995,430,693**	762,853,691
Finance cost	35					**(4,399,443,729)**	(1,413,989,787)
Share of profit from associated company - net	8.3					**428,075,707**	216,582,895
Profit before taxation						**7,531,481,595**	3,386,958,604
Taxation	37					**(1,149,797,012)**	(835,938,376)
Profit for the year						**6,381,684,583**	2,551,020,228

		Reportable segment					
		Food segment		Plastic segment		Total	
		2023	2022	**2023**	2022	**2023**	2022
		----------Rupees----------					
28.1	Segment assets	**46,220,297,112**	24,230,176,216	**15,202,736,562**	17,666,350,626	**61,423,033,674**	41,896,526,842
28.2	Unallocated assets	**-**	-	**-**	-	**11,632,562,060**	9,447,477,722
		46,220,297,112	24,230,176,216	**15,202,736,562**	17,666,350,626	**73,055,595,734**	51,344,004,564
28.3	Segment liabilities	**21,193,509,378**	7,990,210,635	**5,080,176,340**	5,903,422,459	**26,273,685,718**	13,893,633,094
28.4	Unallocated liabilities	**-**	-	**-**	-	**29,066,176,759**	24,870,790,217
		21,193,509,378	7,990,210,635	**5,080,176,340**	5,903,422,459	**55,339,862,477**	38,764,423,311
28.5	Major Non-cash items						
	-depreciation and amortisation	**1,649,204,359**	1,395,751,320	**752,723,078**	799,073,348	**2,401,927,437**	2,194,824,668
	-gratuity	**153,849,811**	75,146,345	**24,645,603**	53,705,849	**178,495,414**	128,852,194
		1,803,054,170	1,470,897,665	**777,368,681**	852,779,197	**2,580,422,851**	2,323,676,862
28.6	Capital expenditure	**6,039,519,313**	5,185,195,575	**191,683,898**	1,433,377,273	**6,231,203,211**	6,618,572,848

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

28.8 World food program is the major customers of the Company which constituted 10 percent or more of the Company's revenue.

29 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES

		Note	**2023**	2022
			--------- Rupees ---------	
29.1	**Assets**			
	Total assets for reportable segments	28.1	**61,423,033,674**	41,896,526,842
	Administrative capital assets		**1,730,143,203**	1,336,788,877
	Long-term investments	8	**8,751,140,930**	7,145,568,786
	Short term investments	15	**1,151,277,927**	965,120,059
	Total assets		**73,055,595,734**	51,344,004,564
29.2	**Liabilities**			
	Total liabilities for reportable segments	28.3	**26,273,685,718**	13,893,633,094
	Deferred tax liabilities	23	**1,777,653,106**	1,793,253,925
	Long term finances - secured	21	**27,288,523,653**	23,070,049,273
	Lease liabilities		**-**	7,487,019
	Total liabilities		**55,339,862,477**	38,764,423,311

30 COST OF SALES

	Note	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Total 2023	Total 2022
		-----------	-----------	-----------	Rupees	-----------	-----------
Raw materials consumed		**40,016,107,380**	21,545,710,854	**10,460,026,500**	9,140,196,563	**50,476,133,880**	30,685,907,417
Packing materials consumed		**10,101,185,836**	6,872,883,136	**383,702,719**	397,294,487	**10,484,888,555**	7,270,177,623
Stores and spares consumed		**901,938,736**	513,987,608	**173,608,552**	189,528,800	**1,075,547,288**	703,516,408
Salaries, wages and other benefits		**3,984,499,332**	2,594,852,544	**416,316,905**	274,502,056	**4,400,816,237**	2,869,354,600
Electricity, gas, fuel and lubricants		**1,223,361,266**	924,267,609	**566,547,907**	406,101,885	**1,789,909,173**	1,330,369,494
Repairs and maintenance		**228,499,661**	173,636,122	**33,491,956**	33,309,101	**261,991,617**	206,945,223
Printing and stationery		**30,868,196**	9,045,971	**1,553,623**	1,266,956	**32,421,819**	10,312,927
Insurance		**46,440,162**	29,803,926	**19,607,065**	13,883,642	**66,047,227**	43,687,568
Rent, rates and taxes		**10,503,362**	6,867,556	**5,383,633**	1,183,395	**15,886,995**	8,050,951
Water charges		**38,830,314**	43,731,900	**7,232,413**	7,431,808	**46,062,727**	51,163,708
Postage and telephone		**11,026,490**	6,376,121	**1,554,422**	1,569,351	**12,580,912**	7,945,472
Travelling and conveyance		**14,025,251**	10,601,113	**762,792**	444,813	**14,788,043**	11,045,926
Vehicle running and maintenance		**46,453,005**	23,294,153	**22,304,488**	13,602,592	**68,757,493**	36,896,745
Depreciation and amortisation	6.4	**1,453,057,630**	1,256,762,754	**721,709,452**	778,347,649	**2,174,767,082**	2,035,110,403
Laboratory expenses		**56,851,590**	22,323,487	**-**	248,354	**56,851,590**	22,571,841
Fees and subscription		**4,505,880**	7,416,408	**1,514,668**	1,788,286	**6,020,548**	9,204,694
Legal and professional charges		**225,000**	132,000	**-**	-	**225,000**	132,000
Cartage inward		**36,514,382**	22,988,256	**12,629,784**	6,262,829	**49,144,166**	29,251,085
Other manufacturing expenses		**16,886,998**	14,626,117	**4,538,828**	5,720,862	**21,425,826**	20,346,979
		58,221,780,471	34,079,307,635	**12,832,485,707**	11,272,683,429	**71,054,266,178**	45,351,991,064
Work-in-process at the beginning of the year		**272,168,168**	82,019,341	**142,499,215**	150,894,057	**414,667,383**	232,913,398
Work-in-process at the end of the year		**(195,656,685)**	(272,168,168)	**(444,396,880)**	(142,499,215)	**(640,053,565)**	(414,667,383)
		76,511,483	(190,148,827)	**(301,897,665)**	8,394,842	**(225,386,182)**	(181,753,985)
Trial production cost transferred to CWIP		**(123,468,335)**	-	**-**	-	**(123,468,335)**	-
Cost of goods manufactured		**58,174,823,619**	33,889,158,808	**12,530,588,042**	11,281,078,271	**70,705,411,661**	45,170,237,079
Stock of finished goods at the beginning of the year		**2,169,520,134**	2,514,867,263	**286,941,854**	125,060,487	**2,456,461,988**	2,639,927,750
Purchase of finished goods		**538,666,052**	67,725,905	**-**	-	**538,666,052**	67,725,905
Insurance claim		**(60,400)**	(182,122)	**-**	(6,045,000)	**(60,400)**	(6,227,122)
Stock of finished goods at the end of the year		**(3,000,737,794)**	(2,169,520,134)	**(226,046,048)**	(286,941,854)	**(3,226,783,842)**	(2,456,461,988)
		(292,612,008)	412,890,912	**60,895,806**	(167,926,367)	**(231,716,202)**	244,964,545
		57,882,211,611	34,302,049,720	**12,591,483,848**	11,113,151,904	**70,473,695,459**	45,415,201,624

31 SELLING AND DISTRIBUTION EXPENSES

	Note	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Total 2023	Total 2022
		Rupees					
Salaries and other benefits	31.1	**1,626,403,543**	1,398,827,312	**53,504,927**	61,656,371	**1,679,908,470**	1,460,483,683
Cartage outward		**1,358,665,486**	1,112,204,633	**243,557,900**	163,952,494	**1,602,223,386**	1,276,157,127
Export expenses		**1,699,636,574**	533,419,662	**191,045,911**	255,131,430	**1,890,682,485**	788,551,092
Advertisements		**861,899,530**	637,006,776	**1,000,000**	-	**862,899,530**	637,006,776
Entertainment		**11,725,152**	10,080,879	**989,621**	270,913	**12,714,773**	10,351,792
Vehicle running and maintenance		**514,746,916**	291,174,938	**6,620,970**	3,926,399	**521,367,886**	295,101,337
Printing and stationery		**2,961,137**	1,950,890	**539,584**	1,049,224	**3,500,721**	3,000,114
Postage and telephone		**35,411,493**	17,395,196	**6,349,237**	1,596,934	**41,760,730**	18,992,130
Conveyance and travelling		**95,263,543**	47,029,786	**6,530,954**	2,818,030	**101,794,497**	49,847,816
Utilities		**5,002,509**	2,730,370	**1,787,566**	1,564,948	**6,790,075**	4,295,318
Repairs and maintenance		**4,780,443**	13,427,030	**764,101**	1,339,363	**5,544,544**	14,766,393
Rent, rates and taxes		**144,906,818**	122,252,952	**5,488,567**	4,951,522	**150,395,385**	127,204,474
Depreciation and amortisation	6.4	**76,779,869**	57,164,830	**4,811,144**	6,286,216	**81,591,013**	63,451,047
Fee and subscription		**515,572**	866,873	**2,518,670**	1,658,547	**3,034,242**	2,525,420
Insurance		**23,260,509**	16,278,489	**1,469,067**	1,237,075	**24,729,576**	17,515,564
Allowance for expected credit loss	12.2	**-**	7,000,000	**50,493,402**	-	**50,493,402**	7,000,000
Miscellaneous		**11,410,690**	8,287,217	**2,743,629**	123,962	**14,154,319**	8,411,179
		6,473,369,784	4,277,097,833	**580,215,250**	507,563,428	**7,053,585,034**	4,784,661,261

31.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 47.28 million (2022: Rs 64.47 million)

32 ADMINISTRATIVE EXPENSES

	Note	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Total 2023	Total 2022
Salaries and other benefits including director's remuneration	32.1	**422,719,314**	408,637,761	**92,792,045**	72,112,546	**515,511,359**	480,750,307
Conveyance and travelling		**48,237,705**	14,070,394	**10,588,765**	2,483,011	**58,826,470**	16,553,405
Postage and telephone		**29,946,010**	19,134,413	**6,573,514**	3,376,661	**36,519,524**	22,511,074
Printing and stationery		**36,970,855**	27,952,944	**8,115,554**	4,932,872	**45,086,409**	32,885,816
Repairs and maintenance		**46,576,729**	35,265,624	**10,224,160**	6,223,345	**56,800,889**	41,488,969
Electricity and utilities		**21,653,117**	13,707,301	**4,753,123**	2,418,936	**26,406,240**	16,126,237
Insurance		**10,747,710**	7,627,882	**2,359,253**	1,346,097	**13,106,963**	8,973,979
Entertainment		**6,193,256**	8,080,101	**1,359,495**	1,425,900	**7,552,751**	9,506,001
Vehicle running and maintenance		**66,455,011**	38,463,540	**14,587,685**	6,787,683	**81,042,696**	45,251,223
Rent, rates and taxes		**12,119,064**	8,626,964	**2,660,282**	1,522,405	**14,779,346**	10,149,369
Fee and subscription		**7,413,460**	11,079,073	**1,627,345**	1,955,130	**9,040,805**	13,034,203
Legal and professional charges		**30,129,968**	18,441,359	**6,613,895**	3,254,357	**36,743,863**	21,695,716
Depreciation and amortisation	6.4	**119,366,860**	81,823,736	**26,202,482**	14,439,483	**145,569,342**	96,263,220
General meeting expenses		**85,135**	78,793	**18,688**	13,905	**103,823**	92,698
Miscellaneous		**939,668**	1,065,094	**206,268**	187,958	**1,145,936**	1,253,052
		859,553,862	694,054,979	**188,682,554**	122,480,290	**1,048,236,416**	816,535,268

32.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 7.60 million (2022: Rs 33.29 million)

			2023	2022
33	**OTHER OPERATING EXPENSES**	**Note**	--------- **Rupees** ---------	
	Contribution to:			
	- workers' profits participation fund		**381,493,334**	181,898,959
	- workers' welfare fund		**144,967,468**	69,121,605
	Auditors' remuneration	33.1	**5,500,000**	4,854,650
	Donations	33.2	**281,155,739**	164,713,134
	Other		**9,743,551**	2,200,890
			822,860,092	422,789,238
33.1	**Auditor's remuneration**			
	Audit fee - unconsolidated		**3,000,000**	2,700,000
	Audit fee - consolidated		**900,000**	800,000
	Fee for statutory certification		**500,000**	304,650
	Fee for half yearly review		**600,000**	600,000
	Out-of-pocket expense		**500,000**	450,000
			5,500,000	4,854,650
33.2	**Donation to the following organizations exceed 10% of total donation**			
	- Shed Foundation		**-**	36,200,000
	- Dow University		**-**	25,488,500
	- Al Mustafa Welfare Trust		**168,263,764**	18,881,484
			168,263,764	80,569,984

33.2.1 None of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.

		2023	2022
34	**OTHER INCOME**	--------- **Rupees** ---------	
	Income from financial assets		
	Exchange gain	**1,402,889,926**	180,196,393
	Income from short term investments	**174,115,265**	51,031,115
	Income from non financial assets		
	Recovery from the sale of production scrap	**217,805,602**	131,009,386
	Gain on disposal of property, plant and equipment-net	**55,173,717**	347,703,394
	Processing income	**107,496,556**	37,093,010
	Others	**37,949,627**	15,820,393
		1,995,430,693	762,853,691

35 FINANCE COST

	2023	2022
	--------- Rupees ---------	
Mark up on:		
- long term finances - conventional	974,657,713	405,006,360
- long term finances - islamic	1,223,875,850	309,673,057
- short term finances - conventional	1,326,504,715	484,331,457
- short term finances - islamic	639,159,148	90,563,836
Interest on workers' profits participation fund	2,208,112	4,285,279
Finance charge on lease liabilities	274,423	3,321,861
Bank charges	232,763,768	116,807,937
	4,399,443,729	1,413,989,787

36 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief executive officer	Director	Executives	Chief executive officer	Directors	Executives
	---Rupees---					
Managerial remuneration	16,800,000	14,400,000	728,291,519	16,000,000	13,600,000	546,959,806
Gratuity	-	-	34,234,141	-	-	26,971,435
Bonus	-	-	34,234,141	-	-	26,971,435
Leave encashment	-	-	31,408,569	-	-	23,072,772
Reimbursement of expenses						
Utilities	1,500,000	1,250,000	-	1,416,663	1,166,667	-
	18,300,000	15,650,000	828,168,370	17,416,663	14,766,667	623,975,448
Number of persons	1	1	150	1	1	134

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

36.1 The remuneration has been allocated as follows:

	2023			2022		
	Chief executive officer	Director	Executives	Chief executive officer	Directors	Executives
	---Rupees---					
Cost of goods sold	-	-	306,734,537	-	-	251,760,379
Selling and distribution expenses	-	-	325,527,770	-	-	215,526,863
Administrative expenses	18,300,000	15,650,000	195,906,063	17,416,663	14,766,667	156,688,206
	18,300,000	15,650,000	828,168,370	17,416,663	14,766,667	623,975,448
Number of persons	1	1	150	1	1	134

36.2 Bonus is given to employees as per the Company's policy.

		2023	2022
37	**TAXATION**	--------- Rupees ---------	
	Current	**1,217,684,448**	831,971,541
	Prior year	**(110,379,624)**	5,723,799
	Deferred	**42,492,188**	(1,756,964)
		1,149,797,012	835,938,376

37.1 RELATIONSHIP BETWEEN TAX EXPENSES AND ACCOUNTING PROFIT

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income of the company attracts minimum tax and FTR under income tax ordinance, 2001.

		2023	2022
38	**EARNINGS PER SHARE - Basic and diluted**		
	Basic earnings per share	--------- Rupees ---------	
	Profit for the year	**6,381,684,583**	2,551,020,228
		Number of shares	
	Weighted average number of shares outstanding as at year end	**66,356,940**	66,356,940
	Basic earnings per share	**96.17**	38.44

Diluted earnings per share

There is no dilutive potential ordinary shares outstanding as at June 30, 2023 & June 30, 2022.

		2023	2022
39	**NUMBER OF EMPLOYEES**	--------Numbers ---------	
	Number of employees as at the year end	**3,053**	2,643
	Average number of employees during the year	**2,848**	2,484

		Note	2023	2022
40	**CASH GENERATED FROM OPERATIONS**	**Note**	--------- Rupees ---------	
	Profit before taxation		**7,531,481,595**	3,386,958,604
	Adjustments for non-cash and other items:			
	Depreciation and Amortisation	6.4 & 7	**2,401,927,437**	2,194,824,668
	Gain on disposal of property, plant and equipment-net	34	**(55,173,717)**	(347,703,394)
	Provision for staff gratuity scheme - unfunded	23.2.5	**178,495,414**	128,852,194
	Finance cost	35	**4,399,443,729**	1,413,989,787
	Share of profit from associated company - net	8.3	**(428,075,707)**	(216,582,895)
	Provision for slow moving - stock in trade		**208,616,052**	92,092,697
	Allowance for expected credit loss		**50,493,402**	7,000,000
	Unrealized exchange gain		**(25,977,542)**	(54,746,794)
	Unrealized gain on short term investment		**(1,595,808)**	-
	Unrealized exchange (gain) / loss on borrowings		**(101,247,409)**	68,266,320
			14,158,387,446	6,672,951,187
	Working capital changes			
	Increase in current assets			
	Stores and spares		**(119,526,849)**	(49,586,744)
	Stock-in-trade		**(7,755,680,280)**	(859,515,224)
	Trade debts		**(4,783,813,401)**	(2,337,122,761)
	Loans and advances		**(1,254,092,197)**	(434,249,018)
	Trade deposits and short term prepayments		**(249,517,211)**	(6,731,054)
	Other receivables		**(1,112,230,022)**	(95,948)
			(15,274,859,960)	(3,687,300,749)
	Increase / (Decrease) in current liabilities			
	Trade and other payables		**4,895,167,275**	(543,927,748)
	Advances from customers - unsecured		**616,952,864**	(190,585,560)
			5,512,120,139	(734,513,308)
	Net decrease in working capital		**(9,762,739,821)**	(4,421,814,057)
	Cash generated from operations		**4,395,647,625**	2,251,137,130

41 Reconciliation of movement of liabilities to cash flow arising from financing activities.

	Long term finances	Lease Liabilities	Accrued mark-up	Total
	---------------------------------- Rupees ----------------------------------			
Balance as at July 01, 2022	**23,070,049,273**	**7,487,019**	**374,333,248**	**23,451,869,540**
Proceeds from long term finance	**7,484,311,025**	**-**	**-**	**7,484,311,025**
Payment of long term finance	**(3,164,589,236)**	**-**	**-**	**(3,164,589,236)**
Interest charged on finance lease	**-**	**274,423**	**-**	**274,423**
Payment of liabilities subject to finance lease	**-**	**(7,761,442)**	**-**	**(7,761,442)**
Finance cost for the year other than finance lease	**-**		**4,399,169,306**	**4,399,169,306**
Mark-up paid	**-**		**(3,681,903,803)**	**(3,681,903,803)**
Foreign exchange gain	**(101,247,409)**	**-**	**-**	**(101,247,409)**
Balance as at June 30, 2023	**27,288,523,653**	**-**	**1,091,598,751**	**28,380,122,404**

	Long term finances	Lease Liabilities	Accrued mark-up	Total
	---------------------------------- Rupees ----------------------------------			
Balance as at July 01, 2021	16,562,851,884	62,166,882	162,665,518	16,787,684,284
Proceeds from long term finance	10,204,537,343	-	-	10,204,537,343
Payment of long term finance	(3,765,606,274)	-	-	(3,765,606,274)
Interest charged on finance lease	-	3,321,861	-	3,321,861
Payment of liabilities subject to finance lease	-	(58,001,724)	-	(58,001,724)
Finance cost for the year other than finance lease	-	-	1,410,667,926	1,410,667,926
Mark-up paid	-	-	(1,199,000,196)	(1,199,000,196)
Foreign exchange loss	68,266,320	-	-	68,266,320
Balance as at June 30, 2022	23,070,049,273	7,487,019	374,333,248	23,451,869,540

		Note	2023	2022
			--------- Rupees ---------	
42	**FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**			
42.1	**Financial instruments by category**			
	Financial assets			
	At amortized cost			
	Long term deposits	9	**26,314,265**	23,550,568
	Trade debts	12	**10,662,983,220**	5,854,058,018
	Loans and advances	13	**265,496,495**	55,190,647
	Trade deposits - unsecured	14	**286,277,691**	24,043,579
	Other receivables	16	**100,402,028**	100,402,028
	Cash and bank balances	18	**1,530,218,047**	242,333,100
	Short term investments	15	**316,812,927**	775,120,059
	At fair value through OCI			
	Short term investments	15	**834,465,000**	190,000,000
	Total financial assets		**14,022,969,672**	**7,264,697,999**
	Financial liabilities			
	At amortized cost			
	Long term finances	21	**27,288,523,653**	23,070,049,273
	Lease liabilities		**-**	7,487,019
	Trade and other payables	24	**7,893,415,577**	2,848,332,859
	Accrued mark-up	25	**1,091,598,751**	374,333,248
	Short term finances	26	**15,108,282,892**	9,088,758,920
	Unclaimed dividend		**5,069,267**	4,044,553
	Total financial liabilities		**51,386,890,140**	35,393,005,872

42.2 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Company's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There are few transfers of level 3 short term investment to level 1 as it become listed during the year.
The valuation techniques used are as follows:
Level 1: Quoted prices (unadjusted) in active markets
Level 2: Non active markets The fair value of financial instruments of non active market is based on inputs available in the market.
The fair value of financial instruments traded in active markets is based on market value of financial instrument at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Company's financial assets (by class) measured at fair value at June 30, 2023:

Financial assets	2023 Level 1	Level 2	Level 3	Total
	------------------Rupees -------------------			
Financial investments: fair value through OCI	**834,465,000**	**-**	**-**	**834,465,000**

	2022 Level 1	Level 2	Level 3	Total
	------------------Rupees -------------------			
Financial investments: fair value through OCI	190,000,000	-	-	190,000,000

42.3 Financial risk management

The board of directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

42.3.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful for recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, other receivables and deposits with financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Trade debts

The Company's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the company for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

The Company limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with the credit ratings are tabulated below:

	Short- term Ratings	2023	2022
		--------- Rupees ---------	
Allied Bank Limited	A1+	**121,466,071**	7,459,040
Bank Al Falah Limited	A1+	**21,093,712**	1,098,845
Bank Al Habib Limited	A1+	**20,544,213**	18,906,767
Bank Islami Pakistan Limited	A1	**282,855,292**	100,324,791
Dubai Islamic Bank Pakistan Limited	A1+	**23,062,537**	7,784,172
Habib Bank Limited	A1+	**471,725,894**	862,399
Habib Metropolitan Bank Limited	A1+	**68,656,854**	29,288,223
JS Bank Limited	A1+	**149,319,867**	20,033,717
MCB Bank Limited	A1+	**52,246,194**	316,392
MCB Islamic Bank Limited	A1	**51,586,951**	310,830
Meezan Bank Limited	A1+	**150,306,513**	41,467,257
National Bank Of Pakistan	A1+	**5,201,189**	1,400,086
Samba Bank Limited	A1	**16,185**	15,185
Soneri Bank Limited	A1+	**30,186,697**	1,153,046
Summit Bank Limited	-	**313,971**	355,371
Standard Charted Bank Limited	A1+	**1,181,241**	-
Bank of Punjab	A1+	**41,949,567**	6,021,332
Askari Bank Limited	A1+	**32,732,561**	952,394
Al Barka Bank Limited	A1	**48,950**	-
		1,524,494,459	237,749,847

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2023	2022
		--------- Rupees	---------
Long term deposits	9	**26,314,265**	23,550,568
Trade debts	12	**10,504,519,178**	5,746,087,378
Loans and advances	13	**265,496,495**	55,190,647
Trade deposits - unsecured	14	**286,277,691**	24,043,579
Short term investments	15	**316,812,927**	775,120,059
Bank balances	18	**1,524,494,459**	237,749,847
Other receivables	16	**100,402,028**	100,402,028
		13,024,317,043	6,962,144,106

To reduce the exposure to credit risk, the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Company has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

	Note	2023	2022
		--------- Rupees	---------
More than 45 days but not more than 3 months		**542,862,019**	247,431,639
More than 3 months but not more than 6 months		**398,539,140**	147,754,398
More than 6 months but not more than 1 year		**235,981,637**	134,999,001
More than 1 year		**107,616,349**	83,909,116
	12.3	**1,284,999,145**	614,094,154

In respect of trade debts, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

42.3.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Based on the above, management believes the liquidity risk is insignificant.

As at the reporting date the Company's financial liabilities have contractual maturities as summarized below:
Effective rates of return/mark-up on financial liabilities are as follows:

		2023			
		Effective rate of interest	**Carrying amount**	**Maturity upto one year**	**Maturity after one year**
	Note	---------------------------------	Rupees	----------------------------	
Financial liabilities - Interest bearing					
Long term finances - secured Conventional	21	**9.01%**	**19,946,072,320**	**2,727,894,540**	**17,218,177,780**
Long term finances - secured Islamic		**16.3%**	**7,342,451,333**	**1,368,497,713**	**5,973,953,620**
Short term finances - secured - conventional	26	**16.20% to 22.20%**	**14,656,046,452**	**14,656,046,452**	**-**
Short term finances - secured - Islamic	26	**12.64% to 22.27%**	**452,236,440**	**452,236,440**	**-**
Non - interest bearing					
Trade and other payables	24	**-**	**7,893,415,577**	**7,893,415,577**	**-**
Accrued mark-up	25	**-**	**1,091,598,751**	**1,091,598,751**	**-**
Unclaimed dividend			**5,069,267**	**-**	**-**
			51,386,890,140	**28,189,689,473**	**23,192,131,400**

		2022			
	Note	Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
		---------------------------------Rupees-----------------------------			
Financial liabilities - Interest bearing					
Long term finances - secured - conventional	21	4%	15,415,662,067	2,697,752,499	12,717,909,568
Long term finances - secured - Islamic		6.3%	7,654,387,206	683,004,100	6,971,383,106
Lease liabilities - conventional		7.76% to 7.96%	1,333,654	897,554	- 436,100
Lease liabilities - Islamic		7.28% to 8.48%	6,153,365	3,931,765	2,221,600
Short term finances - secured - conventional	26	7.18% to 8.96%	8,802,588,120	8,802,588,120	-
Short term finances - secured - Islamic	26	6.81% to 8.63%	286,170,800	286,170,800	-
Non - interest bearing					
Trade and other payables	24	-	2,848,332,859	2,848,332,859	-
Accrued mark-up	25	-	374,333,248	374,333,248	-
Unclaimed dividend			4,044,553	-	-
			35,393,005,872	15,697,010,945	19,691,950,374

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2023, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 272.89 million (June 2022: Rs. 230.70 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2023, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 151.08 million (June 2022: Rs. 90.89 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

42.3.3 Market risk

Market risk is the risk that fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market prices. Market prices comprise of three types of risks namely foreign currency risk, interest rate risk and other price risk, such as equity risk.

a) **Foreign currency risk**

Currency risk is the risk that the fair value of future cash flows of financial asset or a liability may fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in US Dollars.

Exposure to Foreign currency risk

The Company is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2023	2022
	---------- Amount in USD ----------	
Trade debts	**20,221,659**	6,959,632
Cash and bank balances	**3,353,064**	159,782
Trade and other payables	**(7,333,407)**	(1,690,127)
Loans and advances	**924,753**	268,568
Advance from customer	**(738,013)**	(255,589)
	16,428,056	5,442,266
Off balance sheet exposures		
Letter of credit	**(21,986,704)**	(10,710,555)
Net Exposure	**(5,558,648)**	(5,268,289)

The following significant exchange rates were applied during the year.

	Rupee per USD	
Average rate	**246.30**	181.65
Reporting date rate	**287.10**	205.50

Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2022 would have effect on the equity and profit and loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2023.

	2023	2022
	--------- Rupees ---------	
Strengthening of PKR against respective currencies	**159,588,797**	108,263,369
Weakening of PKR against respective currencies	**(159,588,797)**	(108,263,369)

As at 30 June 2023, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 159.59 million (2022: Rs. 108.26 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.

The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

	Note	**2023**	2022
		--------- Rupees ---------	
Export debtors	12	**5,805,638,355**	1,430,204,301
Import creditors		**2,105,421,016**	347,321,180
		7,911,059,371	1,777,525,481

b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks and running finance facilities. At the reporting date the interest rate profile of the Company's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2023	2022
Variable rate instruments	**--------- Rupees ---------**	
Financial liabilities	**6,350,453,666**	6,705,415,593
	6,350,453,666	6,705,415,593

As at 30 June 2023, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 63.5 million. (2022: Rs. 67.05 million) mainly because of higher/lower interest expense on variable rate instruments.

c) Equity risk

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

43 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company’s capital includes share capital and reserves. As at reporting date the capital of the Company is as follows:

	2023	2022
	--------- Rupees ---------	
Share capital	**663,569,400**	663,569,400
Reserves	**17,052,163,857**	11,916,011,853
	17,715,733,257	12,579,581,253

The Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Company's capital signifies equity as reported in statement of financial position and includes share capital and accumulated losses.

The Company's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2023 and 2022 were as follows:

	Note	2023	2022
		--------- Rupees ---------	
Total borrowings		**42,396,806,545**	32,158,808,193
Less: Cash and bank balances	18	**(1,530,218,047)**	(242,333,100)
Net debt		**40,866,588,498**	31,916,475,093
Total equity		**17,715,733,257**	12,579,581,253
Total equity and debt		**58,582,321,755**	44,496,056,346
Net gearing ratio (%)		**69.8%**	71.7%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

44 PLANT CAPACITY AND ACTUAL PRODUCTION

	2023 Metric Ton		2022 Metric Ton	
	Rated Capacity	**Actual Production**	Rated Capacity	Actual Production
Food processing	**219,932**	**123,317**	183,288	100,625
Plastic film	**63,000**	**34,121**	63,000	39,928

The Company has enhanced the production capacity in food processing by 36,644 metric tons and production by 22,692 metric tons. Remaining capacity and production utilization was as per the market demand.

45 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Company and key management personnel. The Company continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements, are as fallows:

Key Management Personnel (KMP)

Name	**Direct shareholding %**
Mr. Ahmed Muhammad	15.22
Mr. Munsarim Saif	0.000009
Mr. Ghulam Farooq	Nil
Mr. Ahmed Raza Parekh	Nil

	2023	2022
Hudson Pharma (Private) Limited	--------- Rupees ---------	
(Subsidiary Company - 78.53% shareholding)		
Investment made during the year	**400,000,000**	520,000,000
- Purchase of fixed assets	**184,215,834**	-
- Payment against purchases	**(184,215,834)**	-
Innovita Nutrition (Private) Limited		
(Associated Company - Common Directorship)		
- Purchase of raw material	**106,818,235**	-
- Payment against purchases	**(539,225,235)**	-
- Advance to Associated Company	**(432,407,000)**	-
Ismail Resin (Private) Limited.		
(Subsidiary Company - 75% shareholding)		
Investment made during the year	**1,125,000,000**	1,383,262,500
Salaries & benefits to KMP	**60,959,004**	63,443,336
Post employment benefit to KMP	**1,415,637**	1,638,449

Plastiflex Films (Private) Limited **(Associated Company - Common Directorship)**	**2023**	2022
	--------- Rupees ---------	
- Purchase of raw & packing material	**52,029,928**	62,372,972
- Metallization of raw material	**(5,122,395)**	(22,307,473)
- Sales of raw and packing material	**-**	(8,000,957)
- Recovery against Sales	**3,774,945**	36,050,153
- Payment against purchases	**(56,392,939)**	(64,364,321)

46 NON- ADJUSTING EVENT

46.1 The board of directors in its meeting held on September 08, 2023 has proposed final dividend in respect of the year ended June 30, 2023 of Rs. 2 per share (2022: Rs. 4 per share) for approval of the members at the annual general meeting. The unconsolidated financial statements for the year ended June 30, 2023 do not include the effect of proposed dividend, which will be accounted for in the unconsolidated financial statements for the year ending June 30, 2024.

47 DATE OF AUTHORIZATION

These unconsolidated financial statements were authorized for issue on September 08, 2023 by the board of directors of the Company.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the members of Ismail Industries Limited

Report on the Audit of the Consolidated Financial Statement

Opinion

We have audited the annexed consolidated financial statements of **Ismail Industries Limited** and **its subsidiaries** (the Group), which comprise the consolidated statement of financial position as at **June 30, 2023**, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1.	**Valuation of Stock-in-trade** As at June 30, 2023 the Group's total stock-in-trade balance amounting to Rs. 16.28 billion as disclosed in note 11 represents 42.80% of the total current assets of the Group. The value of stock-in-trade is based on the moving weighted average cost method for raw materials and packing materials, weighted average cost method for work in process and lower of weighted	In response to this matter, our audit procedures included the following: • Reviewed the management procedure for valuation of stock-in-trade and evaluating the NRV of stock in trade. • Observed physical counts at major locations to ascertain the condition and existence of stock-in-trade.

	average cost and net realizable value (NRV) for finished goods, and invoice value plus other charges for stock in transit. The Group is required to measure its stock-in-trade at the lower of cost and NRV. There is an element of judgement involved relating to the valuation, which is required for the estimation of the net realizable value and allowance for slow-moving and obsolete stock-in-trade. Such estimation is made after taking into consideration factors such as movement in prices, current and expected future market demands and pricing competitions. This was the key audit matter because of its materiality and significance in terms of judgements involved in estimating the NRV of underlying stock-in-trade.	• Tested the valuation method used by the management in valuation of stock in trade. • Reviewed stock-in-trade turnover ratios, understood and evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade, tested the accuracy of the aging analysis of stock-in-trade, on a sample basis, tested the cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method and reviewed the minutes of the relevant meetings at the management and board level to identify any indicators of obsolesce. • Compared the NRV to the cost of stock in trade whether any adjustment is required to value stock in trade in accordance with the accounting policy; and • Assessed the adequacy of the disclosures on stock-in-trade in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is **Muhammad Khalid Aziz**.

Grant Thornton Anjum Rahman

Grant Thornton Anjum Rahman
Chartered Accountants

Karachi
Dated: September 15, 2023

UDIN: AR202310154KR9VQXxe2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		------------ Rupees ------------	
ASSETS			
Non-current assets			
Property, plant and equipment	6	**38,374,111,226**	29,570,611,863
Right-of-use assets	6.1	**42,412,009**	26,661,774
Intangible assets	7	**2,226,707**	5,995,440
Goodwill		**12,173,553**	12,173,553
Long term investments	8	**3,225,156,930**	3,144,584,786
Long term deposits	9	**33,172,123**	27,390,426
Total non-current assets		**41,689,252,548**	32,787,417,842
Current assets			
Stores and spares	10	**655,628,210**	536,173,317
Stock-in-trade	11	**16,276,555,986**	8,501,109,463
Trade debts	12	**10,669,814,953**	5,827,408,364
Loans and advances	13	**3,352,311,584**	1,994,072,521
Trade deposits and short term prepayments	14	**313,867,170**	50,442,888
Short term investments	15	**1,671,884,971**	1,318,192,640
Other receivables	16	**2,320,979,357**	117,740,491
Taxation-net	17	**1,115,183,469**	1,166,745,442
Cash and bank balances	18	**1,651,166,603**	373,050,231
Total current assets		**38,027,392,303**	19,884,935,357
Total assets		**79,716,644,851**	52,672,353,199

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023	2022
		------------ Rupees ------------	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
250,000,000 (2022: 250,000,000) ordinary shares of Rs. 10 each		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up share capital	19	**663,569,400**	663,569,400
Non-controlling interest	20	**1,180,807,449**	812,707,126
Reserves	21	**15,543,088,252**	10,790,536,824
Total shareholders' equity		**17,387,465,101**	12,266,813,350
Non-current liabilities			
Long term finances - secured	22	**27,813,006,872**	21,115,340,979
Lease liabilities	23	**22,111,918**	11,329,635
Deferred liabilities	24	**2,519,366,746**	2,392,609,675
Total non-current liabilities		**30,354,485,536**	23,519,280,289
Current liabilities			
Trade and other payables	25	**10,418,992,220**	3,504,621,771
Accrued mark-up	26	**1,200,346,240**	387,140,074
Short term finances - secured	27	**15,108,282,892**	9,088,758,920
Current portion of:			
- long term finances - secured	22	**4,208,884,532**	3,507,663,033
- lease liabilities	23	**10,826,930**	7,892,005
Unclaimed Dividend		**5,069,267**	4,044,553
Advances from customers - unsecured		**1,022,292,133**	386,139,204
Total current liabilities		**31,974,694,214**	16,886,259,560
Total liabilities		**62,329,179,750**	40,405,539,849
Total equity and liabilities		**79,716,644,851**	52,672,353,199
Contingencies and commitments	28		

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------ Rupees	------------
Sales	29	**100,643,731,994**	65,805,161,598
Sales returns, discounts and direct expenses		**(2,244,975,388)**	(2,543,025,087)
Export rebate		**31,217,117**	25,289,225
		(2,213,758,271)	(2,517,735,862)
		98,429,973,723	63,287,425,736
Sales tax		**(8,786,430,060)**	(7,563,073,960)
Sales - net		**89,643,543,663**	55,724,351,776
Cost of sales	31	**(71,079,444,949)**	(45,765,150,468)
Gross profit		**18,564,098,714**	9,959,201,308
Selling and distribution expenses	32	**(7,383,241,930)**	(4,946,087,081)
Administrative expenses	33	**(1,367,302,931)**	(1,018,170,361)
Operating profit		**9,813,553,853**	3,994,943,866
Other operating expenses	34	**(824,790,805)**	(423,926,854)
Other income	35	**2,096,511,615**	802,104,485
		11,085,274,663	4,373,121,497
Finance cost	36	**(4,459,624,481)**	(1,456,847,447)
		6,625,650,182	2,916,274,050
Share of profit from associated company - net	8.1	**428,075,707**	216,582,895
Profit before taxation		**7,053,725,889**	3,132,856,945
Taxation	38	**(1,160,462,591)**	(837,505,419)
Profit for the year		**5,893,263,298**	2,295,351,526
Profit for the year attributable to:			
Shareholders of the Holding Company		**5,999,711,211**	2,352,955,856
Non-controlling interest		**(106,447,913)**	(57,604,330)
		5,893,263,298	2,295,351,526
Earnings per share - basic and diluted	39	**90.42**	35.46

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------ Rupees ------------	
Profit for the year		**5,893,263,298**	2,295,351,526
Other comprehensive loss :			
Items that may be reclassified to consolidated statement of profit or loss in subsequent periods		**-**	-
Items that will not be reclassified to consolidated statement of profit or loss in subsequent periods:			
Loss on remeasurement of defined employment benefit obligation-net of tax	24.2.7	**(18,919,071)**	(36,169,579)
Unrealized loss on re-measurement of investment classified as fair value through OCI -net of tax		**(4,317,300)**	(3,787,384)
Share of other comprehensive loss from associated company - net of tax	8.1	**(295,378,016)**	(214,201,434)
Other comprehensive loss		**(318,614,387)**	(254,158,397)
Total comprehensive income for the year		**5,574,648,911**	2,041,193,129
Total comprehensive income for the year attributable to :			
Shareholders of the Holding Company		**5,681,548,588**	2,099,522,841
Non-controlling interest		**(106,899,677)**	(58,329,712)
		5,574,648,911	2,041,193,129

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up share capital	Total Reserves: Capital reserves: Share premium	Total Reserves: Capital reserves: Amalgamation reserves	Total Reserves: Revenue reserves: Remeasurement of investment in associate	Total Reserves: Revenue reserves: Remeasurement of investments at fair value through OCI	Total Reserves: Revenue reserves: Unappropriated profit	Total reserves	Non-controlling Interest	Total shareholders' equity
	Rupees								
Balance as at July 01, 2021	663,569,400	1,472,531,500	916,862,067	(191,924,445)	(3,857,616)	7,492,756,577	9,686,368,083	116,036,838	10,465,974,321
Profit for the year	-	-	-	-	-	2,352,955,856	2,352,955,856	(57,604,330)	2,295,351,526
Loss on remeasurement of defined benefit obligation - net of tax - note 24.2.7	-	-	-	-	-	(35,444,197)	(35,444,197)	(725,382)	(36,169,579)
Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax	-	-	-	-	(3,787,384)	-	(3,787,384)	-	(3,787,384)
Share of other comprehensive loss from associate-net of tax	-	-	-	(214,201,434)	-	-	(214,201,434)	-	(214,201,434)
Other comprehensive loss	-	-	-	(214,201,434)	(3,787,384)	(35,444,197)	(253,433,015)	(725,382)	(254,158,397)
Total comprehensive income / (loss)	-	-	-	(214,201,434)	(3,787,384)	2,317,511,659	2,099,522,841	(58,329,712)	2,041,193,129
NCI recognized on acquisition	-	-	-	-	-	-	-	755,000,000	755,000,000
Final cash dividend for the year ended June 30, 2021 @ Rs.15 per share	-	-	-	-	-	(995,354,100)	(995,354,100)	-	(995,354,100)
Balance as at June 30, 2022	**663,569,400**	**1,472,531,500**	**916,862,067**	**(406,125,879)**	**(7,645,000)**	**8,814,914,136**	**10,790,536,824**	**812,707,126**	**12,266,813,350**
Profit / (loss) for the year	**-**	**-**	**-**	**-**	**-**	**5,999,711,211**	**5,999,711,211**	**(106,447,913)**	**5,893,263,298**
Remeasurement of defined benefit obligation - net of tax - note 24.2.7	**-**	**-**	**-**	**-**	**-**	**(18,467,307)**	**(18,467,307)**	**(451,764)**	**(18,919,071)**
Unrealised loss on remeasurement of investment classified as fair value through OCI - net of tax	**-**	**-**	**-**	**-**	**(4,317,300)**	**-**	**(4,317,300)**	**-**	**(4,317,300)**
Share of other comprehensive loss from associated - net of tax	**-**	**-**	**-**	**(295,378,016)**	**-**	**-**	**(295,378,016)**	**-**	**(295,378,016)**
Other comprehensive loss	**-**	**-**	**-**	**(295,378,016)**	**(4,317,300)**	**(18,467,307)**	**(318,162,623)**	**(451,764)**	**(318,614,387)**
Total comprehensive (loss) / income	**-**	**-**	**-**	**(295,378,016)**	**(4,317,300)**	**5,981,243,904**	**5,681,548,588**	**(106,899,677)**	**5,574,648,911**
NCI recognized on acquisition	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**475,000,000**	**475,000,000**
Final cash dividend paid for the year ended June 30, 2022 @ Rs.4 per share	**-**	**-**	**-**	**-**	**-**	**(265,427,760)**	**(265,427,760)**	**-**	**(265,427,760)**
Interim cash dividend paid for the year ended June 30, 2023 @ Rs. 10 per share	**-**	**-**	**-**	**-**	**-**	**(663,569,400)**	**(663,569,400)**	**-**	**(663,569,400)**
Balance as at June 30, 2023	**663,569,400**	**1,472,531,500**	**916,862,067**	**(701,503,895)**	**(11,962,300)**	**13,867,160,880**	**15,543,088,252**	**1,180,807,449**	**17,387,465,101**

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Munsarim Saifullah
Chief Executive Officer

Maqsood Ismail Ahmed
Director

Ahmed Raza Parekh
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023	2022
		------------ Rupees ------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	**4,967,707,852**	2,160,891,297
Gratuity paid	24.2.3	**(79,999,247)**	(49,961,384)
Income tax paid - net		**(1,066,408,417)**	(722,740,041)
Long-term deposits		**(5,781,697)**	4,068,322
Net cash generated from operating activities		**3,815,518,491**	1,392,258,194
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		**(11,492,677,674)**	(8,910,241,045)
Acquisition of Intangible assets	7	**-**	(1,000,000)
NCI recognized on investment		**475,000,000**	-
Amount paid under acquisition net of advance		**-**	(70,855,597)
Short-term investments - net	15	**(357,631,523)**	(645,299,579)
Proceeds from disposal of property, plant and equipment	6.6	**182,877,706**	553,168,881
Net cash used in investing activities		**(11,192,431,491)**	(9,074,227,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from long term financing-net off repayment		**7,500,134,801**	7,249,975,392
Lease repayments		**(18,351,675)**	(42,945,242)
Short term financing		**1,737,050,819**	2,971,907,538
Interest / mark-up paid		**(3,918,305,280)**	(1,237,036,848)
Dividend paid		**(927,972,446)**	(994,212,144)
Net cash generated from financing activities		**4,372,556,219**	7,947,688,696
Net (decrease) / increase in cash and cash equivalents		**(3,004,356,781)**	265,719,550
Cash and cash equivalents at the beginning of the year		**(785,025,151)**	(1,050,744,701)
Cash and cash equivalents at the end of the year		**(3,789,381,932)**	(785,025,151)
Cash and cash equivalents at the end of the year comprise of:			
Cash and bank balances	18	**1,651,166,603**	373,050,231
Running finance utilized under mark-up arrangements	27.5	**(5,440,548,535)**	(1,158,075,382)
		(3,789,381,932)	(785,025,151)

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Reza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 LEGAL STATUS AND OPERATIONS

1.1 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, flour, cast polypropylene (CPP) and Biaxially-oriented polyethylene terephthalate (BOPET) film under the brands of 'Candyland', 'Bisconni', 'Snackcity', 'Ismail nutrition', Ghiza' and 'Astro films' respectively.

In addition to above registered office, geographical location and addresses of manufacturing units of the Holding Company are as under:

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.

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

Unit-10
E164-168, North Western Zone, Port Qasim.

Further, the Holding Company's liaison offices and warehouses are stiuated in Karachi, Hyderabad, Sukkur, Multan, Lahore, Islamabad, Faisalabad and Peshawar.

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 Subsidiary Company is located at 17, Bangalore Town, Main Shahrah-e-Faisal, Karachi. Principal activities of the Subsidiary Company are manufacturing, processing, compounding, formulating, importing, exporting, packaging, marketing, wholesale and retail, trading and selling of all kinds of pharmaceutical, animal health, allied consumer products, drugs, medicines and derma products.

In addition to above, geographical location and addresses of manufacturing units of the Subsidiary Company are as under:

Factory:
D-93, North Western Industrial Zone, Port Qasim.

Administrative office:
24/1 - Bangalore Co-operative Housing Society, Block 7/8, Bangalore Town, Karachi.

c) Ismail Resin (Private) Limited

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

In addition to above, geographical location and addresses of manufacturing units of the Subsidiary Company are as under:

Unit 1
A-39 North Western Zone, Port Qasim, Karachi.

Unit 2
Plot No. EZ/1/P-II-A Eastern Industrial Zone, Port Qasim, Karachi.

2 SIGNIFICANT EVENTS AND TRANSACTIONS

2.1 The Flour segment of the Holding Company also commenced the commercial production in the last quarter of the year having production capacity of 240 TPD. Furthermore, the Subusidiary Company M/s Ismail Resin (Private) Limited have planned to start commercial production by October 2023.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies.

3.3 Functional and presentation currency

Items included in these consolidated financial statements are measured using the currency of the primary economic environment in which the Holding Company operates. These consolidated financial statements are presented in Pakistani Rupee, which is the Group's functional and presentation currency. The figures have been rounded off to the nearest Pakistani Rupee.

3.4 Basis of Consolidation

These consolidated financial statements include the financial statements of the Holding Company and its Subsidiary Companies.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors. The Holding company can govern the financial & operating policies of subsidiary.

Subsidiary Company is consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiary company are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income for the year, even if that results in a deficit balance.

The assets, liabilities, income and expenses of Subsidiary Company are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the Subsidiary Company's shareholders' equity in these consolidated financial statements.

3.5 Reclassification for Better Presentation

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

3.6 Standards, Amendments and Interpretations to Approved Accounting Standards

3.6.1 Standards, amendments and interpretations to the published standards that may be relevant to the Group and adopted in the current year

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

3.6.2 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 certain amendments to accounting and reporting standards that are not yet effective 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 financial statements.

3.6.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Further, certain IFRS have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

4 USE OF CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates underlying the assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting policies, management has made the following accounting estimates and judgments which are significant to the consolidated financial statements:

		Note
a)	Property, plant and equipment	4.1 & 5.1
b)	Right-of-use assets	5.1.2
c)	Intangible assets	5.2
d)	Stock-in-trade, stores and spares	4.2 , 5.5 & 5.6
e)	Taxation	4.4 & 5.14
f)	Staff retirement benefits	4.5 & 5.12
g)	Lease liabilities	5.13
h)	Provisions	5.15
i)	Impairment of non financial assets	5.3
j)	Contingent liabilities	5.23
k)	Impairment of financial assets	4.3 & 5.25.5

4.1 Property, plant and equipment

The Group reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Group uses the technical resources available with the Group. Any change in estimates in the future might affect the carrying amount of respective item of property, plant and equipment with corresponding effects on the depreciation charge and impairment.

4.2 Stock-in-trade, stores and spares

The Group's management reviews the net realizable value (NRV) of stock-in-trade, stores and spares to assess any diminution in the respective carrying values and wherever required, provision for impairment is made.

4.3 Trade debts and Other receivables

Impairment loss against doubtful trade and other debts is recorded in accordance with basis mentioned in note 5.25.5 of these consolidated finacial statements.

4.4 Taxation

In making the estimate for income taxes by the Group, the management refer to the current income tax law and the decisions of appellate authorities on certain issues in the past.

4.5 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 24.1 to these consolidated financial statements for valuation of present value of defined benefit obligations. Any changes in these assumptions in future years might affect the amounts recognized in those years.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years.

5.1 Property, plant and equipment

5.1.1 Owned

Property, plant and equipment including leasehold land and all additions except capital work-in-progress are stated at cost less accumulated depreciation and accumulated impairment losses. Cost of property, plant and equipment comprises acquisition cost and directly attributable cost of bringing the assets to its working condition. Borrowing cost including the exchange risk fee (if any) that are directly attributable to the acquisition, construction and production of a qualifying asset is capitalized as part of the cost during the period in which activities that are necessary to prepare the asset for its intended use are carried out.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. Normal repairs and maintenance are charged to the Consolidated statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Depreciation on assets other than leasehold land is calculated so as to write-off the assets over their expected economic lives under the diminishing balance method at rates given in note. 6 to the consolidated financial statements. Depreciation on leasehold land is charged to the consolidated statement of profit or loss, applying the straight-line method at rates given in note 6 to these consolidated financial statements whereby the cost is written off over the lease term. Depreciation is charged from the month when the asset is available for use and ceased from the month of disposal. Impairment losses, if any, are recorded on the basis as defined in note 5.3.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

The gain or loss on disposal or retirement of assets represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as other income or expense.

5.1.2 Right-of-use assets

The right-of-use asset is initially measured based on the initial amount of the lease liability, any lease payments made at or before the commencement date, plus any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a diminishing balance method as given in note no. 6.1 of these consolidated financial statements of June 30, 2023. The right-of-use assets is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

5.1.3 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets start operation. Impairment losses, if any, are recorded on the basis as defined in note 5.3.

5.2 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the asset can be measured reliably. Cost of the intangible asset (i.e. computer software) includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method. The impairment losses if any are recorded on the basis mentioned in note. 5.3.

Useful lives of intangible operating assets are reviewed, at each reporting date and adjusted if the impact of amortization is significant.

5.3 Impairment of non-financial assets

Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

5.4 Investments in associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding between 20% and 50% of the voting rights or common directorship. Investments in associates are accounted for using the equity method of accounting unless other law and regulation prescribe different criteria. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Group's share of the profit or loss and other comprehensive income/ loss of the associate after the date of acquisition.

5.5 Stores and spare

All stores, spares and loose tools either imported or purchased locally are charged to consolidated statement of profit or loss when consumed and are valued at lower of weighted moving average cost or estimated NRV except for items-in-transit which are stated at invoice value plus other incidental charges paid thereon up to the reporting date. Provision is made for obsolete and slow moving items where necessary and is recognized in the consolidated statement of profit or loss.

5.6 Stock-in-trade

These are valued at the lower of cost or net realizable value. Cost is determined as follows:

Types of stock	Valuation method
a) Raw and packing materials	weighted average cost method
b) Work-in-process	weighted average cost method
c) Finished goods	lower of weighted average cost or net realizable value
d) Goods in-transit	invoice value plus other charges incurred thereon
e) Trading goods	lower of weighted average cost or net realizable value

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made on each reporting date on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

5.7 Trade debts and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

5.8 Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances, short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

5.9 Long term deposits

These are stated at amortized cost which represents the fair value of consideration given.

5.10 Interest / Mark-up bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

Loans and borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction cost) and the redemption value is recognized in the consolidated statement of profit or loss except for any amount included in the cost of property, plant and equipment over the period of the borrowing using the effective interest method.

5.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those that take a substantial period of time to get ready for their intended use) are capitalized as part of the cost of the relevant asset. All other borrowing costs are charged to the consolidated statement of profit or loss in the period in which they are incurred.

5.12 Staff retirement benefits - gratuity

The Group operates an unfunded gratuity scheme covering all its permanent employees with one or more years of service with the Group. Provision for gratuity is made to cover obligation under the scheme in respect of employees who have completed the minimum qualifying period. Provision has been made in accordance with actuarial recommendations summarized in note 24.1 using the projected unit credit method.

5.13 Lease liabilities

Leases are recognised as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.Lease payments include fixed payments, variable lease payments that are based on an index or a rate expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

5.14 Taxation

5.14.1 Current

The charge for current tax is based on taxable income at current rates of taxation after taking into account tax credits, rebates and exemptions available, if any, or in accordance with the final tax regime, where applicable, of the Income Tax Ordinance, 2001 (the Ordinance) or the minimum tax under section 113 of the Ordinance or Alternate Corporate Tax (ACT) under section 113C of the Ordinance, whichever is higher.

5.14.2 Deferred

Deferred tax is recognized using the statement of financial position liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred tax assets are recognized for all major deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of the deferred tax asset is reviewed at each reporting date and is recognized only to the extent that it is probable that future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it becomes probable that future taxable profit will allow deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the reporting date.

5.15 Provisions

Provisions are recognized in these Consolidated the statement of financial position when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

5.16 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services.

5.17 Foreign currency translation

Transactions in foreign currencies are accounted for in Pakistani Rupee at the rate of exchange prevailing at the date of transaction. Monetary assets and monetary liabilities in foreign currencies as at the reporting date are expressed in Rupee at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are taken to the Consolidated Statement of profit or loss.

5.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker for allocating resources and assessing performance of the operating segments. Operating segment comprises of food, plastic, pharmaceutical & resin segment.

5.19 Dividend distribution

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

5.20 Related parties transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the board of directors, it is in the interest of the Group to do so.

5.21 Share Capital

Ordinarily shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

5.22 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares for the effects of all dilutive potential ordinary shares.

5.23 Contingent liabilities

Contingent liability is disclosed when:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.24 Operating, administrative and selling expenses

These expenses are recognized in the consolidated statement of profit or loss upon utilization of the services or as incurred except for specifically stated in the consolidated financial statements.

5.25 Financial Instruments - Initial Recognition and subsequent measurement

5.25.1 Initial recognition

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortized cost as the case may be.

5.25.2 Classification of financial assets

The Group classifies its financial assets in the following categories:

- at fair value through profit or loss ("FVTPL")

- at fair value through other comprehensive income ("FVTOCI"), or

- at amortized cost.

The Group determines the classifications of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Group's business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

5.25.3 Classification of financial liabilities

The Group classifies its financial liabilities at amortised cost.

5.25.4 Subsequent measurement

i) Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains or losses arising from changes in fair value recognized in other comprehensive income/(loss).

ii) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus the transaction cost that are directly attributable to the acquisition or issue of the financial assets or financial labilities and subsequently carried at amortized cost, and in the case of financial assets, less any impairment.

iii) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Consolidated statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of financial assets and liabilities held at FVTPL are included in the consolidated statement of profit or loss in the period in which they arise.

Where the management has opted to recognise a financial liability at FVTPL, any changes associated with the Group's own credit risk will be recognised in other comprehensive income/(loss). Currently, there are no financial liabilities designated at FVTPL.

5.25.5 Impairment of financial assets

The Group recognizes loss allowance for Expected Credit Loss (ECL) on financial assets measured at amortized cost and FVTOCI at an amount equal to life time ECLs except for the financial assets in which there is no significant increase in credit risk since initial recognition or financial assets which are determine to have low credit risk at the reporting date, in which case twelve months' ECL is recorded. The following were either determine to have low or there was no credit risk since initial recognition and at the reporting date:

- long term investment;
- long term deposits;
- loans and advances;
- trade deposits;
- short term investment;
- other receivables; and
- bank balances

Loss allowance for trade receivables are always measured at an amount equal to life time ECLs.

Life time ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Twelve months ECLs are portion of ECL that result from default events that are possible within twelve months after the reporting date.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured at the present value of all cash short falls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in entirety or a portion thereof.

5.25.6 Derecognition

i) Financial assets

The Group derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfer the financial assets and substantially all the associated risks and reward of ownership to another entity. On derecognition of financial assets measured at amortized cost, the difference between the assets carrying value and the sum of the consideration received and receivable, is recognised in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to the consolidated statement of profit or loss, but is transferred to retained earnings.

ii) Financial liabilities

The Group derecognises its financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated statement of profit or loss.

5.25.7 Off-setting of financial assets and liabilities

Financial assets and liabilities are off set and the net amount is reported in these consolidated statement of financial position if the Group has a legal right to set-off the transactions and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.26 Revenue

The Group is in the business of manufacturing and sale of goods. Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods net of discount and sales related indirect taxes. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

The following are the specific recognition criteria that must be met before revenue is recognized:

a) Revenue from local sale of goods is recognized when the goods are dispatched and in case of export sales, when the goods are shipped i.e. when performance obligation are satisfied.
b) Processing income is recognized when services are rendered.
c) Gain or loss on sale of investments is taken to income in the period in which it arises.
d) Interest income is recognized on an accrual basis using the effective interest method.
e) Dividend is recognized when the right to receive is established.
f) Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

5.27 Service Revenue

The Group is in the business of rendering of services. Revenue from contracts with customers is recognized when services are rendered to the customer and thereby the performance obligation is satisfied, at amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

5.28 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the Holding Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually and whenever there is an indication that the value may be impaired, and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed.

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2023	2022
		------------ Rupees ------------	
Operating assets	6.2	26,889,151,820	23,875,831,327
Capital work in progress - at cost	6.7	11,484,959,406	5,694,780,536
		38,374,111,226	29,570,611,863
6.1 Right-of-use assets		42,412,009	26,661,774

6.2 Detailed movement of operating assets and right-of-use assets are as follows;

Year ended June 30, 2023	Operating assets: Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles	Cooling tower & chillers	Grand total	Right-of-use assets: Plant and machinery	Vehicles	Grand total
	Rupees												
As at June 30, 2022													
Cost	1,493,762,896	88,688,580	6,832,581,113	25,577,456,104	143,441,917	471,013,356	155,059,123	992,736,928	29,400,000	35,784,140,017	-	50,006,263	50,006,263
Accumulated depreciation	(57,690,826)	-	(2,211,900,753)	(9,033,221,546)	(57,479,539)	(177,322,506)	(47,260,991)	(321,799,196)	(1,633,333)	(11,908,308,690)	-	(23,344,489)	(23,344,489)
Net book value	**1,436,072,070**	**88,688,580**	**4,620,680,360**	**16,544,234,558**	**85,962,378**	**293,690,850**	**107,798,132**	**670,937,732**	**27,766,667**	**23,875,831,327**	**-**	**26,661,774**	**26,661,774**
July 01, 2022													
Opening net book value	1,436,072,070	88,688,580	4,620,680,360	16,544,234,558	85,962,378	293,690,850	107,798,132	670,937,732	27,766,667	23,875,831,327	-	26,661,774	26,661,774
Additions / Transfers from CWIP	583,620,696	-	827,496,891	3,592,416,915	81,542,336	98,843,982	23,453,296	476,181,579	-	5,683,555,695	-	46,899,400	46,899,400
Transfer from leased assets to owned assets													
Cost	-	-	-	-	-	-	-	50,006,263	-	50,006,263	-	(50,006,263)	(50,006,263)
Accumulated depreciation	-	-	-	-	-	-	-	(25,644,419)	-	(25,644,419)	-	25,644,419	25,644,419
	-	-	-	-	-	-	-	24,361,844	-	24,361,844	-	(24,361,844)	(24,361,844)
Disposal													
Cost	-	-	-	(32,737,841)	(389,755)	(529,110)	(6,381,164)	(189,903,611)	-	(229,941,481)	-	-	-
Accumulated depreciation	-	-	-	4,139,543	299,665	367,816	3,632,304	94,383,265	-	102,822,593	-	-	-
	-	-	-	(28,598,298)	(90,090)	(161,294)	(2,748,860)	(95,520,346)	-	(127,118,888)	-	-	-
Depreciation charge for the year	(26,527,369)	-	(471,420,666)	(1,819,957,163)	(11,529,038)	(32,582,360)	(23,125,303)	(172,536,259)	(9,800,000)	(2,567,478,158)	-	(6,787,321)	(6,787,321)
Closing net book value	**1,993,165,397**	**88,688,580**	**4,976,756,585**	**18,288,096,012**	**155,885,586**	**359,791,178**	**105,377,265**	**903,424,550**	**17,966,667**	**26,889,151,820**	**-**	**42,412,009**	**42,412,009**
As at June 30, 2023													
Cost	2,077,383,592	88,688,580	7,660,078,004	29,137,135,178	224,594,498	569,328,228	172,131,255	1,329,021,159	29,400,000	41,287,760,494	-	46,899,400	46,899,400
Accumulated depreciation	(84,218,195)	-	(2,683,321,419)	(10,849,039,166)	(68,708,912)	(209,537,050)	(66,753,990)	(425,596,609)	(11,433,333)	(14,398,608,674)	-	(4,487,391)	(4,487,391)
Net book value	**1,993,165,397**	**88,688,580**	**4,976,756,585**	**18,288,096,012**	**155,885,586**	**359,791,178**	**105,377,265**	**903,424,550**	**17,966,667**	**26,889,151,820**	**-**	**42,412,009**	**42,412,009**
Depreciation rate (%)	1		10	10	10	10	20	20	33		10	20	

Year ended June 30, 2022	Owned assets										Right-of-use assets		
	Leasehold land	Freehold land	Building on leasehold land	Plant and machinery	Furniture and fittings	Equipments	Computers	Vehicles	Cooling tower & chillers	Grand total	Plant and machinery	Vehicles	Grand total
	------------ Rupees ------------												
As at June 30, 2021													
Cost	660,345,850	88,688,580	5,742,305,845	22,719,261,816	129,487,666	441,650,010	95,275,698	659,327,617	-	30,536,343,082	-	132,040,372	132,040,372
Accumulated depreciation	(57,268,751)	-	(1,784,546,449)	(7,389,345,089)	(50,893,118)	(148,879,791)	(40,951,575)	(246,242,677)	-	(9,718,127,450)	-	(49,277,534)	(49,277,534)
Net book value	**603,077,099**	**88,688,580**	**3,957,759,396**	**15,329,916,727**	**78,594,548**	**292,770,219**	**54,324,123**	**413,084,940**	**-**	**20,818,215,632**	**-**	**82,762,838**	**82,762,838**
July 01, 2021													
Opening net book value	603,077,099	88,688,580	3,957,759,396	15,329,916,727	78,594,548	292,770,219	54,324,123	413,084,940	-	20,818,215,632	-	82,762,838	82,762,838
Additions / Transfers from CWIP	960,129,046	-	1,090,275,268	2,862,514,127	16,663,462	31,724,526	71,534,769	415,272,879	29,400,000	5,477,514,077	-	-	-
Transfer From / To leased assets to owned assets													
Cost	-	-	-	-	-	-	-	82,034,109	-	82,034,109	-	(82,034,109)	(82,034,109)
Accumulated depreciation	-	-	-	-	-	-	-	(37,255,535)	-	(37,255,535)	-	37,255,533	37,255,533
	-	-	-	-	-	-	-	44,778,574	-	44,778,574	-	(44,778,576)	(44,778,576)
Disposal													
Cost	(126,712,000)	-	-	(4,319,839)	(2,709,211)	(2,361,180)	(11,751,344)	(163,897,677)	-	(311,751,251)	-	-	-
Accumulated depreciation	7,035,445	-	-	3,901,360	2,177,362	1,999,231	9,989,288	81,372,095	-	106,474,781	-	-	-
	(119,676,555)	-	-	(418,479)	(531,849)	(361,949)	(1,762,056)	(82,525,582)	-	(205,276,470)	-	-	-
Depreciation charge for the year	(7,457,520)	-	(427,354,304)	(1,647,777,817)	(8,763,783)	(30,441,946)	(16,298,704)	(119,673,079)	(1,633,333)	(2,259,400,486)	-	(11,322,488)	(11,322,488)
Closing net book value	**1,436,072,070**	**88,688,580**	**4,620,680,360**	**16,544,234,558**	**85,962,378**	**293,690,850**	**107,798,132**	**670,937,732**	**27,766,667**	**23,875,831,327**	**-**	**26,661,774**	**26,661,774**
As at June 30, 2022													
Cost	1,493,762,896	88,688,580	6,832,581,113	25,577,456,104	143,441,917	471,013,356	155,059,123	992,736,928	29,400,000	35,784,140,017	-	50,006,263	50,006,263
Accumulated depreciation	(57,690,826)	-	(2,211,900,753)	(9,033,221,546)	(57,479,539)	(177,322,506)	(47,260,991)	(321,799,196)	(1,633,333)	(11,908,308,690)	-	(23,344,489)	(23,344,489)
Net book value	**1,436,072,070**	**88,688,580**	**4,620,680,360**	**16,544,234,558**	**85,962,378**	**293,690,850**	**107,798,132**	**670,937,732**	**27,766,667**	**23,875,831,327**	**-**	**26,661,774**	**26,661,774**
Depreciation rate (%)	**1**		**10**	**10 to 15**	**10**	**10**	**20**	**20**	**33**		**10**	**20**	

6.3 Property plant and equipment of the Group is under charge against long term finances as mentioned in note no. 22.

6.4 The expenses have been allocated to the consolidated statement of profit or loss as follows:

6.4.1 The depreciation expense of operating assets has been allocated as follows:

	Note	2023	2022
		------------ Rupees ------------	
Cost of sales	31	**2,317,551,872**	2,114,049,862
Selling and distribution expenses	32	**92,764,935**	55,941,013
Administrative expenses	33	**157,161,351**	89,409,611
		2,567,478,158	2,259,400,486

6.4.2 Depreciation charge of right-of-use-assets has allocated as follows.

	Note	2023	2022
Cost of sales	31	**2,758,633**	3,516,485
Selling and distribution expenses	32	**1,540,459**	4,984,531
Administrative expenses	33	**2,488,229**	2,821,472
		6,787,321	11,322,488

6.5 Particulars of immovable property (i.e. land and building) in the name of Holding Company are as follows:

Locations	Usage of immovable property	* Total area
17 - Bangalore Town, Shahrah-e-Faisal, Karachi.	Registered office / Head office	1000 sq. yd
C-230, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 1	7.54 acres
B-140, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 2	4.59 acres
G-1, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 3	3.486 acres
G-22, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 4	9.00 acres
38-C, Sundar Industrial Estate, Raiwind Road, Lahore.	Manufacturing facility - Unit 5	4.02 acres
D-91, D-92 & D-94 North Western Zone, Port Qasim, Karachi	Manufacturing facility - Unit 6	7.50 acres
E164-168, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 7	2.74 acres
E154-157, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 8	5.04 acres
G-1A, Hub H.I.T.E., Balochistan.	Manufacturing facility - Unit 9	3.185 acres
E164-168, North Western Zone, Port Qasim, Karachi.	Manufacturing facility - Unit 10	3.50 acres
D-101/M, D-101/N, S.I.T.E area, Nooriabad.District Jamshoro	For future expansion	20.50 acres
PT2-24-2402, Pearl Tower, Plot # 7 (R9) Cresent Bay, Karachi.	Administrative purpose	2,209.57 sq. ft
Sabzi mandi road, Chak no. 241 Dist. Faisalabad.	For future expansion	0.88 acres
39-B, Sundar Industrial Estate, Raiwind Road, Lahore.	For future expansion	1.138 acres
EIZ/1/P-II-B, Eastern industrial Zone, Port Qasim, Karachi.	For future expansion	15 acres

* Covered area includes multi-storey buildings.

6.6 Following are the particulars of the disposed assets having a book value exceed five hundred thousand rupees.

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
		.... Rupees					
Plant and Machinery							
21,382,500	1,425,500	19,957,000	21,382,500	1,425,500	Efu General Insurance	Insurance Claim	As per Contract
9,500,000	1,014,652	8,485,348	9,500,000	1,014,652	Efu General Insurance	Insurance Claim	As per Contract
30,882,500	**2,440,152**	**28,442,348**	**30,882,500**	**2,440,152**			
Vehicles							
Mercedes							
21,282,280	16,464,079	4,818,201	21,875,000	17,056,799	Tahir Mohsin	Independent Party	Negotiation
7,175,000	6,674,110	500,890	3,600,000	3,099,110	Tahir Javed	Independent Party	Negotiation
28,457,280	**23,138,189**	**5,319,091**	**25,475,000**	**20,155,909**			
Toyota Fortuner							
8,072,875	2,798,596	5,274,279	10,000,000	4,725,721	Efu General Insurance	Insurance Claim	As per Contract
8,072,875	**2,798,596**	**5,274,279**	**10,000,000**	**4,725,721**			
Kia Sportage							
5,787,488	289,374	5,498,114	7,185,000	1,686,886	Nazeer Ahmed Arain	Independent party	Negotiation
5,359,418	267,971	5,091,447	6,635,000	1,543,553	Kia Lucky Motors	Independent party	Negotiation
11,146,906	**557,345**	**10,589,561**	**13,820,000**	**3,230,439**			
Honda Civic							
3,047,750	1,758,311	1,289,439	1,632,098	342,659	Muhammad Sabir	Employee	Company policy
2,673,800	1,791,984	881,816	1,038,720	156,904	Akram Shaheen	Employee	Company policy
5,721,550	**3,550,295**	**2,171,255**	**2,670,818**	**499,563**			
Honda City							
3,411,164	341,117	3,070,048	4,157,996	1,087,949	Zaid M. Ali Habib	Employee	Company policy
3,411,164	**341,117**	**3,070,048**	**4,157,996**	**1,087,949**			

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
		.... Rupees	....				
Kia Picanto							
1,897,809	362,692	1,535,117	1,950,925	415,808	Kamran Hussain Naqvi	Employee	Company Policy
1,608,866	332,498	1,276,368	1,933,051	656,683	Ayesha Sabah	Employee	Company Policy
3,506,675	**695,190**	**2,811,485**	**3,883,976**	**1,072,491**			
Suzuki Cultus							
2,220,719	648,943	1,571,776	2,097,981	526,205	Muhammad Ashraf	Employee	Company policy
1,542,567	429,176	1,113,391	1,936,680	823,289	Murtaza Mehdi	Employee	Company policy
1,521,368	464,186	1,057,182	1,832,620	775,438	Saeed Ullah Khan	Employee	Company policy
2,414,700	1,209,282	1,205,418	1,745,300	539,882	Saad Anjum	Employee	Company policy
1,490,911	287,000	1,203,911	1,524,796	320,885	Irfan Nazir	Employee	Company policy
1,543,217	473,252	1,069,965	1,441,480	371,515	Muhammad Asad	Employee	Company policy
1,521,367	484,132	1,037,235	1,423,580	386,345	Abdul Rasheed	Employee	Company policy
1,490,911	392,605	1,098,306	1,407,504	309,198	Uzair Rabbani	Employee	Company policy
1,512,053	742,067	769,986	1,112,832	342,846	Umber Jawed	Employee	Company policy
1,511,678	755,692	755,986	1,094,811	338,825	M Ashar Azhar	Employee	Company policy
1,765,250	884,037	881,213	1,094,455	213,242	M Asif Khan	Employee	Company policy
1,767,350	915,854	851,496	1,059,150	207,654	Shujat Ali Ansari	Employee	Company policy
1,512,853	571,522	941,331	706,240	(235,091)	Naveed Anwar	Employee	Company policy
1,771,850	852,109	919,741	706,100	(213,641)	Sohail Aslam	Employee	Company policy
1,403,250	838,656	564,594	697,925	133,331	Kamran Iftikhar	Employee	Company policy
24,990,044	**9,948,513**	**15,041,531**	**19,881,454**	**4,839,923**			
Suzuki Alto							
1,203,267	350,952	852,315	1,804,520	952,205	Mehmood Ul Hassan	Employee	Company Policy
1,203,267	265,721	937,546	1,580,235	642,689	Imran Dawood	Employee	Company Policy
1,203,767	300,942	902,825	1,563,330	660,505	Rehan Ghouri	Employee	Company Policy
1,242,441	281,620	960,821	1,433,000	472,179	Efu General Insurance	Insurance Claim	As per Contract
1,781,400	804,501	976,899	1,402,416	425,517	Abdul Rafay	Employee	Company Policy
1,559,579	259,929	1,299,650	1,370,018	70,368	Abdul Hakeem	Employee	Company Policy
1,242,441	498,356	744,085	1,349,273	605,188	Asim Ali	Employee	Company Policy
1,207,600	481,966	725,634	1,347,149	621,515	Anees Ahmed	Employee	Company Policy
1,203,267	233,968	969,299	1,183,350	214,051	Adil Masood	Employee	Company Policy
1,203,466	265,765	937,701	1,166,445	228,744	Nasir Maqbool	Employee	Company Policy
1,242,441	409,729	832,712	1,088,591	255,879	Sulman Khan	Employee	Company Policy
1,203,267	316,860	886,407	1,081,920	195,513	Abdul Saboor Khan	Employee	Company Policy
1,203,267	316,860	886,407	1,081,920	195,513	Touheed Amin	Employee	Company Policy
1,207,641	481,983	725,658	955,702	230,044	Keith James	Employee	Company Policy
1,211,536	483,536	728,000	938,004	210,004	Sharjeel Ahmed	Employee	Company Policy
1,217,727	562,801	654,926	852,513	197,587	Khalid Ali	Employee	Company Policy
1,211,927	583,698	628,229	796,419	168,190	Muhammad Farhan	Employee	Company Policy
1,211,927	583,698	628,229	796,418	168,189	M Imran Khan	Employee	Company Policy
1,242,441	422,430	820,011	1,052,305	232,294	Noman Shakeel	Employee	Company Policy
1,423,355	685,269	738,086	796,418	58,332	M Haseeb Iqbal	Employee	Company Policy
1,211,927	594,744	617,183	778,720	161,537	Hafiz Ahsan Azhar	Employee	Company Policy
1,325,905	637,347	688,558	761,188	72,630	Hadi Nawaz	Employee	Company Policy
1,325,905	699,943	625,962	678,450	52,488	Subhan Altaf	Employee	Company Policy
1,203,267	317,529	885,738	1,529,520	643,782	Mazhar Ali	Employee	Company Policy
1,433,000	701,396	731,604	761,272	29,668	Ovais Budhani	Employee	Company Policy
1,433,000	725,579	707,421	743,146	35,725	Saad Mahmood	Employee	Company Policy
33,359,028	**12,267,122**	**21,091,906**	**28,892,242**	**7,800,336**			

Cost	Accumulated depreciation	Net book amount	Sale proceeds	Gain / (loss)	Particulars of buyer	Relationship	Mode of disposal
		.... Rupees					
Toyota Corolla							
2,900,988	1,605,265	1,295,723	1,620,675	324,952	M Imran Khan	Employee	Company Policy
2,336,590	1,290,063	1,046,527	1,421,096	374,569	Muhammad Hassan	Employee	Company Policy
2,792,813	1,505,884	1,286,929	1,117,125	(169,804)	Zubair latif	Employee	Company Policy
1,924,250	1,302,704	621,546	766,880	145,334	M Nasir Khan	Employee	Company Policy
2,647,880	1,457,581	1,190,299	1,055,982	(134,317)	Salman Shahid	Employee	Company Policy
2,000,000	1,293,782	706,218	943,861	237,643	Syed Ali Ghalib	Employee	Company Policy
2,339,290	1,293,346	1,045,944	933,866	(112,078)	Amjad Kamal	Employee	Company Policy
2,336,790	1,328,203	1,008,587	931,866	(76,721)	Zaid Habib	Employee	Company Policy
2,779,891	1,365,483	1,414,408	2,072,518	658,110	Yousuf	Employee	Company Policy
1,935,100	1,274,719	660,381	824,396	164,015	Khalid Ahmed	Employee	Company Policy
2,005,500	1,354,613	650,887	818,700	167,813	Abdul Rasheed Paryani	Employee	Company Policy
1,926,750	1,316,100	610,650	766,880	156,230	Najam Ul Hassan	Employee	Company Policy
1,876,223	1,180,191	696,032	862,740	166,708	Zia Rahman	Employee	Company Policy
1,879,280	1,216,394	662,886	766,860	103,974	Abbas Ali	Employee	Company Policy
31,681,345	**18,784,328**	**12,897,017**	**14,903,445**	**2,006,428**			
Toyota Yaris							
2,419,836	542,446	1,877,390	3,490,000	1,612,610	Ali Raza Kazmi	Employee	Company Policy
2,419,836	**542,446**	**1,877,390**	**3,490,000**	**1,612,610**			
152,766,703	**72,623,141**	**80,143,563**	**127,174,931**	**47,031,369**			
183,649,203	**75,063,293**	**108,585,911**	**158,057,431**	**49,471,521**			

Aggregate of assets disposed off having net book value not exceeding Rs. 500,000

Description	Cost	Accumulated depreciation	Net book value	Sale proceed	Gain / (loss)
Plant and Machinery	1,855,341	1,699,391	155,950	-	(155,950)
Furniture and Fixtures	389,755	299,665	90,090	-	(90,090)
Computers	6,381,164	3,632,304	2,748,860	1,014,458	(1,734,402)
Equipments	529,110	367,816	161,294	40,000	(121,294)
Vehicles	37,136,908	21,760,124	15,376,784	23,765,817	8,389,033
Sub-total	**46,292,278**	**27,759,300**	**18,532,978**	**24,820,275**	**6,287,297**
2023 - total	**229,941,481**	**102,822,593**	**127,118,889**	**182,877,706**	**55,758,818**
2022 - total	311,751,251	106,474,781	205,276,471	553,168,881	347,892,410

6.6.1 All disposal are made through negotiation otherwise specified in 6.6 of these consolidated financial statements.

		Note	2023	2022
			------------Rupees---------	
6.7	**Capital work-in-progress**			
	Civil works		**2,797,473,664**	1,811,198,835
	Plant and machinery		**8,237,988,222**	3,857,544,301
	Equipment and fittings		**449,497,520**	26,037,400
		6.7.1	**11,484,959,406**	5,694,780,536

6.7.1 Movement of capital work in progress:

	Leasehold Land	Civil works	Plant and machinery	Equipment and fittings	Total
	---Rupees			--	
Balance as at July 1, 2021	-	196,764,243	801,243,839	971,931	998,980,013
Capital expenditure incurred during the year	942,310,856	2,637,282,299	5,238,884,852	45,880,636	8,864,358,643
Transferred to fixed assets	(942,310,856)	(1,090,275,268)	(2,862,508,828)	(20,815,167)	(4,915,910,119)
Advances to contractors	-	67,427,561	641,840,416	-	709,267,977
Expenses capitalized	-	-	38,084,022	-	38,084,022
Balance as at June 30, 2022	**-**	**1,811,198,835**	**3,857,544,301**	**26,037,400**	**5,694,780,536**
Capital expenditure incurred during the year	**-**	**1,836,066,362**	**7,265,747,103**	**572,000,639**	**9,673,814,104**
Trial production cost incurred - net	**-**	**-**	**123,468,335**	**-**	**123,468,335**
Transferred to operating fixed assets	**-**	**(849,791,533)**	**(3,641,262,544)**	**(148,540,519)**	**(4,639,594,596)**
Advances to contractors	**-**	**-**	**269,948,447**	**-**	**269,948,447**
Expenses capitalized	**-**	**-**	**362,542,580**	**-**	**362,542,580**
Balance as at June 30, 2023	**-**	**2,797,473,664**	**8,237,988,222**	**449,497,520**	**11,484,959,406**

		Note	2023	2022
			------------Rupees---------	
7	**INTANGIBLE ASSETS**			
	As at July 1			
	Cost	7.1	**99,973,357**	98,973,357
	Accumulated amortization		**(93,977,917)**	(65,242,574)
	Opening net book value		**5,995,440**	33,730,783
	Addition for the year		**-**	1,000,000
	Amortization charge for the year		**(3,768,733)**	(28,735,343)
	Closing net book value		**2,226,707**	5,995,440
	As at June 30			
	Cost		**99,973,357**	99,973,357
	Accumulated amortization		**(97,746,650)**	(93,977,917)
	Closing net book value		**2,226,707**	5,995,440
	Amortization rate		**33.33%**	33.33%

7.1 Software includes licenses which are amortized on straight line basis over a period of 36 months.

		Note	2023	2022
7.2	The amortization charge has been allocated as follows:			
	Cost of sales	31	**-**	12,631,650
	Selling and distribution expenses	32	**-**	6,974,313
	Administrative expenses	33	**3,768,733**	9,129,381
			3,768,733	28,735,344
8	**LONG TERM INVESTMENTS**			
	Investment in associated company	8.1	**3,225,156,930**	3,144,584,786

8.1 Investment in associated companies

The total shareholding of the Holding Company in the Bank of Khyber (the Bank) is 269,383,781 (June 2022: 269,383,781) shares which represents 24.43% of paid-up capital of the Bank (June 2022: 24.43%). 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 unconsolidated financial statements have been taken from audited financial statements of the Bank for the year ended December 31, 2022 and unaudited interim financial statement for the six months period ended June 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 at June 30, 2023 was Rs. 3,633.98 million (June 30, 2022: Rs. 4,040.756million).

	The Bank of Khyber	
	2023	2022
	-------------Rupees------------	
Balance as at July 1	**3,144,584,786**	3,180,003,578
Share of profit	**428,075,707**	216,582,895
Share of other comprehensive loss	**(347,503,563)**	(252,001,687)
Balance as at June 30	**3,225,156,930**	3,144,584,786

Summarized financial information in respect of the Company's associate as at June 30 is set out below:

	The Bank of Khyber	
	2023	2022
	Un-audited	Un-audited
	------------Rupees------------	
Total assets	**345,762,514,000**	394,240,287,000
Total liabilities	**328,873,320,000**	377,685,898,000
Revenue	**9,601,237,000**	7,065,905,000
Profit for the period	**1,752,436,000**	886,632,000
Other comprehensive loss for the period	**(1,422,620,719)**	(1,029,987,000)
Total comprehensive income / (loss) for the period	**329,815,281**	(143,355,000)

		Note	**2023**	2022
			------------Rupees---------	
9	**LONG TERM DEPOSITS**			
	Utilities		**15,358,378**	15,358,378
	Others		**14,335,745**	12,032,048
	JS Bank - Security Deposit		**3,478,000**	-
			33,172,123	27,390,426
10	**STORES AND SPARES**			
	Stores		**127,010,941**	128,689,386
	Spare parts		**493,434,736**	383,713,579
	Others		**35,182,533**	23,770,352
			655,628,210	536,173,317

10.1 This includes provision for slow moving amounting to Rs 8,591,420 (June 2022: Rs 8,591,420)

		Note	2023	2022
11	**STOCK-IN-TRADE**			
	Raw materials	11.2 & 11.3	**10,005,337,837**	4,137,933,253
	Packing materials	11.2	**2,272,074,000**	1,419,657,519
	Work-in-process	31	**644,262,138**	416,878,374
	Finished goods	11.2	**3,354,882,011**	2,526,640,317
			16,276,555,986	8,501,109,463

11.1 Stock-in-trade of the Group is under hypothecation charge against short term finances as mentioned in note 27.

11.2 Reconciliation for stock-in-trade

	Note	**2023**		
		Raw materials	**Packing materials**	**Finished goods**
		---------------------- **Rupees** --------------------		
Stock-in-trade		**10,097,100,512**	**2,385,338,077**	**3,354,882,011**
Provision for slow moving				
- opening		**(47,738,834)**	**(127,297,185)**	**-**
- charge		**(103,654,713)**	**(104,961,339)**	**-**
- Write-off		**59,630,872**	**118,994,447**	**-**
- closing		**(91,762,675)**	**(113,264,077)**	**-**
Stock-in-trade-net		**10,005,337,837**	**2,272,074,000**	**3,354,882,011**

	2022		
	Raw materials	Packing materials	Finished goods
	---------------------- Rupees --------------------		
Stock-in-trade	4,185,672,088	1,546,954,703	2,526,640,317
Provision for slow moving			
- opening	(13,576,856)	(152,848,549)	-
- charge	(57,425,947)	(34,666,750)	-
- Write-off	23,263,968	60,218,115	-
- closing	(47,738,835)	(127,297,184)	-
Stock-in-trade-net	4,137,933,253	1,419,657,519	2,526,640,317

11.3 This includes raw material in transit amounting to Rs. 2,021,268,243 (June 30, 2022: Rs. nil).

12 TRADE DEBTS

	Note	2023	2022
		------------Rupees---------	
Considered good			
- export-secured		**5,805,638,355**	1,430,204,301
- local- unsecured		**5,022,640,640**	4,505,174,703
Trade debts	12.3	**10,828,278,995**	5,935,379,004
Allowance for expected credit loss	12.2	**(158,464,042)**	(107,970,640)
Trade debts - net		**10,669,814,953**	5,827,408,364

12.1 Trade debts of the Group is under hypothecation charge against short term finances as mentioned in note 27.

12.2 Allowance for expected credit loss	Note	2023	2022
		------------Rupees---------	
Balance at the beginning of the year		**(107,970,640)**	(100,970,640)
Charge during the year - net	32	**(50,493,402)**	(7,000,000)
Balance at the end of the year		**(158,464,042)**	(107,970,640)
12.3 Age analysis			
Not Due		**9,448,930,778**	5,282,250,777
More than 45 days but not more than 3 months		**590,569,095**	263,695,837
More than 3 months but not more than 6 months		**423,417,227**	160,765,756
More than 6 months but not more than 1 year		**257,745,546**	144,757,519
More than 1 year		**107,616,349**	83,909,116
		10,828,278,995	5,935,379,005
13 LOANS AND ADVANCES			
Loan to employees - secured	13.1	**102,209,828**	58,525,902
Advances - unsecured			
- Suppliers		**2,984,605,261**	1,880,355,972
- LC margins	13.2	**265,496,495**	55,190,647
		3,352,311,584	1,994,072,521

13.1 These represents intrest free loan that are to be paid within a period of one year in equal monthly installments as per policy. Any outstanding laon due from an employee at the time of leaving the service is adjustable against the final settlement of staff.

	Note	2023	2022
		------------Rupees---------	
13.2 Allied Bank Limited		**63,748,128**	38,165,941
Habib Bank Limited		**181,457,668**	11,239,764
Meezan Bank Limited		**8,127,380**	4,068,500
Dubai Islamic Bank Pakistan		**-**	1,716,442
Soneri Bank Limited		**12,163,319**	-
		265,496,495	55,190,647
14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits - unsecured		**312,583,280**	36,442,097
Short term prepayments		**1,283,890**	11,343,091
Current maturity of lease deposits- Conventional	9	**-**	436,100
Current maturity of lease deposits- Islamic	9	**-**	2,221,600
		313,867,170	50,442,888
15 SHORT TERM INVESTMENTS			
Held at:			
Amortised cost	15.1	**837,419,971**	1,128,192,640
Fair value through other comprehensive income	15.2	**834,465,000**	190,000,000
		1,671,884,971	1,318,192,640

15.1 These investments are made in trade deposit reciepts of various banks at the rates range from 6.85% to 18% (June 2022: 6.85% to 14.47%).

15.2 These investments are made in term finance certificates in various banks, which have been listed on Pakistan stock exchange. The fair value of these certificates range from 95.33% to 99.38% of their face value (June 2022: 95%).

16 OTHER RECEIVABLES	Note	2023	2022
		------------Rupees---------	
Export rebate		**36,605,266**	17,338,462
Sales tax carry forward		**2,147,972,064**	-
Other receivables	16.1	**136,402,027**	100,402,029
		2,320,979,357	117,740,491

16.1 This amount includes Rs. 100.217 million (June 30 2022: Rs.100.217 million) due from Nazir of the Hounrable Sindh High Court as referred in note 28.1.2.

		Note	2023	2022
17	**TAXATION - net**		------------Rupees---------	
	Advance income tax		**2,343,533,498**	2,000,284,026
	Provision for taxation	38	**(1,228,350,029)**	(833,538,584)
			1,115,183,469	1,166,745,442
18	**CASH AND BANK BALANCES**			
	Cash in hand		**6,126,486**	4,896,610
	Cash at banks:			
	- current accounts - conventional		**1,240,343,136**	217,301,926
	- current accounts - Islamic		**404,696,981**	150,851,695
			1,651,166,603	373,050,231

19 **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

Number of Shares 2023	Number of Shares 2022		2023	2022
			------------Rupees---------	
53,072,940	53,072,940	Ordinary shares of Rs.10 each fully paid in cash	**530,729,400**	530,729,400
13,284,000	13,284,000	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation	**132,840,000**	132,840,000
66,356,940	66,356,940		**663,569,400**	663,569,400

20 **Non-Controlling Interest**

Below is summarised financial information of Hudson Pharma (Private) Limited and Ismail Resin (Private) Limited that has a non-controlling interest of 21.47% (2022: 21.74%) and 25% (2022: 25%) stake respectively which is material to the Group. The amounts disclosed are before inter-group eliminations.

		Note	2023	2022
	Summarised Statement of Financial Position		------------Rupees---------	
	Current assets		**2,589,761,796**	988,867,012
	Non-current assets		**9,585,097,767**	4,473,803,184
	Current liabilities		**(2,301,246,738)**	(318,049,340)
	Non-current liabilities		**(4,688,070,535)**	(1,468,578,313)
			5,185,542,290	3,676,042,543
	Accumulated NCI		**1,180,807,449**	812,707,126
	Summarised Statement of Profit or Loss and Other Comprehensive Income			
	Sales		**737,747,738**	463,652,582
	Loss for the year / period		**(488,421,285)**	(255,668,701)
	Total comprehensive loss		**(490,500,253)**	(259,060,604)
	Loss allocated to NCI		**(106,447,913)**	(57,604,330)
	Summarised Statement of Cash flows			
	Cash flow from operating activities		**405,018,532**	8,876,992
	Cash flow from investing activities		**(5,351,116,020)**	(3,275,253,727)
	Cash flow from financing activities		**4,936,328,913**	3,293,755,483
	Net increase / (decrease) in cash and cash equivalents		**(9,768,576)**	27,378,748
21	**RESERVES**			
	Capital Reserve			
	- Share premium	21.1	**1,472,531,500**	1,472,531,500
	- Reserve arising due to amalgamation	21.2	**916,862,067**	916,862,067
	Revenue Reserve			
	- Loss on remeasurement of investment in associate		**(701,503,895)**	(406,125,879)
	- Unrealized loss on remeasurement of investment classified as fair value through OCI - net of tax		**(11,962,300)**	(7,645,000)
	- Unappropriated profit		**13,867,160,880**	8,814,914,136
	Total reserves	21.3	**15,543,088,252**	10,790,536,824

21.1 This represents share premium amount pertaining to issue of shares at premium. This reserve can be utilized by the Holding Company for the purpose specified in section 81(2) of the Companies Act, 2017.

21.2 This represents reserve created under scheme of arrangement for amalgamation of Astro Plastics (Private) Limited with the Holding Company.

21.3 Movement of the total reserves have been reflected in consolidated statement of changes in equity.

		Note	2023	2022
22	**LONG TERM FINANCES - secured**	**Note**	**--------- Rupees ---------**	
	Long term finances - secured - conventional	22.1	**21,679,053,252**	13,913,957,874
	Long term finances - secured - islamic	22.2	**6,133,953,620**	7,201,383,105
	Total long term finances - secured		**27,813,006,872**	21,115,340,979

22.1 ***CONVENTIONAL***

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- Rupees ---------	
Habib Bank Limited						
- Term Finance - FCY	Monthly	2021-2024	1 month EURIBOR + 1.75%	36	**37,536,947**	385,011,855
- SBP-LTFF	Quarterly	2018-2030	SBP + 0.25%	36	**258,425,301**	313,616,859
- Term finance	Monthly	2017-2023	1 month KIBOR + 0.25%	60	**-**	83,333,341
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.25%	34	**1,202,042,649**	1,370,077,235
- SBP-TERF	Quarterly	2022-2031	SBP + 1.25%	36	**207,817,224**	234,533,253
- Term finance	Quarterly	2025-2033	3 month KIBOR + 1.25%	32	**98,279,764**	-
- Term finance	Monthly	2024-2028	1 month KIBOR + 0.75%	48	**1,130,505,670**	-
- SBP-TERF	Quarterly	2024-2031	SBP+1.25%	32	**1,187,641,934**	305,005,000
- SBP-LTFF	Quarterly	2024-2031	SBP+1.25%	32	**44,160,305**	44,160,305
- Term finance	Quarterly	2024-2031	3 month KIBOR + 1.25%	32	**406,878,858**	-
Bank Al-Habib Limited						
- SBP-LTFF	Quarterly	2019-2029	SBP + 0.75%	32	**239,118,000**	289,118,690
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.50%	32	**37,415,000**	44,503,000
MCB Bank Limited						
- SBP-LTFF	Quarterly	2018-2028	SBP + 0.75%	36	**169,457,553**	207,422,020
- SBP-LTFF	Quarterly	2020-2030	SBP + 0.25%	36	**352,335,158**	406,545,634
- SBP-TERF	Quarterly	2024-2031	SBP + 1%	32	**377,849,792**	258,840,000
- Term finance	Monthly	2024-2029	3 months KIBOR + 0.80%	60	**1,000,000,000**	-
Allied Bank Limited						
- SBP-LTFF	Semi-annual	2022-2031	SBP +0.25%/0.75%	18	**1,457,858,000**	1,652,227,500
Balance carried forward					**8,207,322,155**	5,594,394,692

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- Rupees ---------	
Balance brought forward					**8,207,322,155**	5,594,394,692
- Term finance	Monthly	2021-2024	3 months KIBOR + 0.25%	48	**100,000,012**	200,000,001
- Term finance	Quarterly	2024-2027	3 months KIBOR + 1%	16	**245,000,000**	245,000,000
- SBP-LTFF	Quarterly	2024-2031	SBP+1.25%	32	**489,021,000**	454,922,000
- Term finance	Quarterly	2024-2031	3 Months KIBOR + 1.25%	32	**781,129,000**	-
Pak Brunei Investment Company Limited						
- SBP-LTFF	Quarterly	2020-2029	SBP + 0.5%	32	**367,994,300**	430,499,000
- SBP-LTFF	Quarterly	2021-2030	SBP + 0.5%	32	**151,434,800**	175,436,900
Pak Oman Investment Company Limited						
- SBP-LTFF	Quarterly	2022-2030	SBP + 1.5%	32	**363,770,621**	418,205,342
- SBP-LTFF	Quarterly	2025-2032	SBP + 1.5%	32	**286,519,000**	264,884,000
Bank Al falah Limited						
- Term finance	Quarterly	2022-2025	6 month KIBOR + 0.75%	16	**250,000,000**	375,000,000
- Term finance	Quarterly	2023-2026	3 month KIBOR + 0.75%	16	**450,000,000**	600,000,000
- SBP-LTFF	Quarterly	2017-2029	SBP+0.5%	40/36	**241,381,235**	291,512,404
- SBP-REFF	Quarterly	2025-2035	SBP+0.5%	40	**199,927,000**	-
- SBP-TERF	Quarterly	2024-2031	SBP+1.25%	32	**249,248,000**	238,191,000
JS Bank Limited						
- SBP-Payroll finance	Quarterly	2021-2023	SBP+3%	8	**-**	161,966,566
- SBP-LTFF	Quarterly	2022-2030	SBP+0.30%	32	**101,374,217**	117,594,093
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.3%	36	**-**	55,555,556
- SBP-LTFF	Quarterly	2025-2033	SBP+1.50%	32	**400,845,950**	-
- SBP-Payroll finance	Quarterly	2021-2023	SBP+3%	8	**-**	12,105,190
Habib Metropolitan Bank Ltd						
- SBP-TERF	Semi Annual	2024-2031	SBP+1.5%	16	**1,097,677,000**	1,079,177,000
The Bank of Punjab						
- SBP-TERF	Quarterly	2023-2031	SBP + 1.25%	32	**1,495,913,586**	1,499,997,368
- Term finance	Monthly	2022-2027	1 month KIBOR + 0.75%	60	**391,666,671**	491,666,667
Balance carried forward					**15,870,224,547**	12,706,107,779

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- Rupees ---------	
Balance brought forward					**15,870,224,547**	12,706,107,779
National Bank of Pakistan						
- Term finance	Monthly	2019-2023	1 month KIBOR + 0.25%	48	**-**	100,000,011
- SBP-LTFF	Quarterly	2021-2030	SBP+0.65%	36	**747,434,248**	858,921,136
- SBP-TERF	Quarterly	2022-2031	SBP+1%	36	**422,987,081**	467,668,749
- SBP-FFSAP	Quarterly	2023-2030	SBP+0.75%	28	**129,734,000**	139,714,000
- Term finance	Quarterly	2024-2031	3 month KIBOR + 2.15%	32	**345,288,654**	50,000,000
- SBP-TERF	Quarterly	2024-2031	SBP+2.15%	32	**1,000,000,000**	103,770,000
Askari Bank Limited						
- SBP-REFF	Quarterly	2021-2031	SBP+0.50%	40	**167,001,575**	190,036,275
- Term finance	Monthly	2019-2024	1 month KIBOR + 0.50%	48	**91,666,679**	191,666,675
- SBP-Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	**-**	243,000,845
- Term finance	Monthly	2023-2027	1 month KIBOR + 0.75%	48	**437,499,998**	500,000,000
- Syndicated Term Finance	Monthly	2024-2029	1 month KIBOR + 0.80%	60	**4,250,000,000**	-
- SBP-Payroll finance	Quarterly	2021-2023	SBP+1.5%	8	**-**	19,245,688
Soneri Bank Limited						
- Term finance	Monthly	2019-2025	1 month KIBOR + 0.75%	60	**191,666,679**	291,666,675
- Term finance	Monthly	2023-2028	1 month KIBOR + 0.75%	60	**441,666,669**	500,000,000
PAIR Investment Company Limited						
- Term finance	Quarterly	2021-2025	3 month KIBOR + 0.75%	16	**131,250,000**	206,250,000
- SBP-REFF	Quarterly	2023-2033	SBP+0.50%	40	**199,519,941**	130,568,973
- SBP-LTFF	Quarterly	2025-2033	SBP+1.50%	32	**23,500,000**	-
Total long term loan - secured					**24,449,440,071**	16,698,616,806
Less: Current portion of long term finances shown under current liabilities					**(2,770,386,819)**	(2,784,658,932)
					21,679,053,252	13,913,957,874

22.2 ***ISLAMIC***

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
MCB Islamic Bank ltd						
- Islamic financing	Quarterly	2018-2023	3 months KIBOR + 0.25%	20	**-**	70,000,000
- SBP ITERF	Quarterly	2023-2030	SBP+0.75%	32	**349,986,000**	349,987,639
- Islamic financing	Quarterly	2023-2028	3 months KIBOR + 0.75%	20	**270,000,000**	300,000,000
Balance carried forward					**619,986,000**	719,987,639

Financier / Facility type	Installments mode	Repayment period	Mark-up (Rate)	Number of Installments	2023	2022
					--------- Rupees ---------	
Balance brought forward					**619,986,000**	719,987,639
Dubai Islamic Bank Pakistan Limited						
- SBP ILTFF	Quarterly	2022-2027	SBP+1%	20	**189,166,035**	247,455,881
- SBP ILTFF	Quarterly	2024-2030	SBP+1%	20	**412,638,448**	270,475,059
Meezan Bank Limited						
- Islamic financing	Monthly	2023-2029	1 months KIBOR + 0.75%	78	**-**	600,000,000
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	**-**	687,500,005
- Islamic financing	Monthly	2022-2025	1 month KIBOR + 0.75%	48	**-**	308,333,337
- Islamic financing	Monthly	2024-2030	1 months KIBOR + 0.85%	72	**600,000,000**	-
- Islamic financing	Monthly	2024-2026	1 month KIBOR + 1%	24	**562,500,007**	-
- Islamic financing	Monthly	2024-2025	1 month KIBOR + 0.85%	18	**258,333,339**	-
- Islamic financing	Monthly	2020-2023	3 month KIBOR + 0.25%	24	**-**	62,500,007
- Syndicated	Monthly	2024-2028	3 month KIBOR + 0.80%	60	**4,000,000,000**	4,000,000,000
- Islamic financing	Quarterly	2020-2025	3 months KIBOR + 0.25%	20	**80,000,000**	120,000,000
- Islamic financing	Monthly	2024-2028	1 months KIBOR + 0.80%	60	**150,000,000**	150,000,000
Faysal Bank Limited						
- SBP-LTFF	Quarterly	2021-2030	SBP+1%	36	**224,827,504**	258,135,278
Bank Islami Pakistan Limited						
- Islamic financing	Quarterly	2023-2028	3 month KIBOR + 0.65%	20	**475,000,000**	500,000,000
Total long term loan - secured					**7,572,451,333**	7,924,387,206
Less: Current portion of long term finances shown under current liabilities					**(1,438,497,713)**	(723,004,101)
					6,133,953,620	7,201,383,105

22.3 These represent financings for property, plant, and equipment. The above mentioned facilities are secured by way of creation of equitable mortgage and first pari-passu / ranking charge over present and future fixed assets of the Group and personal guarantees of sponsors.

22.4 The Group's total limit for long term loan amounts to Rs. 39,557 million. (2022: Rs. 34,187 million).

23 LEASE LIABILITIES

The Group has lease contract for vehicles, which generally have lease term of 3 years.Under the agreements, lease rentals are payable in 36 equal monthly, 12 equal quarterly and 6 equal biannually installments. Taxes, repairs, replacement and insurance costs, if any, are borne by the Holding Company. The financings from conventional banks carry mark-up at rates ranging from 14.75% to 23.08% (2022: 7.76% to 16.16.%) per annum and financing from Islamic banks carry mark-up at rates 16.08% (2022: 8.14% to 12.07%) approximately which have been used as a discounting factor. The Holding Company has the option to purchase the asset upon completion of the lease period.

The net carrying amount of the assets held under finance lease arrangement is Rs. 42.41 million (2022: Rs. 26.66 million) (refer note 6.1)

These are secured against deposits of Rs. 3.44 million (2022: Rs 3.78 million), title of ownership of right-of-use assets and personal guarantees of the directors of the Group.

Maturity analysis of lease repayments for which the Group has committed to pay in future under the lease agreements are due as follows:

	2023	2022
	--------- Rupees ---------	
Lease liability	**32,938,848**	19,221,640
Less: Current portion	**(10,826,930)**	(7,892,005)
	22,111,918	11,329,635
As at July 1	**19,221,640**	62,166,883
Additions	**27,956,291**	11,734,621
Interest expense relating to lease liabilities	**4,112,592**	3,321,861
Payments (Lease & interest)	**(18,351,675)**	(58,001,725)
As at June 30	**32,938,848**	19,221,640
Less : Current portion	**(10,826,930)**	(7,892,005)
	22,111,918	**11,329,635**

	2023			2022		
	Minimum lease payments	**Financial charges allocated**	**Present value of minimum lease payments**	Minimum lease payments	Financial charges allocated	Present value of minimum lease payments
	Rupees					
Conventional						
Up to one year	**15,320,679**	**4,493,749**	**10,826,930**	5,442,769	1,482,529	3,960,240
Later than one year but not later than five years	**25,059,928**	**2,948,010**	**22,111,918**	10,615,689	1,507,654	9,108,035
	40,380,607	**7,441,759**	**32,938,848**	16,058,458	2,990,183	13,068,275
Islamic						
Up to one year	**-**	**-**	**-**	4,212,337	280,572	3,931,765
Later than one year but not later than five years	**-**	**-**	**-**	2,221,600	-	2,221,600
	-	**-**	**-**	6,433,937	280,572	6,153,365
	40,380,607	**7,441,759**	**32,938,848**	22,492,395	3,270,755	19,221,640

		Note	2023	2022
			--------- Rupees ---------	
24	**DEFERRED LIABILITIES**			
	Provision for staff gratuity scheme - unfunded	24.2.3	**741,713,640**	599,355,750
	Deferred tax liability	24.3	**1,777,653,106**	1,793,253,925
			2,519,366,746	2,392,609,675

24.1 Provision for staff gratuity scheme - unfunded

In accordance with the requirements of IAS-19 "Employee Benefits", actuarial valuation was carried out as at June 30, 2023 using the "Projected Unit Credit Method". Provision has been made in these consolidated financial statements to cover obligations in accordance with the actuarial recommendations. Details of significant assumptions used for the valuation and disclosures in respect of above-mentioned schemes are as follows:

24.1.1 Risks on account of staff gratuity scheme - unfunded

The Group faces the following risk on account of staff gratuity scheme.

24.1.2 Final Salary Risk (linked to inflation risk)

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

24.1.3 Mortality Risk

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

24.1.4 Withdrawal Risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

24.2 Significant actuarial assumptions

	2023	2022
Financial assumptions		
Discount rate (per annum)	**16.25%**	13.25%
Expected rate of increase in salaries (per annum)	**16.25%**	13.25%
Demographic assumptions		
Mortality rates (for death in service)	**Adjusted SLIC 2001-2005**	Adjusted SLIC 2001-2005
Retirement assumption	**60 years**	60 years

24.2.1 Consolidated Statement of Financial Position reconciliation

	Note	2023	2022
		--------- Rupees ---------	
Present value of defined benefit obligation	24.2.3	**741,713,640**	599,355,750
Net liability in balance sheet	24.2.4	**741,713,640**	599,355,750

24.2.2 Maturity Profile

	2023	2022
1-5 Years	**601,137,788**	457,685,998
6-10 Years	**1,021,009,161**	620,140,896
10 Years onwards	**25,076,028,263**	11,127,491,786
Weighted average duration	**8 Years**	8 Years

	Note	2023	2022
24.2.3 Movement in the defined benefit obligation		--------- Rupees ---------	
Present value of defined benefit obligation as at July 1		**599,355,750**	472,523,930
Current service cost		**125,241,516**	93,500,459
Past service cost		**-**	2,899,021
Interest cost		**73,297,996**	43,769,487
Remeasurement on obligation	24.2.7	**23,668,844**	46,283,511
Payments during the year		**(70,339,974)**	(49,961,384)
Benefits payable transferred to short term liability		**(9,510,492)**	(9,659,274)
Present value of defined benefit obligation as at June 30		**741,713,640**	599,355,750
24.2.4 Movement in the net liability at reporting date is as follows:			
Opening balance of net liability		**599,355,750**	472,523,930
Charge for the year	24.2.5	**198,539,512**	140,168,967
Remeasurements recognized in 'OCI'	24.2.7	**23,668,844**	46,283,511
Payments during the year		**(70,339,974)**	(49,961,384)
Benefits payable transferred to short term liability		**(9,510,492)**	(9,659,274)
Closing balance of net liability		**741,713,640**	599,355,750
24.2.5 The amounts recognized in the consolidated statement of profit or loss account against defined benefit scheme are as follows:			
Current service cost		**125,241,516**	93,500,459
Past service cost		**-**	2,899,021
Interest cost		**73,297,996**	43,769,487
Charge for the year		**198,539,512**	140,168,967

24.2.6 For the year ended June 30, 2024, expected provisions to the staff retirement benefit scheme is Rs. 274.498 million.

	2023	2022
	--------- Rupees ---------	
24.2.7 Remeasurement recognized in 'other comprehensive income'		
Experience losses	**23,668,844**	46,283,511
Related deferred tax	**(4,749,773)**	(10,113,932)
	18,919,071	36,169,579

24.2.8 Amounts for the current & previous four years are as follows:

Comparison for five years	2023	2022	2021	2020	2019
	----------	----------	Rupees	----------	----------
Present value of the defined benefit obligation	**741,713,640**	599,355,750	472,523,930	458,656,452	369,541,421

24.2.9 The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

	Impact on defined benefit obligation		
	Change in assumptions	**Increase in assumption**	**Decrease in assumption**
		--------------Rupees--------------	
Discount rate	1%	681,574,093	615,057,692
Salary growth rate	1%	795,716,050	520,936,537

24.2.10 The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognized within the consolidated statement of financial position.

		2023	2022
24.3	**Deferred taxation**	--------- Rupees ---------	
	The details of deferred tax on temporary differences are as follows:		
	- accelerated tax depreciation allowances	**1,871,225,378**	1,866,214,416
	- provision for gratuity	**(153,258,709)**	(133,174,703)
	- allowance for expected credit loss	**(34,862,090)**	(25,427,086)
	- investment in associates at fair value through OCI	**143,326,392**	131,240,570
	- STI - Term finance certificates	**(1,781,868)**	(2,355,000)
	- provision for stores and spares	**(1,890,112)**	(2,023,279)
	- provision for stock in trade	**(45,105,885)**	(41,220,993)
	Deferred tax liability	**1,777,653,106**	1,793,253,925

24.3.1 The movement in temporary differences is as follows:

	Balance as at July 1, 2021	Recognized in Statement of profit or loss	Recognized in statement of other comprehensive income	Balance as at June 30, 2022	Recognized in statement of profit or loss	Recognized in statement of other comprehensive income	Balance as at June 30, 2023
	------	------	------	--Rupees--	------	------	------
Provision for gratuity	(112,900,132)	(10,160,639)	(10,113,932)	(133,174,703)	(15,334,233)	(4,749,773)	(153,258,709)
Allowance for expected credit loss	(25,484,990)	57,904	-	(25,427,086)	(9,435,004)	-	(34,862,090)
Investment in associates at fair value through OCI	136,553,389	32,487,434	(37,800,253)	131,240,570	64,211,356	(52,125,534)	143,326,392
Provision for stores & spares	(2,168,474)	145,195	-	(2,023,279)	133,167	-	(1,890,112)
Provision for stock in trade	(42,005,772)	784,779	-	(41,220,993)	(3,884,892)	-	(45,105,885)
Accelerated tax depreciation allowances	1,891,286,053	(25,071,637)	-	1,866,214,416	5,010,962		1,871,225,378
Term Finance Certificates-Habib Bank Limited	(1,302,384)	-	(1,052,616)	(2,355,000)	1,790,832	(1,217,700)	(1,781,868)
	1,843,977,690	(1,756,964)	(48,966,801)	1,793,253,925	42,492,188	(58,093,007)	1,777,653,106

		Note	2023	2022
			--------- Rupees ---------	
25	**TRADE AND OTHER PAYABLES**			
	Trade creditors		**7,316,148,050**	1,817,476,508
	Accrued liabilities		**2,055,918,056**	1,167,868,682
	Gratuity payable	25.2	**9,510,492**	9,659,273
	Workers' profit participation fund	25.3	**333,060,046**	165,092,738
	Workers' welfare fund		**144,967,468**	69,121,605
	Sales tax payable - net		**10,517,648**	246,788,468
	Other payables	25.1	**535,000,000**	-
	Other liabilities		**13,870,460**	28,614,497
			10,418,992,220	3,504,621,771

25.1 This represents advance from Sponsor directors Mr. Muhammad M. Ismail ,Mr. Maqsood Ismail Ahmed and Mr Ahmed Ismail amounting to Rs 82.5 million (2022: Nil), Rs 262.5 million (2022 : Nil) & Rs. 190 million (2022 : Nil) respectively to meet the Group's cashflow requirement and is payable on demand.

25.2 This represents staff gratuity payable transferred to short term liability (note 24.2.3)

		Note	2023	2022
			--------- Rupees ---------	
25.3	**Workers' profit participation fund**			
	Balance at the beginning of the year		**165,092,738**	106,257,803
	Contribution for the year	34	**381,493,334**	181,898,959
	Interest on funds utilized in the Company's business	36	**2,208,112**	4,285,279
			548,794,184	292,442,041
	Less: Payments made during the year		**(215,734,138)**	(127,349,303)
	Balance at the end of the year		**333,060,046**	165,092,738

		Note	2023	2022
26	**ACCRUED MARK-UP**		**--------- Rupees**	**---------**
	Accrued mark-up on:			
	Conventional			
	- long term finances - secured		**368,300,498**	142,637,413
	- short term finances - secured		**687,556,038**	165,059,977
	Islamic			
	- long term finances - secured		**117,269,766**	65,630,173
	- short term finances - secured		**27,219,938**	13,812,511
			1,200,346,240	387,140,074

		Note	2023	2022
27	**SHORT TERM FINANCES - Secured**			
	From banking companies			
	Term finances - conventional	27.1	**1,649,997,917**	530,000,000
	Term finances - islamic	27.2	**452,236,440**	286,170,800
	Export refinances	27.3	**7,565,500,000**	6,215,496,502
	Finance against discounting of export bills / receivables	27.4	**-**	899,016,236
	Running finance utilized under mark-up arrangements	27.5	**5,440,548,535**	1,158,075,382
			15,108,282,892	9,088,758,920

27.1 These represent facilities for term finances arranged from various banks aggregating to Rs. 6,365 million (2022: Rs. 1,565 million). These are secured against pari-passu / ranking hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 16.20% to 22.20% per annum (2022: 7.18% to 15% per annum).

27.2 These represent facilities for term finances arranged from various banks aggregating to Rs. 800 million (2022: Rs. 800 million). These are secured against pari-passu/ranking hypothecation over stocks and book debts of the Group along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 12.64% to 22.27% per annum (2022: 8.70% to 13.94% per annum).

27.3 These represent facilities for export refinance arranged from various banks aggregating to Rs. 7,665 million (2022: Rs. 6,265 million). These were secured against pari-passu/ ranking hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up at the rate ranging from 0.25% to 1% above the State Bank of Pakistan (SBP) rate per annum (2022: 0.25% to 1% above SBP rate per annum).

27.4 These represent facilities for finances against discounting of export bills / receivable arranged from various banks aggregating to Rs 1,400 million (2022: Rs. 900 million). These are secured against pari-passu/ranking hypothecation of stocks, book debts and lien on export letters of credits of the Group along with the personal guarantees of the directors. These carried mark-up at the rate 1% above the State Bank of Pakistan (SBP) rate per annum (2022: 1% above SBP rate per annum).

27.5 These represent facilities for running finances available from various banks aggregated to Rs. 9,155 million (2022: Rs. 4,355 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 14.50% to 22.98% per annum (2022: 7.61% to 14.81% per annum).

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1 The Ministry of Industries has declared the BOPET film manufacturing project of the Holding Company as Pioneer Industry due to which import of capital goods shall be duty free. The Holding Comapny approached the Board of Investment (BOI) for the permission of imports who entertained the request and was in the process of evaluating the permission of import vide SRO 41(I)/2009. In the meantime, the Holding Comapny imported some capital goods and as per section 81 of the Customs Act, 1969, issued post-dated cheques in favour of Collector of Custom amounting to Rs. 557.403 million (2022: Rs. 557.403 million) for provisional clearance of goods. However, due to delay on the part of Federal Board of Revenue, the formal SRO to endorse the decision of Ministry of Industries is still awaited.

The Hoding Company had filed the subject Constitutional Petition in the High Court of Sindh vide D-2666 on May 13, 2015 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 the Ministry of Industries dated August 15, 2012. The High Court has passed interim order dated May 13, 2015, in favour of the Holding Company which is still operative and last hearing was held on April 10, 2023. The management of the Holding Company is confident that exemption shall be granted on duties related to import of capital goods against BOPET project retrospectively based on legal counsel's opinion.

28.1.2 The Holding Company had filed Constitutional Petition 620-K of 2015 on November 27, 2015 against Federation of Pakistan, Federal Board of Revenue and Collectorate of Custom in the Supreme Court of Pakistan against the operation of SRO 170(I)/2013 dated March 04, 2013 which required 8% duty on import of Poly Ethylene Terephthalate (PET Resin). In this connection the High Court vide order dated March 12, 2013 directed those custom duties at the rate of 3% to be paid by the Holding Company to custom authorities and insofar as differential amount is concerned, 2.5% shall be deposited in cash and 2.5% shall be paid through post-dated cheques to the Nazir of the High Court. In this connection, the Holding Company had deposited pay orders amounting to Rs. 100.217 million (2022: Rs. 100.217 million) and issued post-dated cheques amounting to Rs. 100.217 million (2022: Rs. 100.217 million) in favour of Nazir of the High Court as directed. Further, the Holding Company had filed petition in the High Court of Sindh for rationalization of duty structure on PET Resin. The main grievance of the Holding Company was 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 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 had been regretted by the High Court which was challenged in the Honorable Supreme Court of Pakistan. Supreme Court of Pakistan via its order 17621/22 dated September 30, 2022 had disposed off the case and Alternate Dispute Resolution Committee (ADRC) has been formed the last meeting was held on dated August 08, 2023. The decision of ADRC is pending and the Holding Company's management and legal counsel believes that there is no immediate financial liability against the Holding Company.

28.1.3 The Holding Company has filed various Suits/Petitions in the High Court of Sindh against the Federation of Pakistan and others against the orders of Commissioner (Inland Revenue) who refused to issue exemption certificates under section 148 of the Income Tax Ordinance 2001 (the Ordinance) on 22 October, 2018, in order to avail the benefit of exemption from advance tax at import stage on plant and machineries as per SRO 947 of 2008, and the Holding Company would not pay any tax on income from business under the ordinance on the basis of brought forward assessed losses available to the Holding Company, advance taxes deducted during the financial years and carried forward tax refunds from fiscal year 2015-16 and onwards. The High Court had allowed the Holding Company and ordered the concerned authorities to release the goods on furnishing of bank guarantees with the Nazir of the High Court and the concerned collectorate against all consignments which were released under similar grounds. The total quantum of bank guarantees involved in above suits / petitions was Rs. 606.4 million (June 2022: Rs 606.4 million). Currently, Bank guarantees of Rs.142.768 million (June 2022: Rs 119.562 million) has been released by the Order of the Sindh High Court and Bank Guarantees of Rs. 463.632 million (June 2022: Rs 486.832 million) are held by the Collector of Customs. Few Suits / Petitions are still pending in the Sindh High Court. The Holding Company's legal counsel is of the opinion that Company has a good prima facie case and there will be no financial liability on the Holding Company.

28.1.4 During the fiscal year 2017, Federal Board of Revenue had issued a show cause notice (SCN) on the basis of scrutiny of sales tax returns of various tax periods which revealed that the Holding Company has claimed the input tax of Astro Plastics (Private) Limited (APL) amounting to Rs. 477.804 million (June 2022: Rs. 477.804 million) in their sales tax returns. In response to SCN, the Holding Company has given the reference of the letter dated: October 2016 sent to the Federal Board of Revenue in which it has categorically mentioned that the High Court of Sindh, at Karachi, has sanctioned the petition no. J.Misc. 13/ 2016 for amalgamation by way of merger of APL and its members with and into Ismail Industries Limited and its members and the Holding Company has claimed the input sales tax on that basis. However, the Holding Company has filed Suit in the High Court of Sindh vide No.1539/2017 on June 13, 2017 and obtained the stay order from the Court. In the year 2020, subject suit was withdrawn by the Holding Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee which is still in process. As per the legal counsel, the Holding Company has reasonable grounds to believe that it will not have to incur any financial liability.

28.1.5 The Holding Company had filed sale tax reference no. A.823 of 2015 on August 28, 2015 with the High Court of Sindh upon the dismissal of appeal filed by the Holding Company before the Appellate Tribunal for tax year 2013 regarding sales tax audit. The High Court has restrained the Commissioner Inland Revenue from initiating the proceeding on the basis of the order passed by the Appellate Tribunal as well as operation of the Order / Judgement passed by the Tribunal has also been suspended. In the year 2020, subject suit was withdrawn by the Company, to pursue the remedy available under section 134A of the Income Tax Ordinance, 2001 i.e., Alternative Dispute Resolution Committee which is still in process. The Holding Company's legal counsel is confident that the case will be decided in favour of the Holding Company.

28.1.6 The Group had filed the Constitutional Petition 2752/2011 on August 09, 2011 and 1550-k/2021 on October 21, 2021 in the High Court of Sindh against the Excise and Taxation Department in respect of infrastructure cess / fee being charged by the Government of Sindh on Imports and prayed to declare that Sindh Finance (Amendment) Act, 2009 and / or rules made thereunder to be unconstitutional, illegal, void ab initio, and of no legal effect. In all the five versions of the law i.e. Sindh Finance Act / Ordinance, the incidence of tax arise upon ensuring of goods entering or leaving the province and such goods enter or leave the country through air or sea. Furthermore, import and export are within the exclusive domain of the federal legislature i.e. the Sindh legislature throughout lacked the jurisdiction to impose the levy. The imported goods were not released by the custom authorities without paying the infrastructure cess / fee charged by the Government of Sindh. Subsequently, the High Court ordered the custom authority to release the goods upon furnishing Bank Guarantee. In 2021, the case had been disposed off by the High Court in favour of Excise and Taxation Department. However, the Group along with the industry has challenged the applicability of said order in Honorable Supreme of Pakistan through case number 4978 and 1633 of 2021 and the Court has granted the stay order on Sep 01, 2021 upon providing the fresh bank guarantees equivalent to the amount already provided to the High Court, keeping the previously furnished bank guarantees operative and enforceable against the release of all future consignments of imported goods and restrained the authorities to take any coercive action against the Group. The total quantum of bank guarantees involved is Rs. 923 million. (2022: Rs. 538 million).

28.1.7 In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Supreme Court on the subject, where it had up held that the earlier introduction of GIDC Act 2011 was unconstitutional and ultra vires on the ground, amongst others, that GIDC was a 'Fee' and not a 'Tax' and the same suit was also filed against Federation of Pakistan, OGRA , SSGC and SNGPL in different Honourable High Courts of Pakistan by Industry at Large. In May 2015, the Government passed the GIDC Act, 2015 and the Holding Company has challenged that GIDC Act 2015 and filed a writ petition in the High Court of Sindh including retrospective treatment of the provisions of the GIDC Act, 2015. In October 2015, Sindh High Court (SHC) decided this suit in favour of the Holding Company. However, the Government filed an appeal in Honorable Supreme Court of Pakistan, where the Holding Company was not party to such litigation. The Honorable Supreme Court of Pakistan has disposed off the case on 13 August, 2020 and instructed the gas distribution companies to recover the outstanding amount in 24 equal instalments only from those consumers who have already passed the burden of GIDC cost to their customers. Based on the judgement of the Supreme Court, the Holding Company has obtained the stay order from the High Court of Sindh on 16th September, 2020 against the gas distribution companies for recovering of outstanding GIDC and disconnection of gas supply. The last hearing of this case was held on January 10, 2022. The cumulative differential amount of GIDC not yet recognised in these books amount to Rs 826 million (June 2022: Rs 826 million) (inclusive of Sales Tax). The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

28.1.8 Through Finance Act, 2019, the Government had reduced tax credit available on new investments under Section 65-B from 10% to 5% in FY-2019 and Nil from onward. The Holding Company has challenged the provision of Finance Act, 2019 before the High Court of Sindh on 19 December, 2019 against the Federation of Pakistan and obtained the interim relief of claiming 10% tax credit on all investments already planned including its ancillary costs. The case was disposed off by the Honourable High Court of Sindh during the year in favour of the Holding Company which has been challenged by the department in Honourable Supreme Court of Pakistan. The management and Holding Company's legal council are confident that the case will be decided in favour of the Holding Company.

28.1.9 The Holding Company had filed two petitions S-1803 & 1905 of 2020 before the High Court of Sindh and challenged the OGRA notification bearing no. OGRA-(10)-3(8)/2020 dated October 23, 2020 for increase in the price of natural gas and different prices for industrial and captive connection where the same is used for internal consumption by industrial undertaking. The Court vide its order dated November 11, 2020 & December 03, 2020 passed an interim stay order in favour of the Holding Company and suspended the afore-mentioned notification by allowing to pay monthly gas charges as per previous notification and directed the Holding Company to pay the balance amount by way of bank guarantee or cheque in favour of the Nazir of Court. The cumulative differential amount is approximately Rs 158.932 million (June 2022: Rs 114.012 million) (exclusive of sales tax) which has not been recorded in the statement of financial position. During the year, the single bench of the High Court of Sindh disposed off the case against the Holding Company and the Company has filed another case with the Divisional Bench of the same court. The Divisional Bench has granted the stay order. The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

28.1.10 During the year, the Board of Revenue (BOR) has issued a notice to the Holding Company in accordance with section 73 of the Stamp Act, 1899 for inspection of books of accounts and subsequently issued a demand notice of Rs. 297.907 million as a stamp duty due against various contracts undertaken by the Company during the year 2021 and 2022. The Holding Company challenged the said demand notice and filed a Constitutional Petition D-8084 of 2022 on 26 December 2022 against BOR in the Honorable High Court of Sindh (SHC) and cited that section 73 of the Stamp Act, 1899 allows the representative of BOR to inspect documents available in public office only and inclusion of private office under the definition of Public Office is ultra vires and against the principles of natural justice. SHC has granted stay order to the Holding Company against the impugned demand notice and restrained the BOR from taking any coercive action against the plaintiff. The matter is still pending in the SHC. The management and its legal counsel are of the view that there is no need to maintain any provision against this liability and has a good prima facie case.

28.1.11 During the year, IRPL instituted two cases 3032 and 3033 of 2023 dated 11 April 2023 against custom authorities before the Collector of Customs (Appeals) whereby the Company requested that the pipes and cables imported for PET Resin project should be considered as part of plant and machinery for the purpose of custom duties. Custom authorities have considered pipes and cables imported for PET Resin project as separate imports and higher amount duty has been levied. The decision with regards to these cases is pending and the Company's management and the legal counsel believe that the matter will be decided in favour of the Company. The Company has also approached the High Court of Sindh via petition number C.P. 1952 and C.P 1953 of 2023 dated 14 April 2023 and prayed that the consignments to be released against bank guarantees which the High Court of Sindh accepted and issued notice of release of the consignment. The Bank Guarantee involved is Rs. 27.92 million (2022: Nil).

28.1.12 With reference to the contingency in associated company, The Bank of Khyber (BOK), please refer the note 20 of interim financial statement of June 30, 2023.

		2023	2022
28.2	**Commitments**	**--------- Rupees ---------**	
28.2.1	Outstanding letters of guarantee	**3,158,894,750**	2,531,442,605
28.2.2	Cross Corporate guarantees issued by Holding Company on behalf of subsidiary companies	**4,838,811,644**	4,163,811,644
28.2.3	Outstanding letters of credit for:		
	- capital expenditure	**1,404,832,375**	4,143,155,291
	- raw materials	**7,088,433,702**	1,529,969,416

28.2.4 The Group has issued guarantee in the form of sponsors support agreement to 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.

		2023	2022
28.2.5	The Holding Company's share of commitments of associated company.	**--------- Rupees ---------**	
	- Guarantees	**9,129,399,388**	5,581,829,733
	- Commitments	**10,570,628,182**	22,334,098,319

29 OPERATING RESULTS

		Reportable Segement									
		Food segment		Plastic segment		Pharmaceutical segment		Resin segment		Total	
	Note	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		Rupees									
Disaggregation of revenue											
Local sales		**44,590,523,704**	37,068,823,819	**15,263,399,639**	13,041,105,764	**700,048,056**	395,808,164	**-**	-	**60,553,971,399**	50,505,737,747
Export sales		**37,950,689,573**	12,996,489,018	**1,928,433,951**	2,149,329,808	**210,637,071**	153,605,025	**-**	-	**40,089,760,595**	15,299,423,851
		82,541,213,277	50,065,312,837	**17,191,833,590**	15,190,435,572	**910,685,127**	549,413,189	**-**	-	**100,643,731,994**	65,805,161,598
Sales returns, discounts and direct expenses		**(2,060,718,759)**	(2,439,977,886)	**(51,434,910)**	(35,772,869)	**(132,821,719)**	(67,274,332)	**-**	-	**(2,244,975,388)**	(2,543,025,087)
		80,480,494,518	47,625,334,951	**17,140,398,680**	15,154,662,703	**777,863,408**	482,138,857	**-**	-	**98,398,756,606**	63,262,136,511
Add: Export rebate		**31,217,117**	24,798,153	**-**	491,072	**-**	-	**-**	-	**31,217,117**	25,289,225
		80,511,711,635	47,650,133,104	**17,140,398,680**	15,155,153,775	**777,863,408**	482,138,857	**-**	-	**98,429,973,723**	63,287,425,736
Sales tax		**(6,441,760,893)**	(5,593,663,897)	**(2,304,553,497)**	(1,950,923,787)	**(40,115,670)**	(18,486,276)	**-**	-	**(8,786,430,060)**	(7,563,073,960)
Sales - Net		**74,069,950,742**	42,056,469,207	**14,835,845,183**	13,204,229,988	**737,747,738**	463,652,581	**-**	-	**89,643,543,663**	55,724,351,776
Cost of sales	31	**(57,882,211,611)**	(34,302,049,720)	**(12,591,483,848)**	(11,113,151,904)	**(605,749,490)**	(349,948,845)	**-**	-	**(71,079,444,949)**	(45,765,150,468)
Gross profit		**16,187,739,131**	7,754,419,487	**2,244,361,335**	2,091,078,084	**131,998,248**	113,703,736	**-**	-	**18,564,098,714**	9,959,201,308
Selling and distribution expenses	32	**(6,523,863,186)**	(4,277,097,833)	**(529,721,848)**	(507,563,428)	**(329,656,896)**	(161,425,820)	**-**	-	**(7,383,241,930)**	(4,946,087,081)
Administrative expenses	33	**(859,553,862)**	(694,054,978)	**(188,682,554)**	(122,480,290)	**(250,849,287)**	(146,425,830)	**(68,217,228)**	(55,209,263)	**(1,367,302,931)**	(1,018,170,361)
		(7,383,417,048)	(4,971,152,811)	**(718,404,402)**	(630,043,718)	**(580,506,183)**	(307,851,650)	**(68,217,228)**	(55,209,263)	**(8,750,544,861)**	(5,964,257,442)
Operating profit/(loss)		**8,804,322,083**	2,783,266,676	**1,525,956,933**	1,461,034,366	**(448,507,935)**	(194,147,914)	**(68,217,228)**	(55,209,263)	**9,813,553,853**	3,994,943,866
Unallocated items											
Other operating expense	34									**(824,790,805)**	(423,926,854)
Other income	35									**2,096,511,615**	802,104,485
Finance cost	36									**(4,459,624,481)**	(1,456,847,447)
Share of profit from associated companies - net	8.1									**428,075,707**	216,582,895
Profit before taxation										**7,053,725,889**	3,132,856,945
Taxation	38									**(1,160,462,591)**	(837,505,419)
Profit for the year										**5,893,263,298**	2,295,351,526

		Reportable Segement									
		Food segment		Plastic segment		Pharmaceutical segment		Resin segment		Total	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		-------Rupees-------									
29.1	Segment assets	**46,220,297,112**	24,230,176,216	**15,202,736,562**	17,666,350,626	**2,181,868,771**	1,939,207,614	**9,992,990,794**	3,024,878,887	**73,597,893,239**	46,860,613,343
29.2	Unallocated assets	**-**	-	**-**	-	**-**	-	**-**	-	**6,118,751,612**	5,811,739,856
		46,220,297,112	24,230,176,216	**15,202,736,562**	17,666,350,626	**2,181,868,771**	1,939,207,614	**9,992,990,794**	3,024,878,887	**79,716,644,851**	52,672,353,199
29.3	Segment liabilities	**21,193,509,378**	7,844,699,515	**5,080,176,340**	5,903,422,459	**962,247,635**	131,827,742	**6,027,069,638**	90,110,556	**33,263,002,991**	13,970,060,272
29.4	Unallocated liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**29,066,176,759**	26,435,479,577
		21,193,509,378	7,844,699,515	**5,080,176,340**	5,903,422,459	**962,247,635**	131,827,742	**6,027,069,638**	90,110,556	**62,329,179,750**	40,405,539,849
29.5	Major non-cash items										
	-depreciation and amortisation	**1,649,204,359**	1,395,751,321	**752,723,078**	799,073,348	**163,903,113**	102,626,817	**12,203,663**	2,006,834	**2,578,034,213**	2,299,458,320
	-gratuity	**153,849,811**	75,146,345	**24,645,603**	53,705,849	**18,643,300**	11,316,773	**1,400,798**	-	**198,539,512**	140,168,967
		1,803,054,170	1,470,897,666	**777,368,681**	852,779,197	**182,546,413**	113,943,590	**13,604,461**	2,006,834	**2,776,573,725**	2,439,627,287
29.6	Capital expenditure	**5,882,069,882**	5,185,195,575	**191,683,898**	1,433,377,273	**229,235,375**	671,992,608	**5,189,688,520**	1,620,675,589	**11,492,677,675**	8,911,241,045

29.7 The Holding Company's export sales have been primarily made to continents in the Asia, Africa, Europe, North America and Australia.

29.8 World food program is the major customers of the Group which constituted 10 percent or more of the Group's revenue.

30 RECONCILIATION OF REPORTABLE SEGMENT SALES, COST OF SALES, ASSETS AND LIABILITIES

		Note	2023	2022
			--------- Rupees ---------	
30.1	**Assets**			
	Total assets for reportable segments	29.1	**73,597,893,239**	46,860,613,343
	Administrative capital assets		**1,730,143,202**	1,336,788,877
	Goodwill		**12,173,553**	12,173,553
	Long term investments	8	**3,225,156,930**	3,144,584,786
	Short term investments	15	**1,151,277,927**	1,318,192,640
	Total assets		**79,716,644,851**	52,672,353,199
30.2	**Liabilities**			
	Total liabilities for reportable segments	29.3	**33,263,002,991**	13,970,060,272
	Deferred tax liabilities	24	**1,777,653,106**	1,793,253,925
	Long term finances - secured	22	**27,288,523,653**	24,623,004,012
	Lease liabilities	23	**-**	19,221,640
	Total liabilities		**62,329,179,750**	40,405,539,849

30.3 There were no inter-segment sales of the Group during the year (2022:Rs. Nil)

31 COST OF SALES

	Note	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Pharmaceutical segment 2023	Pharmaceutical segment 2022	Resin segment 2023	Resin segment 2022	Total 2023	Total 2022
		--------	--------	--------	--------	Rupees	--------	--------	--------	--------	--------
Raw materials consumed		**40,016,107,380**	21,545,710,854	**10,460,026,499**	9,140,196,563	**129,192,428**	51,321,024	**-**	-	**50,605,326,307**	30,737,228,441
Packing materials consumed		**10,101,185,836**	6,872,883,136	**383,702,719**	397,294,487	**78,875,406**	34,607,034	**-**	-	**10,563,763,961**	7,304,784,657
Stores and spares consumed		**901,938,736**	513,987,608	**173,608,552**	189,528,800	**18,429,116**	8,898,743	**-**	-	**1,093,976,404**	712,415,151
Salaries, wages and other benefits		**3,984,499,332**	2,594,852,544	**416,316,905**	274,502,056	**152,743,710**	99,305,988	**-**	-	**4,553,559,947**	2,968,660,588
Electricity, gas, fuel and lubricants		**1,223,361,266**	924,267,609	**566,547,907**	406,101,885	**60,256,539**	31,027,219	**-**	-	**1,850,165,712**	1,361,396,713
Repairs and maintenance		**228,499,661**	173,636,122	**33,491,956**	33,309,101	**25,833,115**	16,128,721	**-**	-	**287,824,732**	223,073,944
Printing and stationery		**30,868,196**	9,045,971	**1,553,623**	1,266,956	**2,812,400**	1,805,592	**-**	-	**35,234,219**	12,118,519
Insurance		**46,440,162**	29,803,926	**19,607,065**	13,883,642	**3,536,540**	1,461,698	**-**	-	**69,583,767**	45,149,266
Rent, rates and taxes		**10,503,362**	6,867,556	**5,383,633**	1,183,395	**1,323,329**	550,955	**-**	-	**17,210,324**	8,601,906
Water charges		**38,830,314**	43,731,900	**7,232,413**	7,431,808	**-**	-	**-**	-	**46,062,727**	51,163,708
Postage and telephone		**11,026,490**	6,376,121	**1,554,422**	1,569,351	**4,053,003**	2,586,427	**-**	-	**16,633,915**	10,531,899
Travelling and conveyance		**14,025,251**	10,601,113	**762,792**	444,813	**2,611,900**	1,349,740	**-**	-	**17,399,943**	12,395,666
Vehicle running and maintenance		**46,453,005**	23,294,153	**22,304,488**	13,602,592	**12,475,304**	4,215,554	**-**	-	**81,232,797**	41,112,299
Depreciation and amortisation	6.4.1	**1,453,057,630**	1,256,762,754	**721,709,452**	778,347,649	**145,543,424**	95,087,592	**-**	-	**2,320,310,506**	2,130,197,995
Laboratory expenses		**56,851,590**	22,323,487	**-**	248,354	**29,847,546**	21,883,516	**-**	-	**86,699,136**	44,455,357
Fees and subscription		**4,505,880**	7,416,408	**1,514,668**	1,788,286	**-**	-	**-**	-	**6,020,548**	9,204,694
Legal and professional charges		**225,000**	132,000	**-**	-	**-**	-	**-**	-	**225,000**	132,000
Cartage inward		**36,514,382**	22,988,256	**12,629,784**	6,262,829	**-**	-	**-**	-	**49,144,166**	29,251,085
Cost of services		**-**	-	**-**	-	**49,590,209**	21,766,919	**-**	-	**49,590,209**	21,766,919
Other manufacturing expenses		**16,886,998**	14,626,117	**4,538,828**	5,720,862	**186,263**	371,692	**-**	-	**21,612,089**	20,718,671
		58,221,780,471	34,079,307,635	**12,832,485,706**	11,272,683,429	**717,310,232**	392,368,414	**-**	-	**71,771,576,409**	45,744,359,478
Work-in-process at the beginning of the year		**272,168,168**	82,019,341	**142,499,215**	150,894,057	**2,210,991**	-	**-**	-	**416,878,374**	232,913,398
Work-in-process at the end of the year		**(195,656,685)**	(272,168,168)	**(444,396,880)**	(142,499,215)	**(4,208,572)**	(2,210,991)	**-**	-	**(644,262,137)**	(416,878,374)
		76,511,483	(190,148,827)	**(301,897,665)**	8,394,842	**(1,997,581)**	(2,210,991)	**-**	-	**(227,383,763)**	(183,964,976)
Trial production cost transferred to CWIP		**(123,468,335)**	-	**-**	-	**-**	-	**-**	-	**(123,468,335)**	-
Cost of goods manufactured		**58,174,823,619**	33,889,158,808	**12,530,588,041**	11,281,078,271	**715,312,651**	390,157,423	**-**	-	**71,420,724,311**	45,560,394,502

	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Pharmaceutical segment 2023	Pharmaceutical segment 2022	Resin segment 2023	Resin segment 2022	Total 2023	Total 2022
	--------	--------	--------	--------	Rupees	--------	--------	--------	--------	--------
Stock of finished goods at the beginning of the year	**2,169,520,134**	2,514,867,263	**286,941,855**	125,060,487	**70,178,329**	78,400,466	**-**	-	**2,526,640,318**	2,718,328,216
Purchase of finished goods	**538,666,052**	67,725,905	**-**	-	**23,988,483**	-	**-**	-	**562,654,535**	67,725,905
Cost of promotional samples reclassified to selling expenses	**-**	-	**-**	-	**(75,631,804)**	(48,430,715)	**-**	-	**(75,631,804)**	(48,430,715)
Insurance claim	**(60,400)**	(182,122)	**-**	(6,045,000)	**-**	-	**-**	-	**(60,400)**	(6,227,122)
Stock of finished goods at the end of the year	**(3,000,737,794)**	(2,169,520,134)	**(226,046,048)**	(286,941,855)	**(128,098,169)**	(70,178,329)	**-**	-	**(3,354,882,011)**	(2,526,640,318)
	(292,612,008)	412,890,912	**60,895,807**	(167,926,368)	**(109,563,161)**	(40,208,578)	**-**	-	**(341,279,362)**	204,755,966
	57,882,211,611	34,302,049,720	**12,591,483,848**	11,113,151,903	**605,749,490**	349,948,845	**-**	-	**71,079,444,949**	45,765,150,468

31.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs. 128.08 million (2022:Rs. 35.06 million)

32 SELLING AND DISTRIBUTION EXPENSES

	Note	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Pharmaceutical segment 2023	Pharmaceutical segment 2022	Resin segment 2023	Resin segment 2022	Total 2023	Total 2022
		------	------	------	------	Rupees	------	------	------		
Salaries and other benefits	32.1	**1,626,403,543**	1,398,827,312	**53,504,927**	61,656,371	**135,950,331**	59,422,492	**-**	-	**1,815,858,801**	1,519,906,175
Cartage outward		**1,358,665,486**	1,112,204,633	**243,557,900**	163,952,494	**-**	-	**-**	-	**1,602,223,386**	1,276,157,127
Export expenses		**1,699,636,574**	533,419,662	**191,045,911**	255,131,430	**10,078,457**	4,437,777	**-**	-	**1,900,760,942**	792,988,869
Advertisements		**861,899,530**	637,006,776	**1,000,000**	-	**-**	-	**-**	-	**862,899,530**	637,006,776
Entertainment		**11,725,152**	10,080,879	**989,621**	270,913	**2,580,282**	337,848	**-**	-	**15,295,055**	10,689,640
Vehicle running and maintenance		**514,746,916**	291,174,938	**6,620,970**	3,926,399	**23,543,114**	8,706,077	**-**	-	**544,911,000**	303,807,414
Printing and stationery		**2,961,137**	1,950,890	**539,584**	1,049,224	**345,331**	104,214	**-**	-	**3,846,052**	3,104,328
Postage and telephone		**35,411,493**	17,395,196	**6,349,237**	1,596,934	**3,183,230**	2,647,526	**-**	-	**44,943,960**	21,639,656
Conveyance and travelling		**95,263,543**	47,029,786	**6,530,954**	2,818,030	**39,095,501**	16,291,580	**-**	-	**140,889,998**	66,139,396
Samples		**-**	-	**-**	-	**75,631,804**	48,430,715	**-**	-	**75,631,804**	48,430,715
Sales promotion		**-**	-	**-**	-	**24,869,824**	14,973,305	**-**	-	**24,869,824**	14,973,305
Utilities		**5,002,509**	2,730,370	**1,787,566**	1,564,948	**-**	-	**-**	-	**6,790,075**	4,295,318
Repairs and maintenance		**4,780,443**	13,427,030	**764,101**	1,339,363	**-**	41,970	**-**	-	**5,544,544**	14,808,363
Rent, rates and taxes		**144,906,818**	122,252,952	**5,488,567**	4,951,522	**-**	-	**-**	-	**150,395,385**	127,204,474
Depreciation and amortisation	6.4.1	**76,779,869**	57,164,830	**4,811,144**	6,286,216	**12,714,381**	4,448,811	**-**	-	**94,305,394**	67,899,857
Fee and subscription		**515,572**	866,873	**2,518,670**	1,658,547	**-**	-	**-**	-	**3,034,242**	2,525,420
Insurance		**23,260,509**	16,278,489	**1,469,067**	1,237,075	**1,185,311**	1,483,494	**-**	-	**25,914,887**	18,999,058
Allowance for expected credit loss	12.2	**50,493,402**	7,000,000	**-**	-	**-**	-	**-**	-	**50,493,402**	7,000,000
Miscellaneous		**11,410,690**	8,287,217	**2,743,629**	123,962	**479,330**	100,011	**-**	-	**14,633,649**	8,511,190
		6,523,863,186	4,277,097,833	**529,721,848**	507,563,428	**329,656,896**	161,425,820			**7,383,241,930**	4,946,087,081

32.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 55.58 million (2022: Rs 68.26 million)

33 ADMINISTRATIVE EXPENSES

	Note	Food segment 2023	Food segment 2022	Plastic segment 2023	Plastic segment 2022	Pharmaceutical segment 2023	Pharmaceutical segment 2022	Resin segment 2023	Resin segment 2022	Total 2023	Total 2022
		------	------	------	------	Rupees	------	------	------		
Salaries and other benefits including director's remuneration		**422,719,314**	408,637,761	**92,792,045**	72,112,546	**143,103,017**	92,127,372	**93,619,980**	49,822,799	**752,234,356**	622,700,478
Conveyance and travelling		**48,237,705**	14,070,394	**10,588,765**	2,483,011	**10,104,246**	2,993,342	**4,490,205**	26,940	**73,420,921**	19,573,686
Postage and telephone		**29,946,010**	19,134,414	**6,573,514**	3,376,661	**3,028,246**	1,992,973	**863,445**	205,000	**40,411,215**	24,709,049
Printing and stationery		**36,970,855**	27,952,943	**8,115,554**	4,932,872	**31,569,263**	12,380,630	**820,046**	34,964	**77,475,718**	45,301,409
Repairs and maintenance		**46,576,729**	35,265,623	**10,224,160**	6,223,345	**3,132,492**	2,534,470	**5,783,270**	-	**65,716,651**	44,023,438
Electricity and utilities		**21,653,117**	13,707,301	**4,753,123**	2,418,936	**3,836,384**	3,016,473	**-**	-	**30,242,624**	19,142,709
Insurance		**10,747,710**	7,627,882	**2,359,253**	1,346,097	**1,264,067**	1,168,530	**5,952,253**	94,588	**20,323,283**	10,237,097
Advertisement		**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Entertainment		**6,193,256**	8,080,101	**1,359,495**	1,425,900	**1,991,046**	751,938	**-**	-	**9,543,797**	10,257,939
Vehicle running and maintenance		**66,455,011**	38,463,539	**14,587,685**	6,787,683	**20,739,770**	8,541,863	**983,851**	289,584	**102,766,317**	54,082,669
Rent, rates and taxes		**12,119,064**	8,626,964	**2,660,282**	1,522,405	**8,784,600**	8,583,450	**1,528,278**	-	**25,092,224**	18,732,819
Fee and subscription		**7,413,460**	11,079,072	**1,627,345**	1,955,130	**15,645,431**	3,750,955	**19,670,235**	20,447,976	**44,356,471**	37,233,134
Legal and professional charges		**30,129,968**	18,441,359	**6,613,895**	3,254,357	**1,000,300**	1,972,040	**2,832,500**	505,000	**40,576,663**	24,172,756
Depreciation and amortisation	6.4.1	**119,366,860**	81,823,737	**26,202,482**	14,439,483	**5,645,308**	3,090,414	**12,203,663**	2,006,830	**163,418,313**	101,360,464
General meeting expenses		**85,135**	78,793	**18,688**	13,905	**-**	-	**-**	-	**103,823**	92,698
Miscellaneous		**939,668**	1,065,095	**206,268**	187,958	**1,005,117**	3,521,380	**6,012,526**	234,451	**8,163,579**	5,008,884
Expense capitalized	6.7.1	**-**	-	**-**	-	**-**	-	**(86,543,024)**	(18,458,869)	**(86,543,024)**	(18,458,869)
		859,553,862	694,054,978	**188,682,554**	122,480,290	**250,849,287**	146,425,830	**68,217,228**	55,209,263	**1,367,302,931**	1,018,170,361

33.1 This includes expense recognised in respect of staff gratuity fund amounting to Rs 14.87 million (2022: Rs 36.85 million)

		Note	2023	2022
34	**OTHER OPERATING EXPENSES**		--------- Rupees ---------	
	Contribution to:			
	- workers' profits participation fund		**381,493,334**	181,898,959
	- workers' welfare fund		**144,967,467**	69,121,605
	Auditors' remuneration	34.1	**6,912,880**	5,790,920
	Bank document charges		**-**	4,687,272
	Exchange loss		**517,833**	100,000
	Donations	34.2	**281,155,740**	164,713,134
	Other		**9,743,551**	2,302,237
	Expense capitalized	6.7.1	**-**	(4,687,272)
			824,790,805	423,926,854

		2023	2022
34.1	**Auditor's remuneration**		
	Audit fee - unconsolidated	**3,000,000**	2,700,000
	Audit fee - consolidated	**900,000**	800,000
	Audit fee - subsidiaries	**1,362,880**	900,000
	Fee for statutory certification	**500,000**	304,650
	Fee for half yearly review	**600,000**	600,000
	Out-of-pocket expense	**550,000**	486,270
		6,912,880	5,790,920

		2023	2022
34.2	**Donation to the following organizations exceed 10% of total donation**		
	- Shed Foundation	**-**	36,200,000
	- Dow University	**-**	25,488,500
	- Al Mustafa Welfare Trust	**168,263,764**	18,881,484
		168,263,764	80,569,984

34.2.1 None of the donations were made to any donee in which a director or his spouse had any interest at any time during the year.

		2023	2022
35	**OTHER INCOME**	--------- Rupees ---------	
	Income from financial assets		
	Exchange gain	**1,402,889,926**	185,170,743
	Income from short term investments	**174,115,265**	51,031,115
	Income from non financial assets		
	Recovery from the sale of production scrap	**222,244,677**	133,877,106
	Gain on disposal of property, plant and equipment-net	**55,758,818**	347,892,410
	Processing income	**107,496,556**	37,093,010
	Insurance Income	**3,238,000**	-
	Others	**130,768,373**	47,040,101
		2,096,511,615	802,104,485

		Note	2023	2022
			--------- Rupees ---------	
36	**FINANCE COST**			
	Mark up on:			
	- long term finances -conventional		**1,257,753,795**	435,116,795
	- long term finances-islamic		**1,269,916,568**	323,615,207
	- short term finances-conventional		**1,326,504,715**	484,331,457
	- short term finances-islamic		**639,159,148**	103,802,010
	Interest on workers' profits participation fund		**2,208,112**	4,285,279
	Finance charge on lease liabilities		**4,112,592**	3,419,107
	Bank charges		**235,969,108**	117,215,473
	Expense capitalized	**6.7.1**	**(275,999,557)**	(14,937,881)
			4,459,624,481	1,456,847,447

37 REMUNERATION OF THE CHIEF EXECUTIVE OFFICERS, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief executive officers	**Directors**	**Executives**	Chief executive officers	Director	Executives
	-----	-----	-----	Rupees	-----	-----
Managerial remuneration	**45,600,000**	**28,800,000**	**863,104,442**	44,800,000	28,000,000	619,412,126
Gratuity	**-**	**-**	**41,247,215**	-	-	30,632,600
Bonus	**-**	**-**	**35,442,099**	-	-	27,457,758
Leave Encashment	**-**	**-**	**33,245,577**	-	-	24,414,046
Reimbursement of expenses						
Utilities	**3,000,000**	**2,500,004**	**-**	2,916,663	2,416,671	-
	48,600,000	**31,300,004**	**973,039,333**	47,716,663	30,416,671	701,916,530
Number of persons	**3**	**2**	**202**	3	2	157

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

37.1 The remuneration has been allocated as follows:

	2023			2022		
	Chief executive officers	**Directors**	**Executives**	Chief executive officers	Director	Executives
	-----	-----	-----	Rupees	-----	-----
Cost of goods sold	**-**	**-**	**342,508,419**	-	-	269,206,303
Selling and distribution expenses	**-**	**-**	**372,206,003**	-	-	236,161,295
Administrative expenses	**48,600,000**	**31,300,004**	**258,324,911**	47,716,663	30,416,671	196,548,932
	48,600,000	**31,300,004**	**973,039,333**	47,716,663	30,416,671	701,916,530
Number of persons	**3**	**2**	**202**	3	2	157

37.2 Bonus is given to employees as per the Group's policy.

		Note	2023	2022
			--------- Rupees ---------	
38	**TAXATION**			
	Current		**1,228,350,029**	833,538,584
	Prior year		**(110,379,624)**	5,723,799
	Deferred	**24.3.1**	**42,492,186**	(1,756,964)
			1,160,462,591	837,505,419

38.1 RELATIONSHIP BETWEEN TAX EXPENSES AND ACCOUNTING PROFIT

The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the total income of the company attracts minimum tax and FTR under income tax ordinance, 2001.

39 EARNINGS PER SHARE - basic and diluted

	2023	2022
	--------- Rupees ---------	
Basic earnings per share		
Profit for the year atributtable to holding Company	**5,999,711,211**	2,352,955,856
	Number of shares	
Weighted average number of shares outstanding as at year end	**66,356,940**	66,356,940
Basic and diluted earnings per share	**90.42**	35.46

Diluted earnings per share

There is no dilutive potential ordinary shares outstanding as at June 30, 2023 & June 30, 2022.

40 NUMBER OF EMPLOYEES

	2023	2022
	--------Numbers ---------	
Number of employees as at the year end	**3,388**	2,919
Average number of employees during the year	**3,154**	2,718

41 CASH GENERATED FROM OPERATIONS

	Note	2023	2022
		--------- Rupees ---------	
Profit before taxation		**7,053,725,889**	3,132,856,945
Adjustments for non-cash and other items:			
Depreciation and amortisation	6.4.1	**2,578,034,212**	2,299,458,318
Gain on disposal of property, plant and equipment-net	35	**(55,758,818)**	(347,892,410)
Provision for staff gratuity scheme - unfunded	24.2.5	**198,539,512**	140,168,967
Finance cost	36	**4,735,624,038**	1,456,847,447
Share of profit from associated companies - net	8.1	**(428,075,707)**	(216,582,895)
Provision for slow moving - stock in trade		**208,616,052**	34,161,978
Allowance for expected credit loss		**50,493,402**	7,000,000
Unrealized exchange gain		**(25,977,542)**	(54,746,794)
Unrealized gain on short term investment		**(1,595,808)**	-
Unrealized exchange (gain) / loss on borrowing		**(101,247,409)**	68,266,320
		14,212,377,821	6,519,537,876
Working capital changes			
Increase in current assets			
Stores and spares		**(119,454,893)**	(54,847,346)
Stock-in-trade		**(7,984,062,575)**	(811,588,158)
Trade debts		**(4,867,788,190)**	(2,386,139,029)
Loans and advances		**(1,358,239,063)**	(359,724,829)
Trade deposits and short term prepayments		**(263,424,282)**	(10,989,727)
Other receivables		**(2,203,238,866)**	(95,948)
		(16,796,207,869)	(3,623,385,037)
Increase / (decrease) in current liabilities			
Trade and other payables		**6,915,384,971**	(542,277,185)
Advances from customers - unsecured		**636,152,929**	(192,984,357)
		7,551,537,900	(735,261,542)
Net decrease in working capital		**(9,244,669,969)**	(4,358,646,579)
Cash generated from operations		**4,967,707,852**	2,160,891,297

42 **Reconciliation of movement of liabilities to cash flow arising from financing activities**

	Long term finances-secured	Lease Liabilities	Accrued mark-up	Total
	---------------------------- Rupees ----------------------------			
Balance as at July 01, 2022	**24,623,004,012**	**19,221,640**	**387,140,074**	**25,029,365,726**
Proceeds from long term finance	**10,791,630,470**	**-**	**-**	**10,791,630,470**
Payment of long term finance	**(3,291,495,669)**	**-**	**-**	**(3,291,495,669)**
Addition of lease liabilities	**-**	**27,956,291**	**-**	**27,956,291**
Interest charged on finance lease	**-**	**4,112,592**	**-**	**4,112,592**
Payment of liabilities subject to finance lease	**-**	**(18,351,675)**	**-**	**(18,351,675)**
Finance cost for the year other than finance lease	**-**	**-**	**4,731,511,446**	**4,731,511,446**
Mark-up paid	**-**	**-**	**(3,918,305,280)**	**(3,918,305,280)**
Foreign exchange gain	**(101,247,409)**	**-**	**-**	**(101,247,409)**
Balance as at June 30, 2023	**32,021,891,404**	**32,938,848**	**1,200,346,240**	**33,255,176,492**

	Long term finances-secured	Lease Liabilities	Accrued mark-up	Total
	---------------------------- Rupees ----------------------------			
Balance as at July 01, 2021	16,993,904,300	62,166,883	166,153,705	17,222,224,888
Proceeds from long term finance	11,222,119,648	-	-	11,222,119,648
Payment of long term finance	(3,972,144,256)	-	-	(3,972,144,256)
Addition of lease liabilities	-	11,734,621	-	11,734,621
Interest charged on finance lease	-	3,321,861	-	3,321,861
Payment of liabilities subject to finance lease	-	(58,001,725)	-	(58,001,725)
Finance cost for the year other than finance lease	-	-	1,458,023,217	1,458,023,217
Mark-up paid	-	-	(1,237,036,848)	(1,237,036,848)
Foreign exchange loss	68,266,320	-	-	68,266,320
Adjustment due to acquisition	310,858,000	-	-	310,858,000
Balance as at June 30, 2022	24,623,004,012	19,221,640	387,140,074	25,029,365,726

43 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES	Note	2023	2022
		--------- Rupees ---------	
43.1 Financial instruments by category			
Financial assets			
At amortized cost			
Long term deposits	9	**33,172,123**	27,390,426
Trade debts	12	**10,828,278,995**	5,935,379,004
Loans and advances	13	**3,250,101,756**	55,190,647
Trade deposits - unsecured	14	**312,583,280**	36,442,097
Other receivables	16	**136,402,027**	100,402,028
Cash and bank balances	18	**1,651,166,603**	373,050,231
Short term investment	15	**837,419,971**	1,128,192,640
At fair value through OCI			
Short term investment	15	**834,465,000**	190,000,000
Total financial assets		**17,883,589,755**	7,846,047,073
Financial liabilities			
At amortized cost			
Long term finances	22	**32,021,891,404**	24,623,004,012
Lease liabilities	23	**32,938,848**	19,221,640
Trade and other payables	25	**9,932,877,904**	3,023,618,960
Accrued mark-up	26	**1,200,346,240**	387,140,074
Short term finances	27	**15,108,282,892**	9,088,758,920
Unclaimed dividend		**5,069,267**	4,044,553
		58,301,406,555	37,145,788,159

43.2 Total financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

c) Inputs for the asset or liability that are not based on observable market data(that is, unobservable inputs) (level 3)

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Group's policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (e.g. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (e.g. inputs becoming / ceasing to be observable in the market)

There is a transfer of level 3 short term investment to level 1 as it become listed during the year.

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

Level 2: Non active markets The fair value of financial instruments of non active market is based on inputs available in the market.

The fair value of financial instruments traded in active markets is based on market value of shares at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table analysis within the fair value hierarchy of the Group's financial assets (by class) measured at fair value at June 30, 2023:

Financial assets	2023 Level 1	Level 2	Level 3	Total
	-------------------Rupees --------------------			
Financial investments: fair value through OCI	**834,465,000**	**-**	**-**	**834,465,000**

	2022 Level 1	Level 2	Level 3	Total
	-------------------Rupees --------------------			
Financial investments: fair value through OCI	190,000,000	-	-	190,000,000

43.3 Financial risk management

The board of directors of the Group has overall responsibility for the establishment and oversight of the Company's risk management framework. The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

43.3.1 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored.

Credit risk of the Group arises principally from the trade debts, loans and advances, trade deposits, other receivables and deposits with financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

Trade debts

The Group's exposure to credit risk arising from trade debtors is mainly influenced by the individual characteristics of each customer. The majority of the customers have been transacting with the Group for several years. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

Bank balances

The Group limits its exposure to credit risk by investing in liquid securities and maintaining bank accounts only with counter-parties that have stable credit rating. Given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with the credit ratings are tabulated below:

	Short- term Ratings	2023	2022
		--------- Rupees ---------	
Allied Bank Limited	A1+	**172,939,254**	41,972,895
Bank Al Falah Limited	A1+	**21,784,621**	1,576,703
Bank Al Habib Limited	A1+	**20,544,213**	18,906,767
Bank Islami Pakistan Limited	A1	**282,855,292**	100,324,791
Dubai Islamic Bank Pakistan Limited	A1+	**23,114,726**	7,835,361
Faysal Bank Limited	A1+	**-**	-
Habib Bank Limited	A1+	**510,831,431**	73,496,196
Habib Metropolitan Bank Limited	A1+	**70,566,469**	30,484,113
JS Bank Limited	A1+	**169,286,031**	20,734,200
MCB Bank Limited	A1+	**52,297,179**	366,877
MCB Islamic Bank Limited	A1	**51,586,951**	310,831
Meezan Bank Limited	A1+	**153,889,541**	42,025,341
National Bank of Pakistan	A1+	**8,915,237**	21,622,218
Samba Bank Limited	A1	**16,185**	15,185
Soneri Bank Limited	A1+	**30,186,697**	1,153,047
Balance carried forward		**1,568,813,827**	360,824,525

	Short- term Ratings	2023	2022
		--------- Rupees ---------	
Balance brought forward		1,568,813,827	360,824,525
Summit Bank Limited	-	313,971	355,371
Standard Charted Bank Limited	A1+	1,181,241	-
Bank of Punjab	A1+	41,949,567	6,021,332
Askari Bank Limited	A1+	32,732,561	952,393
Al Barka Bank Limited	A1	48,950	-
		1,645,040,117	368,153,621

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2023	2022
		--------- Rupees ---------	
Long term deposit	9	33,152,123	27,390,426
Trade debts	12	10,669,814,953	5,827,408,364
Loans and advances	13	3,250,101,756	1,935,546,619
Trade deposits - unsecured	14	312,583,280	36,442,097
Short term investments	15	837,419,971	1,128,192,640
Bank balances	18	1,645,040,117	368,153,621
Other receivable	16	136,402,027	100,402,028
		16,884,514,227	9,423,535,795

To reduce the exposure to credit risk, the Group has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

These represents intrest free loan that are to be paid within a period of one year in equal monthly installments as per policy. Any outstanding laon due from an employee at the time of leaving the service is adjustable against the final settlement of staff.

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit rating.

As at June 30 the Group has certain trade debts that are past due but are not considered to be impaired. The amounts as at June 30 are as follows:

	2023	2022
	--------- Rupees ---------	
More than 45 days but not more than 3 months	590,569,095	263,695,837
More than 3 months but not more than 6 months	423,417,227	160,765,756
More than 6 months but not more than 1 year	257,745,546	144,757,519
More than 1 year	107,616,349	83,909,116
	1,379,348,217	653,128,228

In respect of trade debts, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade debts consists of a large number of customers. Based on historical information about customer default rates management consider the credit quality of trade debts that are not past due and impaired to be good. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

43.3.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Based on the above, management believes the liquidity risk is insignificant.

As at the reporting date the Group's financial liabilities have contractual maturities as summarized below:

Effective rates of return/mark-up on financial liabilities are as follows:

	Note	2023 Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
		---Rupees---			
Financial liabilities					
Interest bearing					
Long term finances - secured (Conventional)	22	**2.25% to 22%**	**24,449,440,071**	**2,770,386,819**	**21,679,053,252**
Long term finances - secured (Islamic)		**15.50% to 23%**	**7,572,451,333**	**1,438,497,713**	**6,133,953,620**
Lease liabilities - conventional	23	**15% to 23%**	**32,938,848**	**10,826,930**	**22,111,918**
Short term finances - secured (conventional)	27	**16.20% to 22.20%**	**14,656,046,452**	**14,656,046,452**	**-**
Short term finances - secured (Islamic)	27	**12.64% to 22.27%**	**452,236,440**	**452,236,440**	**-**
Non - interest bearing					
Trade and other payables	25	**-**	**9,932,877,904**	**9,932,877,904**	**-**
Accrued mark-up	26	**-**	**1,200,346,240**	**1,200,346,240**	**-**
Unclaimed dividend			**5,069,267**	**5,069,267**	
			58,301,406,555	**30,466,287,765**	**27,835,118,790**

	Note	2022 Effective rate of interest	Carrying amount	Maturity upto one year	Maturity after one year
		---Rupees---			
Financial liabilities					
Interest bearing					
Long term finances - secured (Conventional)	22	1.5% to 16.50%	16,698,616,806	2,784,658,932	13,913,957,874
Long term finances - secured (Islamic)		6.30% to 16.50%	7,924,387,206	723,004,101	7,201,383,105
Lease liabilities - conventional		7.76% to 7.96%	13,068,275	3,960,240	9,108,035
	23				
Lease liabilities - Islamic		7.28% to 8.48%	6,153,365	3,931,765	2,221,600
Short term finances - secured (conventional)	27	8.43% to 14.86%	8,802,588,120	8,802,588,120	-
Short term finances - secured (Islamic)	27	7.93% to 7.97%	286,170,800	286,170,800	-
Non - interest bearing					
Trade and other payables	25	-	3,023,618,960	3,023,618,960	-
Accrued mark-up	26	-	387,140,074	387,140,074	-
Unclaimed dividend		-	4,044,553	4,044,553	-
			37,145,788,159	16,019,117,545	21,126,670,614

Cash flow sensitivity analysis for variable rate instruments

At June 30, 2023, if interest rates on long term financing had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 272.89 million (June 2022: Rs. 230.70 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

At June 30, 2023, if interest rates on short term borrowings had been 1% higher / lower with all other variables held constant, pre tax profit for the year would have been affected by Rs. 151.08 million (June 2022: Rs. 90.89 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate borrowings.

43.3.3 Market risk

Market risk is the risk that fair value of future cash flows of the financial instrument may fluctuate as a result of changes in market prices. Market prices comprise of three types of risks namely foreign currency risk, interest rate risk and other price risk, such as equity risk.

a) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of financial asset or a liability will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Group primarily has foreign currency exposures in US Dollars.

Exposure to Foreign currency risk

The Group is exposed to foreign exchange risk arising from currency value fluctuations due to the following:

	2023	2022
	---------- Amount in USD ----------	
Trade debts	**20,221,659**	6,959,632
Cash and bank balances	**3,353,064**	159,782
Trade and other payables	**(7,599,407)**	(1,690,127)
Loans and advances	**924,753**	268,568
Advance from customer	**(738,013)**	(255,589)
	16,162,056	5,442,266
Off balance sheet exposures		
Letter of credit	**(21,986,704)**	(10,710,555)
Net Exposure	**(5,824,648)**	(5,268,289)

The following significant exchange rates were applied during the year.

	2023	2022
	Rupee per USD	
Average rate	**246.30**	181.65
Reporting date rate	**287.10**	205.50

Foreign currency sensitivity analysis

A 10 percentage strengthening of the PKR against the USD at June 30, 2022 would have effect on the equity and profit and loss of the company as shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for June 30, 2023.

	2023	2022
	--------- Rupees ---------	
Strengthening of PKR against respective currencies	**167,225,644**	108,263,339
Weakening of PKR against respective currencies	**(167,225,644)**	(108,263,339)

As at 30 June 2023, if the Pakistani Rupee had weakened / strengthened by 10% against the US Dollar with all other variables being constant, profit before tax for the year would have been lower / higher by Rs. 167.23 million (2022: Rs. 108.26 million) mainly as a result of foreign exchange gains / losses on translation of dollar denominated financial assets.

The maximum exposure to foreign currency risk in Pakistani rupee at the reporting date is as follows:

	Note	2023	2022
		--------- Rupees ---------	
Export debtors	12	**5,805,638,355**	1,430,204,301
Import creditors		**2,105,421,016**	347,321,180
		7,911,059,371	1,777,525,481

b) Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument may fluctuate because of the changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks, running finance facilities and finance leases. At the reporting date the interest rate profile of the Group's mark-up bearing financial instruments is as follows:

	Carrying amount	
	2023	2022
	--------- Rupees ---------	
Variable rate instruments		
Financial liabilities	**8,395,937,026**	4,356,039,103
	8,395,937,026	4,356,039,103

As at 30 June 2023, if KIBOR had been 100 bps lower/higher with all other variables held constant, profit before tax for the year would have been higher/lower by Rs. 83.96 million. (2022: Rs. 43.56 million) mainly because of higher/lower interest expense on variable rate instruments.

c) **Equity risk**

It is the risk that the listed equity securities are susceptible to market price risk, arising from uncertainties about future values of the investment securities.

44 CAPITAL RISK MANAGEMENT

The objective of the Group when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue bonus / right shares. There were no changes in the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

The Group's capital includes share capital and reserves. As at reporting date the capital of the Group is as follows:

	2023	2022
	---------- Rupees ----------	
Share capital	**663,569,400**	663,569,400
Reserves	**15,543,088,252**	10,790,536,824
	16,206,657,652	11,454,106,224

The Group manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investments requirements and expectations of the shareholders. Debt is calculated as total borrowings (long term finances). The Group's capital signifies equity as reported in statement of financial position and includes share capital and unappropriated profit and reserves.

During 2023 the Group's strategy was to maintain leveraged gearing. The gearing ratios as at June 30, 2022 and 2023 are as follows:

	2023	2022
	------------ Rupees ------------	
Total borrowings	**47,163,113,144**	33,711,762,932
Less: Cash and bank balances	**(1,651,166,603)**	(373,050,231)
Net debt	**45,511,946,541**	33,338,712,701
Total equity	**16,206,657,652**	11,454,106,224
Total equity and debt	**61,718,604,193**	44,792,818,925
Net Gearing ratio (%)	**73.7%**	74.4%

The Group finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

45 PLANT CAPACITY AND ACTUAL PRODUCTION

	2023		2022	
	------------Metric Ton ------------		------------Metric Ton ------------	
	Rated Capacity	**Actual Production**	Rated Capacity	Actual Production
Food processing	**219,932**	**123,317**	183,288	100,625
Plastic film	**63,000**	**34,121**	63,000	39,928
Pharmaceuticals				
Blow fill seal	**18,000**	**16,650**	18,000	13,875
Ophthalmic	**2,500**	**2,375**	2,500	2,146
Derma	**4,200**	**308**	4,200	257

The Group has enhanced the production capacity in food processing by 36,644 metric tons and production by 22,692 metric tons. Remaining capacity and production utilization was as per the market demand.

46 TRANSACTION WITH RELATED PARTIES

Related parties comprise associated undertakings, directors of the Group and key management personnel. The Group continues to have a policy whereby all transactions with related parties are entered into at commercial terms and conditions.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements, are as follows:

Key Management Personnel (KMP)

Name	Direct shareholding %
Mr. Ahmed Muhammad	15.22
Mr. Maqsood Ismail Ahmed	0.85
Mr. Hamza Naviwala	Nil
Mr. Munsarim Saif	0.000009
Mr. Ghulam Farooq	Nil
Mr. Ahmed Raza Parekh	Nil

Plastiflex Films (Private) Limited (Associate Company - Common Directorship)	**2023**	2022
	--------- Rupees ---------	
- Purchase of raw & packing materials	**52,029,928**	62,372,972
- Metallization of raw material	**(5,122,395)**	(22,307,473)
- Sales of raw and packing material	**-**	(8,000,957)
- Recovery against sales	**3,774,945**	36,050,153
- Payment against purchases	**(56,392,939)**	(64,364,321)

47 NON- ADJUSTING EVENT

47.1 The board of directors in its meeting held on September 08, 2023 has proposed dividend in respect of the year ended June 30, 2023 of Rs. 2 per share (2022: Rs. 4/- per share) for approval of the members at the annual general meeting. The consolidated financial statements for the year ended June 30, 2023 do not include the effect of proposed dividend, which will be accounted for in the consolidated financial statements for the year ending June 30, 2024.

48 DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on September 08, 2023 by the board of directors of the Holding Company.

Munsarim Saifullah	**Maqsood Ismail Ahmed**	**Ahmed Raza Parekh**
Chief Executive Officer	Director	Chief Financial Officer

ISMAIL INDUSTRIES LIMITED
PATTERN OF SHAREHOLDING
SHAREHOLDERS STATISTICS AS AT JUNE 30, 2023

	Number of Shareholders	Shareholdings From		To	Total Number of Shares Held
	1348	1	-	100	17,111
	110	101	-	500	32,502
	31	501	-	1000	24,548
	44	1001	-	5000	94,213
	4	5001	-	10000	29,061
	4	10001	-	15000	50,916
	1	20001	-	25000	20,876
	1	30001	-	35000	34,500
	1	435001	-	440000	435,400
	1	475001	-	480000	480,000
	1	560001	-	565000	562,155
	1	1270001	-	1275000	1,271,650
	1	1380001	-	1385000	1,380,450
	1	1510001	-	1515000	1,510,090
	1	3595001	-	3600000	3,600,000
	1	6500001	-	6505000	6,500,090
	1	10405001	-	10410000	10,408,198
	1	19310001	-	19315000	19,312,293
	1	20590001	-	20595000	20,592,887
Total	**1554**				**66,356,940**

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
CEO, Sponsor, Directors their Spouses & Children	14	65,619,966	98.89%
Associated Company	1	435,400	0.66%
Foreign Companies	1	3,300	0.00%
Others	7	4,474	0.01%
General Public			
(a) Foreign	10	4,539	0.01%
(b) Local	1521	289,261	0.44%
Total	**1554**	**66,356,940**	**100.00%**

Trade in Shares by Directors, CEO, CFO, Company Secretary, Executives and their Spouses and Children.

	Purchase	Sale
Mr. Muhammad M. Ismail (Chairman)	3,500	-

Shareholder's Category	Number of Folios	Number of Shares Held	Percentage
Associated Company:			
Uniron Industries (Private) Limited	1	435,400	0.66
Directors:			
Mr. Maqsood Ismail Ahmed	1	562,155	0.85
Mr. Ahmed Muhammad	2	10,100,090	15.22
Mr. Muhammad Zubair Motiwala (Independent)	1	520	0.00
Ms. Tasneem Yusuf (Independent)	1	520	0.00
Mr. Hamid Maqsood Ismail	1	1,510,090	2.28
Chief Executive Officer:			
Mr. Munsarim Saifullah	1	613	0.00
Chairman:			
Mr. Muhammad M. Ismail	1	10,408,198	15.69
CEO, Directors their Spouses & Children:			
Ms. Farzana Muhammad	1	1,380,450	2.08
Ms. Almas Maqsood	2	19,792,293	29.83
Ms. Mehvish Ahmed Karim	1	500	0.00
Sponsor, his Spouse & Children:			
Mr. Miftah Ismail Ahmed	1	20,592,887	31.03
Ms. Reema Ismail Ahmed	1	1,271,650	1.92
Others	1539	301,574	0.45
Total	1554	66,356,940	100.00

Shareholders holding 10% or more voting interest

Mr. Muhammad M. Ismail	1	10,408,198	15.69
Mr. Miftah Ismail	1	20,592,887	31.03
Ms. Almas Maqsood	2	19,792,293	29.83
Mr. Ahmed Muhammad	2	10,100,090	15.22

Registered Office Address: 17-Bangalore Town, Main Shahrah-e-Faisal, Karachi
Tel: +92 21 34311170-77 Fax: +92 21 34541094

Ballot Paper for voting through post for poll to be held at the Annual General Meeting of Ismail Industries Limited "Company" on Monday October 23, 2023 at 12:00 noon at Hotel Galaxy, Bushra Hall, B.C.H.S Shahrah-e-Faisal, Karachi.

Contact Detail of Chairman, where ballot paper may be sent:
Business Address: The Chairman, Ismail Industries Limited, 17-Bangalore Town, Main Shahrah-e-Faisal, Karachi, Attention: Company Secretary Designated email address: secretarialcompliance@ismailindustries.com

Name of Shareholder/joint shareholder		
Registered address of shareholder(s)		
Number of shares held		
Folio number		
CNIC Number (Copy to be attached)		
Additional information and enclosures (In case of representative of body corporate, corporation and Federal Government.)		

I/we hereby exercise my/our vote in respect of the following Special Resolution through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below:

Agenda	Nature and Description of Special Resolution	I/We assent to the Special Resolution (FOR)	I/We dissent to the Special Resolution (AGAINST)
5.	To consider and approve the remuneration of the Chief Executive Officer and Executive Director.		
6.	To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2023 by passing the following special resolution with or without modification: **"RESOLVED THAT** transactions carried out in normal course of business with Related Parties during the year ended June 30, 2023 as disclosed in the note no. 45 of the unconsolidated financial statements be and are hereby ratified and approved."		
7.	To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2024, by passing the following special resolutions with or without modification: **"RESOLVED THAT** the Board of Directors of the Company be and are hereby authorized to approve transactions to be conducted with Related Parties on case-to-case basis for the financial year ending June 30, 2024." **"FURTHER RESOLVED THAT** these transactions as approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting of the Company for their formal ratification/approval."		
8	To approve the circulation of Annual Report (including the Audited Financial Statements, Auditor's Report, Directors' Report and Chairman's Review Report) to the members of the Company through QR enabled code and weblink, in accordance with section 223 (6) and 223 (7) of the Companies Act, 2017 read with S.R.O. 389(I)/2023 dated March 21, 2023.		

9	To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company: **RESOLVED THAT**, approval of the members of the Company is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:		
A.	Approval for the Company to extend to its subsidiary, M/s. Ismail Resin (Private) Limited, an intercompany loan in the aggregate amount of up to Rs. 8,000,000,000 (Rupees: Eight billion), comprising of, *inter alia*, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;		
B.	Approval for the Company to extend to its subsidiary, M/s. Hudson Pharma (Private) Limited, an intercompany loan in the aggregate amount of up to Rs. 1,500,000,000 (Rupees: One billion five hundred million), comprising of, *inter alia*, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each;		
C.	Approval for the Company to extend to its associate, M/s. Innovita Nutrition (Private) Limited, an intercompany loan in the aggregate amount of up to Rs. 1,000,000,000 (Rupees: One billion), comprising of, *inter alia*, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed/unlisted securities etc.,) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution, which may be renewed by the Company for up to five consecutive periods of one year each; **FURTHER RESOLVED THAT** the Chief Executive Officer / Company Secretary of the Company be and are hereby singly authorized to execute and deliver all necessary deeds, agreements, declarations, undertakings, documents and take any and/or all actions to implement and give effect to above resolutions and to complete any or all required corporate and necessary legal formalities for the purpose of implementation of above resolutions.**"**		

NOTES:

1. Duly filled postal ballot should be sent to Chairman at above-mentioned postal or email address.
2. Copy of CNIC should be enclosed with the postal ballot form.
3. Postal ballot forms should reach Chairman of the meeting on or before Friday October 20, 2023. Any postal ballot received after this date will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC.
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

Signature of Shareholder(s) ________________ Place: ______________ Date: ______________

Proxy Form

The Secretary/ Registrar

I/We ______________________ son/ daughter/ wife of ______________________, shareholder of Ismail Industries Limited , holding _________ ordinary shares as per register under Folio No _________and/or CDC Participant ID _________ and Sub- Account No._________ hereby appoint ______________________(holding _________ ordinary shares in the Company as per register under Folio No _________ and/or CDC Participant ID _________ and Sub- Account No. _________) or failing him/her ______________________, (holding _________ ordinary shares in the Company as per register under Folio No _________ and/or CDC Participant ID _________ and Sub- Account No._________) as my/our proxy, to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on October 23, 2023 and/ or any adjournment thereof.

Signed this __________ day of __________ 2023.

(Signature should agree with the specimen signature registered with the Company)

Sign across Rs.5/- Revenue Stamp

Signature of Member(s)

Witness 1:		Witness 2:	
Signature	_____________	Signature	_____________
Name	_____________	Name	_____________
CNIC #	_____________	CNIC #	_____________

Notes:

1. A proxy need be a member of the Company
2. In order to be valid, this Proxy must be received to our Registrar/Transfer Agents, M/s. THK Associates (Pvt) Ltd. Plot No. 32-C, Jami Commercial Street 2, D.H.A Phase VII, Karachi 75500 Pakistan at least 48 hours before the time fixed for the Meeting, duly completed in all respects.
3. CDC Shareholders or their Proxies should bring their original Computerized National Identity Card (CNIC) or Original Passport along with the Participant's ID Number and their Account Number to facilitate their identification.

پراکسی فارم (فارم برائے نامزدگی نمائندہ مختار)

سیکریٹری / رجسٹرار

میں / ہم ____________ ولد / بنت / زوجہ ____________ ، **اسماعیل انڈسٹریز لمیٹڈ** کا / کے شیئر ہولڈر، فولیو نمبر ________ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی ________ اور ذیلی اکاونٹ نمبر ________ کے تحت رجسٹر ہونے کے مطابق ________ عام شیئر رکھتا ہوں / رکھتی ہوں / رکھتے ہیں۔ ________ کو مقررکرتا ہوں / کرتی ہوں / کرتے ہیں (جوفولیو نمبر ________ اور / یا سی ڈی سی کے شراکت دارکی آئی ڈی ________ اور ذیلی اکاونٹ نمبر ________ کے تحت رجسٹر ہونے کے مطابق ________ کمپنی میں عام شیئر رکھتا ہے / رکھتی ہے / رکھتے ہیں) یا اس کو ________ پیش کرتا ہوں / کرتی ہوں / کرتے ہیں (جو فولیو نمبر ________ اور / یا سی ڈی سی کے شراکت دار کی آئی ڈی ________ اور ذیلی اکاونٹ نمبر ________ کے تحت رجسٹر ہونے کے مطابق ________ کمپنی میں عام شیئر رکھتا ہوں / رکھتی ہوں / رکھتے ہیں) بطور میرا / ہمارا پراکسی (نمائندہ مختار) جو 23اکتوبر 2023 کو منعقد ہونے والے غیر معمولی اجلاس عام میں اور / یا ملتوی ہونے پر میری / ہمارے طرف سے شرکت کرنے، ووٹ ڈالنے کا حق رکھتا ہے۔

دستخط ____________ تاریخ ________ 2023

(دستخط کا کمپنی میں موجود دستخط کے نمونےسے مطابقت رکھنا ضروری ہے)

5 روپے کے ریونیو مہر پر دستخط

ممبر (ممبران) کے دستخط

گواہ 1	گواہ 2
دستخط ____________	دستخط ____________
نام ____________	نام ____________
کمپیوٹرائزڈ قومی شناختی کارڈ ________	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ________

نوٹس:

1۔ پراکسی (نامزد نمائندہ) کو کمپنی ممبر ہونا لازمی ہے۔

2۔ درست ہونے کے لئے پراکسی جو کہ ہر لحاظ سے باقاعدہ مکمل ہو، کا ہمارے رجسٹرار/ ٹرانسفر ایجنٹس، میسرز ٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر 32-C، جامی کمرشل اسٹریٹ 2، DHA فیز VII، کراچی 75500، پاکستان کو اجلاس سے 48 گھنٹے قبل موصول ہونا ضروری ہے۔

3۔ سی ڈی سی شیئر ہولڈرز (حصص یافتگان) یا ان کے پراکسیز اپنی شناختی کارڈ یا اصل پاسپورٹ بمعہ شراکت دار کا آئی ڈی نمبر اور ان کا اکاونٹ نمبر اپنے ہمراہ لائیں۔

ISMAIL INDUSTRIES LIMITED

HEAD OFFICE

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FACTORIES

Unit 1: C-230, H.I.T.E., Hub, Balochistan, Pakistan.
Tel.: (92-853) 302526-302392

Unit-2: B-140, H.I.T.E., Hub,Balochistan, Pakistan.
Tel.: (92-853) 302589, Fax: (92-853) 302408

Unit-3: G-1, H.I.T.E., Hub, Balochistan, Pakistan.
Tel.: (92-853) 302611, Fax: (92-853) 302611, 30817

Unit-4: G-22, H.I.T.E., Hub, Balochistan, Pakistan.
Tel.: (92-853) 303193, 303177, Fax: (92-853) 302527

Unit-5: 38-C, 39, 39- A, 42-C, Sundar Industrial Estate,
Raiwind Road, Lahore, Pakistan. Tel: (92-42) 36140972

Unit-6: D-91, D-92 & D-94 North Western Industrial Zone,
Port Qasim, Authority, Karachi. Tel: (92-21) 34154169-70, Fax: (92-21) 34154176

Unit-7: E164 to e-168, North Western Zone,
Port Qasim, Authority, Karachi. Tel: (92-21) 34154171-73, Fax: (92-21) 34154176

Unit-8: E154 to e-157, North Western Industrial Zone,
Port Qasim, Authority, Karachi. Tel: (92-21) 34154174-75, Fax: (92-21) 34154176

Unit-9: G-1, H.I.T.E., Hub, Balochistan, Pakistan.
Tel.: (92-853) 302611, Fax: (92-853) 302611, 30817

Unit-10: E164 to e-168, North Western Zone,
Port Qasim, Authority, Karachi. Tel: (92-21) 34154171-73, Fax: (92-21) 34154176