



PAKISTAN STOCK EXCHANGE LIMITED

(formerly: Karachi Stock Exchange Limited)

PSX/N-1833

NOTICE

March 24, 2016

Reproduced hereunder letter received from **ISMAIL INDUSTRIES LIMITED**, for information of all concerned.

(Copy of the same is also available on our Website www.psx.com.pk).

(Detail of Scheme of Arrangement & Report on computation of Share Swap Ratio for Amalgamation by way of Merger of Astro Plastics (Private) Limited with and into Ismail Industries Limited, are available on PSX Website).

CandyLand[®]

Confectionery Division

**ISMAIL
INDUSTRIES
LIMITED**

Ref: IIL/ 15-16/ _____

March 22, 2016

Muhammad Ghufan,
Deputy General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi

Subject: **Material Information**

Dear Sir,

It is to inform you that the Board of Directors of **Ismail Industries Limited** (hereinafter referred to as the "**Company**") in its meeting held at its registered office 17-Bangalore Town, Main Shahrah-e-Faisal, Karachi on March 21, 2016 at 05:00 p.m. has approved following documents.

- Draft Scheme of Arrangement under sections 284 to 288 of the Companies Ordinance, 1984 for Amalgamation by way of Merger of Astro Plastics (Private) Limited and its Members with and into Ismail Industries Limited and its Members.

- Report on computation of Share Swap Ratio for Amalgamation by way of Merger of Astro Plastics (Private) Limited with and into Ismail Industries Limited

We are enclosing herewith copies of above said documents as required by you (refer your letter no. PSX/C-662-856 dated February 03, 2016).

Regards,
For **Ismail Industries Limited**

(Ghulam Farooq)

Company Secretary

SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF THE COMPANIES
ORDINANCE, 1984

FOR AMALGAMATION
BY WAY OF MERGER

OF

ASTRO PLASTICS (PRIVATE) LIMITED
and its Members

with and into

ISMAIL INDUSTRIES LIMITED
and its Members

PRELIMINARY

DEFINITIONS

In this Scheme of Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them:

- “**IIL**” Means **Ismail Industries Limited**, a public company limited by shares, incorporated in Pakistan and listed at the Pakistan Stock Exchange and having its registered office at 17, Bangalore Town, Main Shahra-e-Faisal, Karachi.
- “**APL**” Means **Astro Plastics (Private) Limited**, a private company limited by shares, incorporated in Pakistan and having its registered office at 17, Bangalore Town, Main Shahra-e-Faisal, Karachi.
- “**Court**” Means the Honourable High Court of Sindh or any other Court for the time being having jurisdiction under Sections 284 to 288 of the Companies Ordinance, 1984 in connection with this Scheme.
- “**Scheme**” Means this Scheme of Arrangement in its present form or with any modification thereof or addition thereto approved or condition imposed by the Court.
- “**Cut Off Date**” Means June 30, 2015 or such other date as may be stipulated by the Court.
- “**Effective Date**” Means July 01, 2015 or such other date as may be stipulated by the Court.
- “**Completion Date**” Means the day on which the Scheme is sanctioned by the Order of the Court under section 287(1) of the Companies Ordinance, 1984 and filing of the Order with the Additional Registrar of Companies, as specified in Section 9(g) of the Scheme.

1. CAPITAL

IIL

The authorized share capital of the Company is Rs.1,000,000,000 (Rupees One billion) divided into 100,000,000 ordinary shares of Rs.10/- each, out of which 50,520,750 ordinary shares are issued and fully paid in cash and remaining are un-issued.

APL

The authorized share capital of the Company is Rs.1,500,000,000 (Rupees One billion and five hundred million) divided into 150,000,000 ordinary shares of Rs.10/- each, out of which 147,600,000 ordinary shares are issued (80,601,000 ordinary shares are fully paid in cash and 66,999,000 ordinary shares are against conversion of directors' loan) and remaining are un-issued.

2. AUTHORISED SHARE CAPITAL

Consequent upon the Scheme becoming effective, the authorized share capital of APL of Rs.1,500,000,000 (Rupees One billion and five hundred million) shall be merged and combined with the authorized share capital of IIL of Rs.1,000,000,000 (Rupees One billion) without any further act or deed and that the authorized share capital of IIL shall stand increased to Rs.2,500,000,000 (Rupees Two billion and five hundred million) divided into 250,000,000 ordinary shares of Rs.10/- each.

3. BOARD OF DIRECTORS

The Board of Directors of IIL and APL are constituted as follows:

IIL	APL
Muhammad M. Ismail	Muhammad M. Ismail
Maqsood Ismail Ahmed	Maqsood Ismail Ahmed
Hamid Maqsood Ismail	Hamid Maqsood Ismail
Munsarim Saifullah	Munsarim Saifullah
Ahmed Muhammad	Ahmed Muhammad
Farzana Muhammad	Farzana Muhammad
Almas Maqsood	
Reema Ismail	
Jawed Abdullah	

4. DIRECTORS AFTER AMALGAMATION

Most of the Directors on the Board of the above Companies are common. The present directors of IIL shall continue to serve as directors of the company after amalgamation, unless any of them cease to be director on account of any reason(s) and persons appointed as directors as a result of casual vacancies arising shall continue to serve as directors of IIL after amalgamation.

The present directors of APL will relinquish their respective offices in APL as a result of amalgamation. No compensation is payable to any of these directors for the loss of office as directors or any other office of APL.

The directors of the companies have no interest in the amalgamation, except to the extent of their shareholding and remuneration.

5. ADVANTAGES AND BENEFITS OF AMALGAMATION

IIL and APL belongs to ONE GROUP. The purpose of the amalgamation by way of merger of the companies is to operate and run the business under one single management and to avoid duplication of work, as maintenance of separate manufacturing operations, selling, purchasing, marketing, legal, administrative, secretarial and other functions and maintenance of multiple records under various laws which results in duplication of work and increase in costs.

One of the major benefits normally achieved through merger / amalgamation is synergy in operations which is an important characteristic of merger decisions. The advantages that synergies offer includes:

- Combining duplicate functions
- Better utilizing excess capacity in one or both organizations
- Achieving economies of scale
- Spreading of risk
- Reducing the cost of capital
- Better cash and inventory management
- Increased market presence

6. THE SCHEME

In terms of the Scheme, the undertakings, businesses, trademarks, logos, and other assets and liabilities of APL shall transfer to and vest in IIL as follows:

- a) The principal object of the Scheme is to effect amalgamation by way of merger of APL, through transfer to and vesting in IIL of the whole of undertakings and businesses of APL, together with all the properties, assets, rights, liabilities, interests, quotas, logos and obligations of every description of the company against allotment of fully paid ordinary shares of IIL, to the registered holders of shares in APL, in lieu of the shares of APL held by them and to dissolve APL without going into winding up.
- b) APL and IIL shall be amalgamated with effect from the Effective Date by transfer to and vesting in IIL of the whole of business and undertaking of APL together with all the properties of APL, including the following properties, assets, rights, liabilities, quotas, trademarks, logos, patents, and obligations of every description of APL subsisting immediately preceding the Effective Date, without any further act or deed or document being required to be executed, registered or filed in respect of such transfer, vesting and/or assumption:

Properties of Astro Plastics (Private) Limited with Plot No(s). D-91, D-92, D-94, E-164 to E-168 with Plot No. E-154 to E-157 measuring 18.48 Acres situated in North Western Industrial Zone of Port Qasim Authority, Karachi now transferred to Ismail Industries Limited without any further act, deed, documentation or registration.

c) The undertakings and businesses of APL to be transferred to and vested in IIL and assumed by IIL under the Scheme shall be inclusive of the following:

(i) Assets:

The entire assets of APL, including properties, rights and interests of every description and kinds whether movable or immovable, actual or contingent, present or future, tangible or intangible, stock-in-trade, inventory, leasehold properties, actionable claims, book debts, advances, deposits, prepayments and other receivables, stocks, shares, bonds, financial instruments and investments of any nature, cash and bank balances, but the transfer and vesting of such assets shall be subject to all mortgages or charges or other encumbrances subsisting thereon;

(ii) Debts and Other Liabilities:

The debts and other liabilities, obligations and commitments of APL whether accrued or accruing or contingent and whether incurred solely or jointly with another or others, whether under contracts, agreements or otherwise, including amounts owing to banks and financial institutions and other creditors and IIL;

(iii) Banking and Other Accounts:

The banking and other accounts maintained by APL;

(iv) Rights, Power and Authorities:

The rights, powers, authorities and privileges of APL including all registrations, licenses, permits, categories, entitlements, sanctions, quotas, trademarks, logos and permissions relating to any activities or functions including imports and exports or otherwise concerning the investment in or carrying on of any business by APL;

(v) Telecommunication Facilities:

The connections and facilities for telecommunication owned by or leased or licensed to APL, including telephones, telexes, internet connections and facsimile and benefit of all payments and deposits made by APL in connection therewith;

(vi) Utility Connections:

The connections, meters and other installations owned by or leased or licensed to APL, for the supply of electricity, gas and water and the benefit of all payments and deposits made by APL in connection therewith;

(vii) Employees' Benefits:

The liabilities as recognized in the books of account of APL on account of its employees or former employees, including such liabilities payable on termination of service by way of gratuity, provident fund, pension or otherwise;

(viii) Contracts of Employment:

a) The contracts of employment between APL and those of its employees who may have agreed to accept employment with IIL in lieu of their employment with APL, upon the amalgamation of APL with and into IIL becoming effective and the rights and obligations of APL arising under such contracts;

b) The contracts, agreements, trusts, leases, conveyances, grants and instruments of transfer entered into by or subsisting in favour of APL and the rights and obligations of APL arising thereunder;

(ix) Rights and Obligations:

The proprietary rights of APL and the rights and obligations of APL as licensee in respect of trademarks, trade names, trading styles, copyrights, patents, logos, secret processes, know-how and confidential information and goodwill of APL acquired in respect of each and all of its businesses;

(x) Taxes, Levies and Other Duties:

The liabilities of APL for payment of taxes, levies and duties and the entitlements of APL of any tax credit under any statute, assessed tax losses (including business and losses due to depreciation), duty drawbacks, sales tax refunds or refund of payments made for or in respect of any assessment or liability for taxes, including advance tax collections.

- d) Subject to the sanction of the Court, the amalgamation in accordance with this Scheme shall be treated as having taken effect from the Effective Date and as from that time and until the Completion Date when APL undertakings and businesses are transferred to and vested in IIL, the businesses of APL shall be deemed to have been carried on for and on account and for the benefit of IIL.

7. **ISSUANCE OF SHARES BY IIL**

- a) As consideration for the transfer to and vesting in IIL of the undertakings, businesses, assets and liabilities of APL, IIL shall issue at par and allot:

=13,284,000= Ordinary shares of Rs.10/- each credited as fully paid up to the registered shareholders of APL on the basis of swap ratio 0.09 : 1 (the "Swap Ratio") i.e. **=9=** Ordinary shares of IIL for **=100=** Ordinary shares of APL.


- b) The Swap Ratio has been determined by the management in assistance with Deloitte Yousuf Adil, Chartered Accountants. The calculations of the Swap Ratio are based on the respective breakup value of the shares of IIL and APL.
- c) The break-up value of the shares is based on the audited financial statements of IIL and APL for the year ended June 30, 2015.
- d) The allotment of the ordinary shares of IIL shall be made within ninety (90) days from the Completion Date.
- e) The fractional entitlements of above zero point five (0.5) shares shall be rounded up to one (1) share and below zero point five (0.5) shall be ignored.
- f) Upon the allotment of the ordinary shares of IIL to the shareholders of APL in the manner aforesaid, all share certificates representing the ordinary shares of APL shall stand cancelled.
- g) The ordinary shares of IIL upon issuance and allotment pursuant to this Scheme shall rank pari passu with the existing ordinary Shares of IIL in all respects and shall be entitled to all dividends, bonus, right issue declared and privileges after the Completion Date.

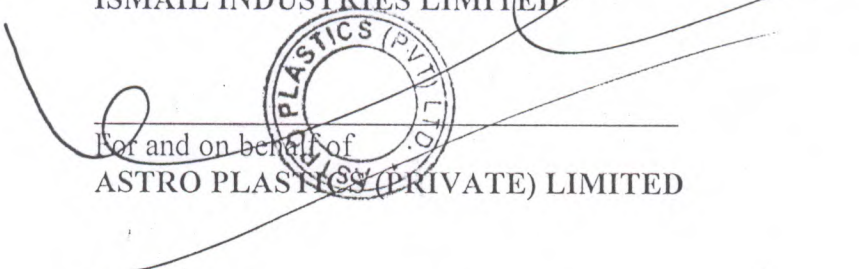
8. DISCHARGE OF LIABILITIES AND OBLIGATIONS

- a) All contracts, agreements, undertakings, guarantees, trusts, leases, conveyances, grants and instruments of transfer entered into by or subsisting in favour of APL upon being transferred to and vested in IIL shall remain in full force and effect as if originally entered into by or granted in favour of IIL instead of APL and IIL may enforce all rights and shall perform all obligations and discharge all liabilities arising thereunder accordingly.
- b) The debts and liabilities and the obligations of APL upon being transferred to and vested in IIL shall be treated as the debts and liabilities and the obligations of IIL, as if originally incurred by IIL instead of APL and IIL shall pay and discharge all such debts and liabilities and shall perform all such obligations accordingly.
- c) On and from the Completion Date, IIL will take in employment all those employees of APL who have accepted employment with IIL in lieu of their employment with APL on the terms and conditions applicable to them in APL immediately preceding the Completion Date, including those relating to entitlements arising upon termination of service i.e. payment of gratuity/provident fund.
- d) All deeds, rules and other instruments relating to the employees of APL upon being transferred to and vested in IIL shall remain in full force and effect for the benefit of those employees of APL who have accepted employment with IIL, as if originally IIL was a party thereto and was mentioned therein instead of APL and IIL may enforce all rights and shall perform all obligations and discharge all liabilities arising thereunder accordingly.

9. MISCELLANEOUS

- a) All suits, appeals and other legal proceedings instituted by or against APL and pending immediately before the Effective Date and any judgments, orders or directions passed in respect thereof shall be treated as suits, appeals and legal proceedings by or against IIL and judgments, orders or directions passed in respect of APL and may be continued, prosecuted and enforced by or against IIL accordingly. All books of account and other documents, which would before the Completion Date have been the evidence in respect of or against APL, shall be admissible in evidence in respect of the same matter for and against IIL.
- b) The reserves including un-appropriated profit of APL as at the Effective Date shall constitute and be treated as reserves of a corresponding nature in IIL and shall be accounted for on that basis in the books of account of IIL.
- c) APL shall stand dissolved, without winding up, on the date on which the ordinary shares of IIL are allotted to the holders of the ordinary shares of APL or on such later date as the Court by Order may prescribe.
- d) This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Scheme, with such modification or addition if any, is also subject to any conditions which the Court may impose.
- e) The Board of Directors of IIL and APL may consent jointly on behalf of all concerned to any modifications of or additions to this Scheme or to any conditions which the Court may think fit to impose
- f) All costs, charges and expenses of APL and IIL in respect of the preparation of this Scheme and carrying the same into effect shall be borne and jointly paid by APL and IIL.
- g) This Scheme shall become operative as soon as a certified copy of an Order or Orders of the Court under Section 284 of the Companies Ordinance, 1984 sanctioning this Scheme and making any necessary provisions under Section 287 of the said Ordinance shall have been filed with the Additional Registrar of Companies, Karachi and unless this Scheme shall have become effective as aforesaid on July 01, 2015 or such later date, if any, as the Court may allow, the same shall not become effective.


For and on behalf of
ISMAIL INDUSTRIES LIMITED


For and on behalf of
ASTRO PLASTICS (PRIVATE) LIMITED

Karachi.

Dated: March 21st, 2016

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants

**REPORT ON COMPUTATION OF
SHARE SWAP RATIO
FOR AMALGAMATION BY WAY OF
MERGER OF
ASTRO PLASTICS (PRIVATE)
LIMITED
WITH AND INTO
ISMAIL INDUSTRIES LIMITED**

Member of
Deloitte Touche Tohmatsu Limited



Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Merger / 2230
March 18, 2016

Tel: +92 (0) 21 3454 6494-7
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www.deloitte.com

The Board of Directors
Ismail Industries Limited
17, Banglore Town
Shahra-e-Faisal
Karachi.

The Board of Directors
Astro Plastics (Private) Limited
17, Banglore Town
Shahra-e-Faisal
Karachi.

Dear Sirs,

REPORT ON COMPUTATION OF SHARE SWAP RATIO

We have performed the procedures agreed as per the scope of services specified in our engagement letter FAS/AR/17/2016 dated January 23, 2016 and its addendum dated February 02, 2016 enumerated below with respect to the Share Swap Ratio as at June 30, 2015 set forth in the accompanying statement. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400, applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the accuracy of the Share Swap Ratio for the approval of the Board of Directors and Shareholders of the respective companies and thereafter, approval of the Scheme of Arrangement by Honorable High Court of Sindh for the amalgamation by way of merger of APL with and into IIL, under section 284 to 288 of Companies Ordinance 1984 and are summarized as follows:

1. We have obtained the statement giving computation of Share Swap Ratio (the statement) as at June 30, 2015 prepared by the management and performed the following:
 - a. Compared the number of shares, shareholders' equity, and nominal value per share with the audited financial statements of Ismail Industries Limited (IIL) and Astro Plastics (Private) Limited (APL) as at June 30, 2015, and
 - b. Obtained Auditor's Report of IIL and APL on breakup value per share as at June 30, 2015 (Annexure A and B) calculated in accordance with the directives of Institute of Chartered Accountants of Pakistan contained in Technical Release 22 (Revised 2002) "Book Value Per Share", and compared with the figures appearing in the statement.
2. We have checked the calculation of Share Swap Ratio computed under the break-up value method as considered and explained by the management in the basis of preparation and computation of the annexed statement of share swap ratio computation (Annexure – C)

We report our findings below:

- a. With respect to item 1, we found the information used by the management for calculation of Share Swap Ratio is in agreement with:
 - i Audited financial statements of Ismail Industries Limited and Astro Plastics (Private) Limited as at June 30, 2015; and
 - ii Auditor's Report on breakup value per share calculated in accordance with the directives of Institute of Chartered Accountants of Pakistan contained in Technical Release 22 (Revised 2002) "Book Value Per Share", of Ismail Industries Limited and Astro Plastics (Private) Limited as at June 30, 2015.
- b. With respect to item 2, we found the calculation of the Share Swap Ratio worked out as 0.09:1 i.e. **9 Ordinary shares of Ismail Industries Limited may be issued for every 100 Ordinary shares of Astro Plastics (Private) Limited** is correct, based on the break up values, subject to the approval of the Board of Directors and Shareholders of the respective Companies.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Share Swap Ratio as at June 30, 2015.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the items specified above and does not extend to any financial statements of Ismail Industries Limited or Astro Plastics (Private) Limited, taken as a whole.

We have no responsibility to update this report for events and circumstances occurring after the date of this report. This report should be read in conjunction with limitations and caveats stated in our engagement letter dated January 23, 2016.

Deloitte Yousuf Adil
Chartered Accountants
Karachi
DYA

Annexure A

Ismail Industries Limited

Auditor's report on factual findings on Book Value per Share as of June 30, 2015



Grant Thornton

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**REPORT TO THE BOARD OF DIRECTORS
ON FACTUAL FINDINGS UPON BOOK VALUE
PER SHARE OF ISMAIL INDUSTRIES LIMITED
AS AT JUNE 30, 2015**

GRANT THORNTON ANJUM RAHMAN

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Modern Motors House
Beaumont Road,
Karachi 75530

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F +92 021 3568 8834

www.gtpak.com

We have performed the procedures agreed with you and enumerated below with respect to the book value per share as at **June 30, 2015**, set forth in the accompanying statement. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of the book value per share for determination of swap ratio between Ismail Industries Limited and Astro Plastics (Private) Limited for approval of scheme of amalgamation by Securities and Exchange Commission of Pakistan and are summarized as follows:

1. We obtained the statement of book value per share as prepared by management and compared the information with audited financial statements as at June 30, 2015 (Refer Appendix – A).
2. We checked that calculation of the book value per share is in accordance with the directives of Institute of Chartered Accountants of Pakistan contained in Technical Release 22 (Revised 2002) “Book Value Per Share”.

We report our findings below:

(a) With respect to item 1, we found the book value per share of the face value of Rs. 10 each works out to Rs. 78.68 per share and information used by the management for calculation of book value per share is in agreement with audited financial statements as at June 30, 2015.

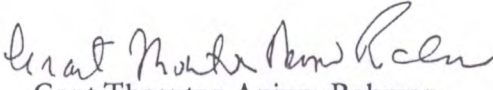
(b) With respect to item 2, we found the calculation of the book value per share is in accordance with the directives of Institute of Chartered Accountants of Pakistan contained in Technical Release 22 (Revised 2002) “Book Value Per Share”.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the book value per share as of June 30, 2015.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the item specified above and does not extend to any financial statements of Ismail Industries Limited, taken as a whole.

Date: January 28, 2016
Karachi


Gant Thornton Anjum Rahman
Chartered Accountants
Khaliq-ur-Rahman

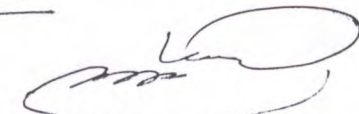
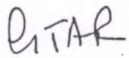
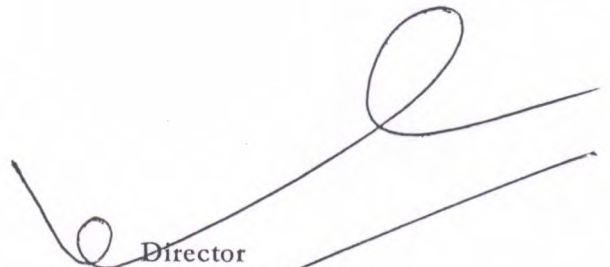
ISMAIL INDUSTRIES LIMITED

STATEMENT OF BOOK VALUE PER SHARE

As at June 30, 2015

Equity	Number	Pak Rupees
Issued, subscribed and paid up share capital		505,207,500
Unappropriated profit		2,782,391,410
Share premium		579,265,000
Share of available for sale re-measurement from associate		<u>108,298,558</u>
Total equity (A)		3,975,162,468
Number of shares issued (B)	50,520,750	
Book value per share (A/B)		78.68

Note 1 – There is no surplus on revaluation on fixed assets.


Chief Executive Officer
Director

Annexure B

Astro Plastics (Private) Limited

Auditor's report on factual findings on Book Value per Share as of June 30, 2015



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**REPORT TO THE BOARD OF DIRECTORS
ON FACTUAL FINDINGS ON BOOK VALUE
PER SHARE OF ASTRO PLASTICS (PRIVATE) LIMITED
AS AT JUNE 30, 2015**

GRANT THORNTON ANJUM RAHMAN

1st & 3rd Floor,
Modern Motors House
Beaumont Road,
Karachi 75530

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We have performed the procedures agreed with you and enumerated below with respect to the book value per share as at **June 30, 2015**, set forth in the accompanying statement. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of the book value per share for determination of swap ratio between Astro Plastics (Private) Limited and Ismail Industries Limited for approval of scheme of amalgamation by Securities Exchange Commission of Pakistan and are summarized as follows:

1. We obtained the statement of book value per share as prepared by management and compared the information with audited financial statements as at June 30, 2015 (Refer to the attached statement).
2. We checked that calculation of the book value per share is in accordance with the directives of Institute of Chartered Accountants of Pakistan contained in Technical Release 22 (Revised 2002) "Book Value Per Share".

We report our findings below:

- (a) With respect to item 1, we found the book value per share of the face value of Rs. 10 each works out to Rs. 7.11 per share and information used by the management for calculation of book value per share is in agreement with audited financial statements as at June 30, 2015.
- (b) With respect to item 2, we found the calculation of the book value per share is in accordance with the directives of Institute of Chartered Accountants of Pakistan contained in Technical Release 22 (Revised 2002) "Book Value Per Share".

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the book value per share as of June 30, 2015.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

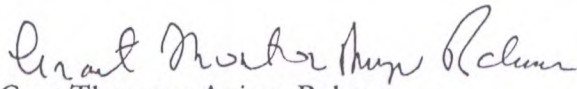


Grant Thornton

An instinct for growth

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the item specified above and does not extend to any financial statements of Astro Plastics (Private) Limited, taken as a whole.

Date: January 28, 2016
Karachi


Gant Thornton Anjum Rahman
Chartered Accountants
Khaliq-ur-Rahman

Astro Plastics (Private) Limited



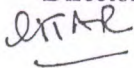
ASTRO PLASTICS (PRIVATE) LIMITED STATEMENT OF BOOK VALUE PER SHARE

As at June 30, 2015

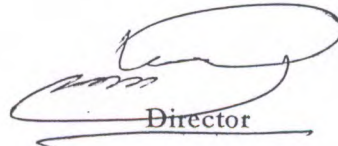
Equity	Number	Pak Rupees
Issued, subscribed and paid up share capital		1,476,000,000
Accumulated loss		(426,297,933)
Total equity (A)		1,049,702,067
Number of shares issued (B)	147,600,000	
Book value per share (A/B)		7.11

Note 1 – There is no surplus on revaluation on fixed assets.

Note 2 – Advance against future issue of shares amounting to Rs. 9,333,303 as at June 30, 2015 was repaid to the Directors/Shareholders subsequent to the balance sheet date.




Chief Executive Officer


Director

Annexure C

Statement for computation of Share Swap Ratio

	Ismail Industries Limited	Astro Plastics (Private) Limited
Number of Shares as at June 30, 2015	50,520,750	147,600,000
Shareholders' Equity as at June 30, 2015 (Rupees)	3,975,162,468	1,049,702,067
Nominal Value per Share (Rupees)	10.00	10.00
Break up values per Share (Rupees) (Annexure A & B)	78.68 (A)	7.11 (B)
Share Swap Ratio (B/A)	0.09:1	

1. Basis of preparation and computation:

- 1.1. The purpose of this statement is to determine a share swap ratio between Ismail Industries Limited and Astro Plastics (Private) Limited for the approval of the Board of Directors and Shareholders of the respective companies and thereafter approval of the Scheme of Arrangement by Honorable High Court of Sindh for the amalgamation by way of merger of APL with and into IIL, under section 284 to 288 of Companies Ordinance, 1984. The cut-off date for the aforesaid purpose is June 30, 2015.
- 1.2. This statement has been prepared based on the information extracted from the audited financial statements and auditor's report on break-up value per share of Ismail Industries Limited and Astro Plastics (Private) Limited as at June 30, 2015 respectively.
- 1.3. The management has considered only the net assets value / break-up value method for the computation of Share Swap Ratio based on the fact that both entities have majority proportion of common shareholders and directors, hence construed under a common controlled management as also depicted from the pattern of shareholding as at June 30, 2015 as given below:



Shareholder Category	Astro Plastics (Pvt) Limited	Ismail Industries Limited
% of Common Shareholders	82.57%	84.57%
% of Shares held by others	17.43%	15.43%

1.4. Shares held by others in Ismail Industries Limited include 0.71% of free float shares held by general public and 0.86% shares held by an associated company of Ismail Industries Limited.


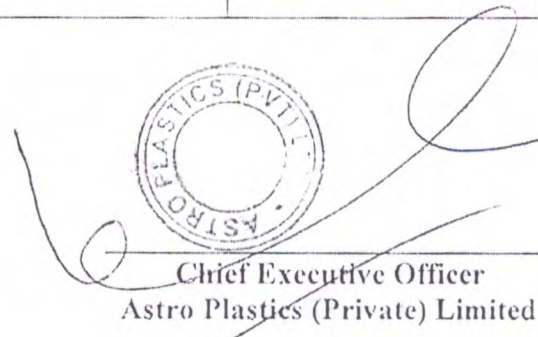
2. Event after the cut-off date

2.1. Subsequent to June 30, 2015 there has been a change in the pattern of shareholding. The common shareholders have acquired additional shares in both the entities. The pattern of shareholding as of March 18, 2016 is shown below:

Shareholder Category	Astro Plastics (Pvt) Limited	Ismail Industries Limited
% of Common shareholders	100%	98.43%
% of Shares held by others	NIL	1.57%



Chief Executive Officer
Ismail Industries Limited



Chief Executive Officer
Astro Plastics (Private) Limited

DYA