

Ismail Industries Limited

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Ismail Industries Limited

COMPANY INFORMATION

Board of Directors

Mr. Muhammad M. Ismail	Chairman
Mr. Maqsood Ismail	Chief Executive
Mr. Miftah Ismail	Executive Director
Mr. Munsarim Saifullah	Executive Director
Ms. Farzana Muhammad	Non-Executive Director
Ms. Almas Maqsood	Non-Executive Director
Ms. Reema Miftah	Non-Executive Director
Mr. Ahmed Muhammad	Non-Executive Director
Mr. Jawed Abdullah	Independent Director

Audit Committee Members

Mr. Jawed Abdullah	Chairman
Mr. Muhammad M. Ismail	Member
Mr. Ahmed Muhammad	Member
Ms. Reema Miftah	Member

Human Resource Committee

Ms. Farzana Muhammad	Chairperson
Mr. Jawed Abdullah	Member
Mr. Maqsood Ismail	Member
Ms. Almas Maqsood	Member

Registered Office

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

Factory - 1

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

Factory - 2

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

Factory - 3

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

Factory - 4

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

Factory - 5

38-C, Sundar Industrial Estate
Raiwind Road, Lahore.

Company Secretary

Mr. Ghulam Farooq

Chief Financial Officer

Mr. Saad Younus

Auditor

Anjum Asim Shahid Rahman.
Chartered Accountants

Tax Advisor

Munaf Yusuf & Co.
Chartered Accountants

Legal Advisor

Farooq Rasheed & Co.

Share Registrar

THK Associates (Pvt.) Limited

Intellectual Property Advisor

Ali Associates

Bankers / Institutions

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

Ismail Industries Limited

DIRECTORS REVIEW

The Board of Directors is pleased to present the un-audited financial statements of the Company for the quarter ended September 30, 2014. The overall financial performance of the Company for the period under review is summarized below:

Business Review

	September 2014	September 2013	Change In %
	PKR Million		
Gross Sales	2,967	2,554	16%
Net Sales	2,548	2,215	15%
Gross Profit	528	414	27%
% of Net Sales	21%	19%	11%
Operating Profit	276	219	26%
% of Net Sales	11%	10%	10%
Profit before tax	99	78	27%
% of Net Sales	4%	4%	10%
Profit after tax	73	57	27%
% of Net Sales	3%	3%	10%
Earnings per share - Rupees	1.44	1.13	27%

An overview of the financial statements shows a tremendous rise in turnover and operating profits of the Company. The gross sales volume increased by Rs. 412 million to Rs. 2,967 million as compared to Rs. 2,554 million in corresponding period. Operating profit improved by Rs. 57 million as compared to the corresponding period. The Company has closed the quarter under review with profit after taxation of Rs. 73 million.

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

Future Outlook

In view of volatile political situation, unfavorable trade balance and escalation in input costs may lead to a slowdown in the economic growth and performance of the industrial sector. The purchasing power of the consuming segment is already eroded by the continued increase in prices of essential commodities, utilities and necessities of life. The Company continues to face tough challenges in terms of maintaining its margins. We hope to minimize the impact on our margins through sales growth and efficient inventory management. Fortunately, we continue to see strength in our sector of the economy as evidenced by high growth in our sales volumes.

Acknowledgement

The Board of Directors would like to express their gratitude to all shareholders, valued customers, distributors, bankers and staff for their valuable contributions which had made these results possible and look forward for their continued support in the future as well.

On behalf of the Board of Directors

(Maqsood Ismail)
Chief Executive

Karachi: October 29, 2014

Ismail Industries Limited

**CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE QUARTER ENDED
SEPTEMBER 30, 2014**

Ismail Industries Limited

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2014

	Note	Un-audited September 30, 2014 Rupees	Audited June 30, 2014 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,996,012,563	3,842,814,891
Long-term investments	6	1,315,371,870	1,315,371,870
Long-term deposits		49,063,060	52,788,247
Total non-current assets		5,360,447,493	5,210,975,008
Current assets			
Stores and spares	7	79,450,909	71,759,076
Stock-in-trade	8	4,960,483,523	4,998,983,520
Trade debts	9	853,012,615	889,717,175
Advances - considered good		75,099,817	101,205,657
Short Term Investment-AFS	10	41,028,075	-
Trade deposits and short-term prepayments		38,283,945	8,036,058
Other receivables		60,757,638	30,840,582
Taxation - net		272,235,337	263,935,133
Cash and bank balances	11	25,532,023	23,598,944
Total current assets		6,405,883,882	6,388,076,145
Total assets		11,766,331,375	11,599,051,153
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorised share capital			
100,000,000 (June 30, 2014: 100,000,000) ordinary share of Rs. 10 each		1,000,000,000	1,000,000,000
Issued, subscribed and paid-up capital			
50,520,750 (June 30, 2014: 50,520,750) ordinary shares of Rs.10 each full paid in cash		505,207,500	505,207,500
Reserves		2,821,787,995	2,747,926,763
Total shareholders' equity		3,326,995,495	3,253,134,263
Non-current liabilities			
Directors' loan - subordinated		352,151,770	352,151,770
Long-term finances - secured		1,658,163,961	1,766,548,890
Liabilities against assets subject to finance lease		94,573,544	105,548,893
Deferred liabilities		581,165,141	580,263,850
Total non-current liabilities		2,686,054,416	2,804,513,403
Current liabilities			
Trade and other payables		609,552,202	508,752,407
Accrued mark-up		98,923,726	108,807,792
Short-term finance - secured	12	4,164,971,464	4,069,767,289
Current portion of:			
- long-term finances - secured		730,500,973	729,765,756
- liabilities against assets subject to finance lease		58,373,548	56,078,661
Advance from customers		90,959,551	68,231,582
Total current liabilities		5,753,281,464	5,541,403,487
Total liabilities		8,439,335,880	8,345,916,890
Contingencies and commitments	13		
Total equity and liabilities		11,766,331,375	11,599,051,153

The annexed selected notes from 1 to 19 form an integral part of this condensed interim financial information.

Maqsood Ismail
Chief Executive

Ahmed Muhammad
Director

Ismail Industries Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Note	Quarter ended	
		September 30, 2014 Rupees	September 30, 2013 Rupees
Sales	17.2	2,966,832,672	2,554,489,440
Sales tax		(418,680,974)	(339,519,013)
Net sales		2,548,151,698	2,214,970,427
Cost of sales	17.2	(2,020,331,804)	(1,800,951,395)
Gross profit		527,819,894	414,019,032
Selling and distribution expenses		(222,308,914)	(171,672,233)
Administrative expenses		(29,904,963)	(23,753,823)
		(252,213,877)	(195,426,056)
Operating profit		275,606,017	218,592,976
Other operating expenses		(11,192,992)	(3,758,712)
		264,413,025	214,834,264
Other operating income		11,646,311	4,164,742
		276,059,336	218,999,006
Finance cost		(176,940,963)	(162,481,455)
		99,118,373	56,517,551
Share of profit from associate		-	21,833,063
Profit before income tax		99,118,373	78,350,614
Taxation		(26,408,758)	(21,040,129)
Profit for the period		72,709,615	57,310,485
Earnings per share - basic and diluted	14	1.44	1.13

The annexed selected notes from 1 to 19 form an integral part of this condensed interim financial information.

Maqsood Ismail
Chief Executive

Ahmed Muhammad
Director

Ismail Industries Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Note	Quarter ended	
		September 30, 2014 Rupees	September 30, 2013 Rupees
Profit for the period		72,709,615	57,310,485
Other comprehensive income			
Share of other comprehensive income from associated undertaking		-	(47,267,980)
Impact of deferred tax		-	4,297,089
Unrealized appreciation on available for sale investment	10.1	1,279,575	-
Impact of deferred tax		(127,958)	-
		1,151,617	(42,970,891)
Total comprehensive income for the period		73,861,232	14,339,594

The annexed selected notes from 1 to 19 form an integral part of this condensed interim financial information.

Maqsood Ismail
Chief Executive

Ahmed Muhammad
Director

Ismail Industries Limited

CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Note	September 30, 2014 Rupees	September 30, 2013 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	(46,105,504)	651,455,356
Gratuity paid		(1,871,908)	(2,129,446)
Income tax paid (net of refund)		(34,708,962)	(68,719,509)
Long term deposits received / (paid)		3,725,187	(13,257,592)
Net cash (used in) / generated from operating activities		(78,961,187)	567,348,809
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure (including CWIP)		(256,255,855)	(405,369,356)
Purchase of short term investment	10.1	(39,748,500)	-
Net cash used in investing activities		(296,004,355)	(405,369,356)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Rentals paid) / Lease obtained		(8,680,462)	80,879,570
(Payment) / Receipts from long term financing - net		(107,649,712)	14,428,478
Interest / mark-up paid		(186,825,029)	(185,291,398)
Net cash used in financing activities		(303,155,203)	(89,983,350)
Net (decrease) / increase in cash and cash equivalents		(678,120,745)	71,996,103
Cash and cash equivalents at the beginning of the period		(487,994,721)	(1,303,018,041)
Cash and cash equivalents at the end of the period	16	(1,166,115,466)	(1,231,021,938)
		(1,166,115,466)	(1,231,021,938)

The annexed selected notes from 1 to 19 form an integral part of this condensed interim financial information.

Maqsood Ismail
Chief Executive

Ahmed Muhammad
Director

Ismail Industries Limited

CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Share Capital	Share Premium	Capital Reserve AFS Remeasurement	Revenue Unappropriated profit	Total Share holders's Equity
	Rupees				
Balance as at June 30, 2013 - restated	505,207,500	579,265,000	43,988,125	1,661,252,811	2,789,713,436
Profit for the quarter ended September 30, 2013	-	-	-	57,310,484	57,310,484
Share of other comprehensive income from associate - net of tax	-	-	(42,970,891)	-	(42,970,891)
Transactions with owners recognized directly in equity:					
Final dividend for the year ended June 30, 2013	-	-	-	(872,127)	(872,127)
Balance as at September 30, 2013	505,207,500	579,265,000	1,017,234	1,717,691,168	2,803,180,902
Balance as at June 30, 2014	505,207,500	579,265,000	13,296,291	2,155,365,472	3,253,134,263
Profit for the quarter ended September 30, 2014	-	-	-	72,709,615	72,709,615
Unrealized appreciation on available for sale investment - net of tax	-	-	1,151,617	-	1,151,617
Balance as at September 30, 2014	505,207,500	579,265,000	14,447,908	2,228,075,087	3,326,995,495

Maqsood Ismail
Chief Executive

Ahmed Muhammad
Director

Ismail Industries Limited

**NOTES TO THE
CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE QUARTER ENDED
SEPTEMBER 30, 2014**

Ismail Industries Limited

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2014

1 LEGAL STATUS AND OPERATIONS

Ismail Industries Limited (The Company) was incorporated in Karachi, Pakistan as a private limited company on June 21, 1988. On November 01, 1989 the Company was converted to a public limited company and its shares were quoted on the Karachi and Lahore stock exchanges. The registered office of the Company is situated at 17 - Bangalore Town, Shahrah-e-Faisal, Karachi, Pakistan. Principal activities of the Company are manufacturing and trading of sugar confectionery items, biscuits, potato chips and cast polypropylene film under the brands of 'CandyLand', 'Bisconni', 'Snackcity' and 'Astrofilms' respectively.

2 STATEMENT OF COMPLIANCE

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

This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2014.

This condensed interim financial information is un-audited and is being submitted to the shareholders as required by Listing Regulations of Karachi and Lahore stock exchanges and under Section 245 of the Companies Ordinance, 1984.

3 SIGNIFICANT ACCOUNTING INFORMATION AND POLICIES

The accounting policies adopted for the preparation of this quarter condensed financial statements are the same as those applied in the preparation of the annual audited financial statements of the company for the year ended June 30, 2014.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The estimates / judgments and associated assumptions used in the preparation of this condensed interim financial information are consistent with those applied in the preparation of the financial statements of the Company for the year ended June 30, 2014.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2014 Rupees	June 30, 2014 Rupees
Operating fixed assets	5.1	3,440,116,979	3,426,596,574
Capital work in progress	5.2	555,895,584	416,218,317
		<u>3,996,012,563</u>	<u>3,842,814,891</u>

Ismail Industries Limited

- 5.1 Details of additions and disposals of operating fixed assets during the quarter ended September 30, 2014 is as follows:

	Additions (at cost)		Deletions (at net book value)	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	----- Rupees -----			
Owned assets				
Building on leasehold land	2,976,991	1,041,000	-	-
Plant and machinery	104,382,183	3,650,000	-	-
Furniture and fittings	208,600	-	-	-
Equipment	1,584,060	111,556	-	-
Computers	645,079	115,500	-	-
Vehicles	6,781,675	14,981,830	-	-
	<u>116,578,588</u>	<u>19,899,886</u>	<u>-</u>	<u>-</u>

- 5.2 Details of additions in and transfers from capital work-in-progress during the quarter ended September 30, 2014 is as follows:

	Additions (at cost)		Transfers (at cost)	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
	----- Rupees -----			
Civil works	78,339,440	21,622,508	2,976,991	1,014,000
Plant and machinery	165,015,176	368,593,517	104,382,183	3,650,000
Electric installation	3,401,096	-	-	-
Equipments and fixtures	2,073,389	-	1,792,660	82,556
	<u>248,829,101</u>	<u>390,216,025</u>	<u>109,151,834</u>	<u>4,746,556</u>

		September 30, 2014 Rupees	June 30, 2013 Rupees
6 LONG-TERM INVESTMENTS	Note		
Investment in associated undertakings			
The Bank of Khyber	6.1	1,085,647,801	1,085,647,801
Novelty Enterprises (Private) Limited	6.2	229,724,069	229,724,069
		<u>1,315,371,870</u>	<u>1,315,371,870</u>

6.1 The Bank of Khyber

The Company holds 8.6% (June 30, 2014: 8.6%) voting and equity interest in the Bank of Khyber (the Bank). 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 State Bank of Pakistan for financial institutions.

The fair value of holding in the Bank as on September 30, 2014 was Rs. 732.273 million (June 30, 2014: Rs. 946.786 million).

Ismail Industries Limited

6.2 Novelty Enterprises (Private) Limited

The Company holds 33% (June 30, 2014: 33%) voting and equity interest in Novelty Enterprises (Private) Limited. The shares of Novelty Enterprises (Private) Limited are not publicly listed on a stock exchange, hence published price quotes are not available. The financial reporting date of Novelty Enterprises (Private) Limited is June 30.

Novelty Enterprises (Private) Limited has not commenced operations as of the reporting date therefore the share of profit or loss has not been accounted for in this condensed interim financial information.

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

	The Bank of Khyber		Novelty Enterprises (Private) Limited	
	September 30, 2014	June 30, 2014	September 30, 2014	June 30, 2014
	----- Rupees -----			
Carrying value at beginning of the period	1,085,647,801	1,009,977,152	229,724,069	229,724,069
Share of profit relating to profit and loss account	-	106,362,483	-	-
Share of (loss)/profit relating to other comprehensive income	-	(34,102,038)	-	-
Related deferred tax on OCI	-	3,410,204	-	-
		(30,691,834)		
Carrying value at end of the period	1,085,647,801	1,085,647,801	229,724,069	229,724,069

All transfers of funds to the Company, i.e. distribution of cash dividends, are subject to approval by means of a resolution passed by the shareholders of the associates. The Company has not received any dividend during the period (June 30, 2014: Rs. Nil).

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

	Note	September 30, 2014 Rupees	June 30, 2014 Rupees
7 STORES AND SPARES			
Stores and spare parts - gross		80,348,901	71,744,160
Diesel and liquified petroleum gas		1,740,448	1,759,357
Others		3,792,980	4,686,979
Provision for slow moving stores and spare parts		(6,431,420)	(6,431,420)
Store and spares - net		79,450,909	71,759,076

Ismail Industries Limited

		September 30, 2014 Rupees	June 30, 2014 Rupees
8	STOCK-IN-TRADE	Note	
	Raw materials	8.1	2,819,755,187
	Packing materials	8.1	550,983,422
	Work-in-process		32,550,617
	Finished goods		1,557,194,297
			<u>4,960,483,523</u>
8.1	Raw materials and packing materials are stated at net of provision for obsolescence amounting to Rs. 13,404,278 (June 30, 2014: Rs. 13,404,278) and Rs. 142,820,000 (June 30, 2014: Rs. 136,820,000) respectively.		
9	TRADE DEBTS		
	Considered good		
	- secured (export debtors)	26,056,508	43,295,802
	- unsecured	826,956,107	846,421,373
		853,012,615	889,717,175
	Considered doubtful	30,289,885	28,264,885
	Trade debts - gross	883,302,500	917,982,060
	Provision for doubtful debts	(30,289,885)	(28,264,885)
		<u>853,012,615</u>	<u>889,717,175</u>
10	SHORT TERM INVESTMENT		
	Available for sale investment	10.1	41,028,075
			-
			<u>41,028,075</u>
10.1	Unrealized appreciation on available for sale investment		
	Market value	41,028,075	-
	Cost of the investment	(39,748,500)	-
		<u>1,279,575</u>	<u>-</u>
11	CASH AND BANK BALANCES		
	Cash in hand	2,586,101	1,663,636
	Cash with banks in current accounts	22,945,922	21,935,308
		<u>25,532,023</u>	<u>23,598,944</u>
12	SHORT TERM FINANCES - Secured		
	Term finances	12.1	2,593,323,975
	Export refinances	12.2	380,000,000
	Running finance utilized under mark-up arrangement	12.3	1,191,647,489
			<u>4,164,971,464</u>
12.1	These represent facilities for term finances arranged from various banks/financial institutions aggregating to Rs. 4,094 million (2014: Rs. 3,884 million). These are secured against pari-passu / ranking hypothecation over stocks and book debts of the Company along with the personal guarantees of the directors. These carry mark-up at the rates ranging from 10.62% to 10.93% per annum (2014: 9.08% to 11.29% per annum).		

Ismail Industries Limited

12.2 These represents facilities for export refinance arranged from various banks aggregating to Rs. 380 million (2014: Rs. 380 million). These are secured against pari-passu hypothecation of stocks, book debts and lien on export letters of credits of the Company along with the personal guarantees of the directors. These carry mark-up at the rate of 1% above the State Bank of Pakistan (SBP) rate per annum (2014: 1% above SBP rate per annum).

12.3 These facilities for running finances available from various banks aggregated to Rs. 2,175 million (2014: Rs. 2,425 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 10.66% to 10.99% per annum (2014: 9.97% to 11.67% per annum).

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 The Company has two labour matters pending in different courts of Balochistan for reinstatement. No liability has been booked against these claims as the management of the Company, based on the advice of its legal advisor, is of the opinion that matters will be decided in the Company's favour.

13.1.2 The Company has filed a suit against a debtor for recovery of Rs. 960,450. The suit was decreed in favour of the Company but as the debtor didn't have any tangible property within the territorial jurisdiction of court at Hub the case has been transferred to the District Judge, Lahore for execution. As the case has been decided in favour of the Company and the debtor is being pursued to pay the decretal amount, the amount due has not been written off.

13.1.3 A suit for Rs. 20 million has been filed against the Company and Lasbella Industrial Estates Development Authority for illegal allotment of Plot No. C-386 Hub Industrial Trading Estate (HITE). No provision has been made in these financial statements against this aforementioned amount as the management of the Company, based on the advice of its legal counsel, is of the opinion that the case will be decided in the Company's favour.

	Note	September 30, 2014 Rupees	June 30, 2014 Rupees
13.2 Commitments			
Outstanding letter of guarantees		<u>173,681,004</u>	<u>135,199,254</u>
Outstanding letter of credit for:			
- capital expenditures		<u>93,531,742</u>	<u>113,185,773</u>
- others		<u>550,788,061</u>	<u>482,917,920</u>
Rentals under Ijarah contracts			
Not later than one year		<u>44,412,225</u>	<u>44,508,327</u>
Over one year to five years		<u>141,355,119</u>	<u>152,476,241</u>
		<u>185,767,344</u>	<u>196,984,568</u>

14 EARNINGS PER SHARE-Basic and Diluted

Basic earnings per share

Profit for the period - Rupees	<u>72,709,615</u>	<u>57,310,485</u>
Weighted average number of shares - Numbers	<u>50,520,750</u>	<u>50,520,750</u>
Earnings per share - Rupees	<u>1.44</u>	<u>1.13</u>

Diluted earning per share

There is no dilution effect on the basic earning per share of the Company as the Company has no such commitments.

Ismail Industries Limited

		September 30, 2014 Rupees	June 30, 2014 Rupees
	Note		
15 CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES			
Profit before income tax		99,118,373	78,350,614
Adjustments for non-cash and other items:			
Depreciation		103,058,183	67,393,863
Provision for staff retirement gratuity		2,645,241	3,233,834
Share of profit from associated undertaking		-	(21,833,063)
Finance cost		176,940,963	162,481,455
Net (decrease)/increase in working capital	15.1	(427,868,264)	361,828,653
		<u>(46,105,504)</u>	<u>651,455,356</u>
15.1 Working capital changes			
Decrease/(increase) in current assets			
Stores and spares		(7,691,833)	2,782,314
Stock-in-trade		38,499,997	(155,236,687)
Trade debts		36,704,560	(144,280,800)
Advances		26,105,840	(24,080,276)
Trade deposits and short-term prepayments		(30,247,887)	(17,499,229)
Other receivables		(29,917,056)	(54,592,440)
		<u>33,453,621</u>	<u>(392,907,118)</u>
(Decrease)/increase in current liabilities			
Trade and other payables		100,799,795	(37,185,429)
Short-term finances		(584,849,649)	787,068,766
Advance from customers		22,727,969	4,852,434
		<u>(461,321,885)</u>	<u>754,735,771</u>
Net (decrease)/increase in working capital		<u>(427,868,264)</u>	<u>361,828,653</u>
16 CASH AND CASH EQUIVALENTS			
Cash and bank balances	11	25,532,023	59,032,950
Running finances under mark-up arrangement	12	(1,191,647,489)	(1,290,054,888)
		<u>(1,166,115,466)</u>	<u>(1,231,021,938)</u>
17 SEGMENT INFORMATION			
A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incur expenses and its results are regularly reviewed by the Company's Chief Operating Decision Maker to make decision about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment. Based on internal management reporting structure and products produced and sold, the Company is organised into the following two operating segments: - Food processing - Plastic film Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.			

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

17.1

	Food Processing		Plastic Film		Total	
	Sep-14	Sep-13	Sep-14	Sep-13	Sep-14	Sep-13
	Rupees					
Sales						
Local	2,589,371,084	2,129,779,086	322,204,755	302,930,656	2,911,575,839	2,432,709,742
Export	151,151,297	169,248,664	-	-	151,151,297	169,248,664
Export rebates	3,088,924	2,868,970	-	-	3,088,924	2,868,970
Inter segment sales	-	-	112,827,736	93,891,831	112,827,736	93,891,831
	2,743,611,305	2,301,896,720	435,032,491	396,822,487	3,178,643,796	2,698,719,207
Less:						
Sales return and discounts	(98,265,421)	(50,337,936)	(717,967)	-	(98,983,388)	(50,337,936)
Sales tax	(371,206,490)	(294,961,747)	(47,474,484)	(44,557,266)	(418,680,974)	(339,519,013)
	(469,471,911)	(345,299,683)	(48,192,451)	(44,557,266)	(517,664,362)	(389,856,949)
Net sales	2,274,139,394	1,956,597,037	386,840,040	352,265,221	2,660,979,434	2,308,862,2
Cost of sales	(1,796,099,074)	(1,586,774,420)	(337,060,466)	(308,068,806)	(2,133,159,540)	(1,894,843,226)
Selling and distribution expenses	(213,797,177)	(161,847,538)	(8,511,737)	(9,824,695)	(222,308,914)	(171,672,233)
Administrative expenses	(29,764,778)	(23,489,239)	(140,185)	(264,584)	(29,904,963)	(23,753,823)
	(2,039,661,029)	(1,772,111,197)	(345,712,388)	(318,158,085)	(2,385,373,417)	(2,090,269,282)
Segment result	234,478,365	184,485,840	41,127,652	34,107,136	275,606,017	218,592,976
Unallocated income and expenses						
Other operating income					11,646,311	4,164,742
Finance cost					(176,940,963)	(162,481,455)
Other operating expenses					(11,192,992)	(3,758,712)
Share of profit/(loss) from associated undertakings					-	21,833,063
Profit before taxation					99,118,373	78,350,614
Income tax expense					(26,408,758)	(21,040,129)
Profit for the period					72,709,615	57,310,485

	Note	September 30, 2014 Rupees	September 30, 2013 Rupees
17.2 Reconciliation of reportable segment sales and cost of sales			
Sales net of sales return and discount			
Total sales for reportable segments		2,660,979,434	2,308,862,258
Add: Sales tax		418,680,974	339,519,013
Less: Elimination of inter-segments sales		(112,827,736)	(93,891,831)
Total sales		2,966,832,672	2,554,489,440
Cost of sales			
Total cost of sales for reportable segments		(2,133,159,540)	(1,894,843,226)
Elimination of inter-segments purchases		112,827,736	93,891,831
Total cost of sales		(2,020,331,804)	(1,800,951,395)

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		Food Processing		Plastic Film		Total	
		September 14	June 14	September 14	June 14	September 14	June 14
		Rupees					
17.3	Segment assets	8,566,524,414	8,086,076,676	1,805,114,121	2,118,257,987	10,371,638,535	10,204,334,663
17.4	Unallocated assets	-	-	-	-	1,394,692,840	1,394,716,490
		<u>8,566,524,414</u>	<u>8,086,076,676</u>	<u>1,805,114,121</u>	<u>2,118,257,987</u>	<u>11,766,331,375</u>	<u>11,599,051,153</u>
17.5	Segment liabilities	3,811,685,557	3,254,581,995	1,213,794,838	1,561,277,194	5,025,480,395	4,815,859,189
17.6	Unallocated liabilities	-	-	-	-	3,413,855,485	3,530,057,701
		<u>3,811,685,557</u>	<u>3,254,581,995</u>	<u>1,213,794,838</u>	<u>1,561,277,194</u>	<u>8,439,335,880</u>	<u>8,345,916,890</u>

17.7 Inter-segment pricing

Transactions among the business segments are recorded at estimated cost.

17.8 The Company's export sales have been primarily made to countries in the Middle East, Africa and South Asia. However, no material amount of export sales have been made to any one or more particular countries.

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

		Note	September 30, 2014 Rupees	June 30, 2014 Rupees
17.10	RECONCILIATION OF REPORTABLE SEGMENT ASSETS AND LIABILITIES			
17.11	Assets			
	Total assets for reportable segments	17.3	10,371,638,535	10,204,334,663
	Administrative capital assets		79,320,970	79,344,620
	Long term investment		1,315,371,870	1,315,371,870
	Total assets		<u>11,766,331,375</u>	<u>11,599,051,153</u>
17.12	Liabilities			
	Total liabilities for reportable segments	17.5	5,025,480,395	4,815,859,189
	Directors loan		352,151,770	352,151,770
	Deferred liabilities		520,091,689	519,963,731
	Long term finance		2,388,664,934	2,496,314,646
	Assets subject to finance lease		152,947,092	161,627,554
	Total liabilities		<u>8,439,335,880</u>	<u>8,345,916,890</u>

18 TRANSACTIONS WITH RELATED PARTIES

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

	Note	September 30, 2014 Rupees	September 30, 2013 Rupees
Transactions			
Rent paid to Chief Executive		<u>825,000</u>	-
Plasitflex Films (Private) Limited			
Close family relationship			
- Payment for purchase of packing material		<u>5,314,309</u>	429,308
- Purchase of packing material		<u>9,816,154</u>	5,208,234
- Payable against purchases		<u>6,221,221</u>	4,778,926

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	September 30, 2014 Rupees	September 30, 2013 Rupees
Note		
Astro Plastics (Private) Limited		
Common directorship		
- Payments metalization of raw material	-	-
- metalization of raw material	25,583,091	-
- Payable against purchases	39,466,969	-
Others		
Remuneration to directors and other key management personnel:		
Chief Executive	1,150,000	750,000
Directors	1,850,000	2,350,000
Executives	13,178,269	4,295,947
	16,178,269	7,395,947

19 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 29th October, 2014 by the Board of the Company.

Maqsood Ismail
Chief Executive

Ahmed Muhammad
Director