

1st Quarterly Report
September 30,

2020

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Innovate-Diversify-Grow



ITTEHAD CHEMICALS LIMITED

ITTEHAD CHEMICALS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2020 (UN-AUDITED)

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Corporate Information

BOARD OF DIRECTORS	Mr. Muhammad Siddiq Khatri Mr. Abdul Sattar Khatri Mr. Waqas Siddiq Khatri Mr. Abdullah Mustafa Mrs. Farhana Abdul Sattar Khatri Mr. Pervaiz Ahmad Khan Mr. Pervez Ismail	Chairman Director/CEO Director Director Director Director Director	Non-Executive Director Executive Director Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
AUDIT COMMITTEE	Mr. Pervez Ismail Mr. Abdullah Mustafa Mr. Pervaiz Ahmad Khan	Chairman Member Member	
HR & REMUNERATION COMMITTEE	Mr. Pervaiz Ahmad Khan Mr. Abdullah Mustafa Mr. Waqas Siddiq Khatri	Chairman Member Member	
RISK MANAGEMENT COMMITTEE	Mr. Muhammad Siddiq Khatri Mr. Abdul Sattar Khatri Mr. Waqas Siddiq Khatri	Chairman Member Member	
CHIEF FINANCIAL OFFICER	Mr. Aamir Shahzad Mughal		
COMPANY SECRETARY	Mr. Abdul Mansoor Khan		
REGISTERED OFFICE/HEAD OFFICE	39-Empress Road, P.O. Box 1414, Lahore-54000. Tel: 042 - 36306586 - 88, Fax: 042 - 36365697 Website: www.ittihadchemicals.com , E-mail: info@ittihadchemicals.com		
FACTORY/PLANT	G.T. Road, Kala Shah Kaku, District Sheikhpura. Ph: 042 - 37950222 - 25, Fax: 042 - 37950206		
SHARES REGISTRAR	M/s. Hameed Majeed Associates (Pvt) Limited 1 st Floor, H.M. House, 7 Bank Square The Mall, Lahore. Tel: 042 - 37235081 - 82		
BANKERS	<u>Banks - Conventional Side</u> Askari Bank Limited Allied Bank Limited Faysal Bank Limited Habib Metro Bank Limited MCB Bank Limited National Bank of Pakistan JS Bank Limited Pak Libya Holding Co. (Pvt.) Ltd. Pakistan Kuwait Inv. Co. (Pvt.) Ltd. Pak Brunei Inv. Company Ltd. The Bank of Punjab United Bank Limited	<u>Banks - Islamic Window Operations</u> Al-Baraka Bank (Pakistan) Limited The Bank of Punjab (Taqwa Islamic Banking) Dubai Islamic Bank (Pak) Limited Bank Alfalah Limited - Islamic-Banking	
AUDITORS	M/s. BDO Ebrahim & Co., Chartered Accountants, 2 nd Floor, Block- C, Lakson Square Building No.1, Sarwar Shaheed Road, Karachi. Ph: 021 - 35683189, 35683498, Fax : 021 - 35684239		
LEGAL ADVISOR	Cornelius, Lane & Mufti Advocates & Solicitors Nawa-e-Waqt House 4 - Shahrah-e-Fatima Jinnah Lahore-54000		

DIRECTORS' REPORT

The Directors of your Company take pleasure in presenting the un-audited condensed interim financial statements of the Company for the first quarter ended September 30, 2020.

During the quarter under review, the Company posted net sales revenue of Rupees 2,395 Million denoting an increase of 15% over corresponding period of last year (2019: Rupees 2,084 Million). The cost of sales stood at Rupees 1,841 Million (2019: Rupees 1,866 Million) bringing gross profit to Rupees 554 Million (2019: Rupees 218 Million). The gross profit margin improved to 23% from 10% vis-à-vis corresponding period of last year mainly due rationalized energy cost and effective business decisions. The bottom line showed a net profit after tax of Rupees 170 Million (2019: Loss of Rupees 57 Million) which yielded earning per share of Rupees 2.01 (2019: Loss per share Rupees 0.67).

Although Pakistan has managed to contain the adverse effects of the COVID-19 (Corona Virus); however, the threat posed by evolving COVID-19 pandemic still exists. Hence, presently the country's overall economy reflects a lackluster performance.

Moving ahead, despite a challenging period, the Board has approved expansion of its state of the art LABSA Plant and up-gradation of its Power Plant Engines. The Management is devotedly exploring new markets with the ultimate objective to maximize shareholders' wealth in the long run.

The Board is thankful to the valuable Members, Customers, Banks and Government departments for their trust, confidence, persistent support and patronage and would like to place on record its gratitude to all the Employees of the company for their contribution, dedication and hard work.

On behalf of the Board



Lahore
October 27, 2020

Abdul Sattar Khatri
Chief Executive Officer



Muhammad Siddiq Khatri
Chairman

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2020ء کو اختتام پزیر ہونے والی پہلی سہ ماہی کے غیر پڑتال شدہ بین المدتی مختصر مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ سہ ماہی میں کمپنی کی فروخت گزشتہ سال کے اسی عرصہ کے مقابلے میں 15% اضافہ کے ساتھ 2,395 ملین روپے (2019: 2,084 ملین روپے) رہی۔ فروخت کی لاگت 1,841 ملین روپے (2019: 1,866 ملین روپے) رہی۔ جس سے کمپنی کا خام منافع 554 ملین روپے (2019: 218 ملین روپے) بنتا ہے۔ خام منافع کا تناسب گزشتہ سال کے اسی عرصہ کے مقابلے میں 10% سے بڑھ کر 23% تک ہو گیا جو کہ RLNG کی کم قیمتوں اور اچھے کاروباری فیصلوں کی وجہ سے ہیں۔ ٹیکس کی ادائیگی کے بعد گوشوارے کی آخری سطر مبلغ 170 ملین روپے (2019: 57 ملین روپے) کا نقصان کا خالص منافع ظاہر کرتی ہے جس کے نتیجے میں مبلغ 2.01 روپے فی حصص (2019: 0.67 فی حصص نقصان) کی آمدنی ہوئی۔

اگرچہ پاکستان نے COVID-19 کو رونا وائرس کے منفی اثرات پر کسی حد تک قابو پا لیا ہے۔ تاہم عالمی وباء COVID-19 کو رونا وائرس کا خطرہ ابھی موجود ہے۔ چنانچہ اس وقت ملک کی موجودہ معیشت سست روی کا شکار ہے۔

آگے بڑھتے ہوئے، مشکل وقت کے باوجود، بورڈ نے جدت کے حامل LABSA پلانٹ میں بڑھوتری، پاور پلانٹ انجنز میں مزید بہتری کی منظوری دی ہے۔ انتظامیہ پوری لگن کے ساتھ حتمی مقاصد کی تکمیل کے لیے نئی منڈیوں کی تلاش میں ہے جس سے طویل مدت میں حصص داران کی قدر میں اضافہ ہوگا۔

بورڈ اپنے تمام معزز حصص داران، کسٹمرز، بینکوں اور حکومتی محکموں کی جانب سے ہم پر اعتماد مسلسل تعاون سرپرستی کے لیے مشکور ہیں۔ سخت محنت اور لگن سے کام کرنے پر کمپنی کے تمام ملازمین کا شکریہ ادا کرتے ہیں۔

منجانب بورڈ
محمد صدیق کھتری
چیرمین

عبدالستار کھتری
چیف ایگزیکٹو آفیسر

27 اکتوبر 2020ء

لاہور

Condensed Interim Statement of Financial Position as at September 30, 2020

as at September 30, 2020		(Un-audited) September 30, 2020	(Audited) June 30, 2020
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	5,755,769	5,872,413
Capital work in progress	8	115,702	46,476
		5,871,471	5,918,889
Intangible assets		6,445	6,445
Investment properties		195,000	195,000
Long term investments		19	19
Long term deposits		52,042	52,042
		6,124,977	6,172,395
CURRENT ASSETS			
Stores, spares and loose tools		441,444	418,741
Stock in trade		706,538	685,118
Trade debts		889,840	799,171
Loans and advances		221,195	208,399
Trade deposits and short term prepayments		6,428	5,003
Tax refunds due from Government		274,661	419,605
Taxation - net		360,711	297,623
Cash and bank balances		195,922	134,501
		3,096,739	2,968,161
		9,221,716	9,140,556
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	9.1	1,250,000	1,250,000
Issued, subscribed and paid up capital	9.2	847,000	847,000
Share premium		330,000	330,000
Unappropriated profit		2,074,530	1,904,070
Surplus on revaluation of fixed assets		972,734	972,734
		4,224,264	4,053,804
NON CURRENT LIABILITIES			
Long term financing	10	350,506	334,580
Long term diminishing musharaka	11	1,319,581	1,407,081
Lease liabilities		37,998	40,387
Deferred liabilities / grant		449,074	370,728
GIDC Payable		426,196	426,196
		2,583,355	2,578,972
CURRENT LIABILITIES			
Trade and other payables		1,399,254	1,201,550
Unclaimed dividend		1,020	1,020
Mark-up accrued		47,403	78,374
Short term borrowings		708,110	1,138,575
Current portion of long term liabilities		258,310	88,261
		2,414,097	2,507,780
CONTINGENCIES AND COMMITMENTS			
	12	-	-
TOTAL EQUITY AND LIABILITIES			
		9,221,716	9,140,556

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss Account (Un-audited) for the quarter ended September 30, 2020

		Quarter ended September 30, 2020 (Rupees in thousand)	2019 (Rupees in thousand)
	Note		
Sales - net		2,395,013	2,083,736
Cost of sales	13	(1,840,670)	(1,865,901)
Gross profit		554,343	217,835
Selling and distribution expenses		(133,218)	(138,458)
General and administrative expenses		(49,273)	(51,364)
Other operating expenses		(32,193)	(26,531)
Other operating income		10,934	27,861
		(203,750)	(188,492)
Operating profit		350,593	29,343
Financial charges		(69,499)	(117,499)
Profit / (loss) before taxation		281,094	(88,156)
Taxation		(110,634)	31,479
Profit / (loss) after taxation		170,460	(56,677)
Earnings per share - basic and diluted (Rupee)	14	2.01	(0.67)

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

**Condensed Interim Statement of Comprehensive Income (Un-audited)
for the quarter ended September 30, 2020**

	Quarter ended September 30, 2020	2019
	(Rupees in thousand)	
Profit/(Loss) for the period	170,460	(56,677)
Other comprehensive income	-	-
Total comprehensive income for the period	170,460	(56,677)

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Condensed Interim Cash Flow Statement (Un-audited) for the quarter ended September 30, 2020

	Quarter ended September 30, 2020	2019
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	281,094	(88,156)
Adjustments for items not involving movement of funds:		
Depreciation	128,085	141,195
Provision for gratuity	7,467	8,487
Loss / (Gain) on sale of fixed assets	8,599	26,172
Loss / (gain) on foreign exchange	1,066	(1,612)
Bad debts written off	1,021	-
Provision for obsolete stores	6,000	6,000
Financial charges	69,499	117,499
Net cash flow before working capital changes	502,831	209,585
Decrease / (increase) in current assets		
Stores, spares and loose tools	(28,703)	(54,605)
Stock in trade	(21,420)	164,310
Trade debts	(92,757)	(19,765)
Loans and advances	(12,796)	(86,159)
Trade deposits and short term prepayments	(1,425)	(402)
Tax refunds due from the Government	59,933	38,142
	(97,168)	41,521
Increase / (decrease) in current liabilities		
Trade and other payables	197,704	16,937
Cash generated from operations	603,367	268,043
Income taxes paid	(14,342)	(41,714)
Gratuity paid	(3,490)	(402)
Financial charges paid	(100,470)	(94,249)
Net cash inflow from operating activities	485,065	131,678
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets-net	(5,725)	(1,207)
Additions to capital work in progress	(84,191)	(38,200)
Proceeds from sale of operating fixed assets	650	90
Long term deposits	-	(181)
Net cash (outflow) from investing activities	(89,266)	(39,498)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	98,475	-
Repayment of long term financing	-	(56,725)
Proceeds from long term diminishing musharaka	-	16,989
Repayment of lease liabilities	(2,387)	-
Short term borrowings	(430,466)	(52,054)
Net cash inflow / (outflow) from financing activities	(334,378)	(91,790)
Net increase in cash and cash equivalents	61,421	390
Cash and cash equivalents at the beginning of the period	134,501	109,892
Cash and cash equivalents at the end of the period	195,922	110,282

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Changes in Equity (Un-audited) for the quarter ended September 30, 2020

	Share Capital	Surplus on Revaluation of fixed assets	Share premium	Unappropriated profit	Total
	(Rupees in thousand)				
Balance as at July 01, 2019 - Reported	847,000	972,734	330,000	1,853,951	4,003,685
IFRS-16 - Leases - Impact of Change in Accounting Policy	-	-	-	(15,205)	(15,205)
Balance as at July 01, 2019 - Restated	847,000	972,734	330,000	1,838,746	3,988,480
Total Comprehensive income for the period	-	-	-	(56,677)	(56,677)
Balance as at September 30, 2019	847,000	972,734	330,000	1,782,069	3,931,803
Total Comprehensive income for the period Profit for the period	-	-	-	117,477	117,477
Remeasurement of defined benefit liability - net	-	-	-	4,524	4,524
	-	-	-	122,001	122,001
Balance as at June 30, 2020	847,000	972,734	330,000	1,904,070	4,053,804
Total Comprehensive income for the period	-	-	-	170,460	170,460
Balance as at September 30, 2019	847,000	972,734	330,000	2,074,530	4,224,264

The annexed notes from 1 to 17 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Financial Statements (Un-audited) for the quarter ended September 30, 2020

1 LEGAL STATUS AND OPERATIONS

Ittehad Chemicals Limited (the Company) was incorporated on September 28, 1991 to takeover the assets of Ittehad Chemicals and Ittehad Pesticides under a Scheme of Arrangement dated June 18, 1992 as a result of which the Company became a wholly owned subsidiary of Federal Chemical and Ceramics Corporation (Private) Limited. The Company was privatized on July 03, 1995. The Company is engaged in the business of manufacturing and selling caustic soda and other allied chemicals.

The Company was listed on Karachi Stock Exchange on April 14, 2003 when sponsors of the Company offered 25% of the issued, subscribed and paid up shares of the Company to the general public. The Company is now listed on Pakistan Stock Exchange Limited.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at 39, Empress Road, Lahore. The manufacturing facility of the Company is located at G.T Road Kala Shah Kaku District Sheikhupura and regional offices are located as follows:

Regional office	Office address
Karachi	Town House No. 44-N/1-A, Razi Road, Block-6, P.E.C.H.S. Karachi.
Faisalabad	3rd Floor, Habib Bank Building, Circular Road, Faisalabad.
Islamabad	2nd Floor, Quaid Plaza, office No.15, Markaz I-9, Islamabad.

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements are unaudited and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2020 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative balance sheet presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2019.

3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value, investment property at fair value and certain operating fixed assets at revalued amounts.

These condensed interim financial statements have been prepared following accrual basis of accounting except for cash flow statement.

3.3 Functional and presentation currency

These condensed interim financial statements have been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are the same as those of the preceding published annual financial statements for the year ended June 30, 2020.

5 TAXATION

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

6 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2020.

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
Note	— (Rupees in thousand) —	

7 PROPERTY PLANT & EQUIPMENT

Operating Fixed Assets	7.1	5,728,134	5,842,860
Right to Use Assets	7.2	27,635	29,553
		<u>5,755,769</u>	<u>5,872,413</u>

7.1 Operating Fixed Assets

Opening book value (NBV)		5,842,860	6,334,613
Additions / (adjustment) at cost during the period / year	7.1.1	20,690	130,117
		<u>5,863,550</u>	<u>6,464,730</u>
Disposals at NBV during the period / year	7.1.2	(9,249)	(54,811)
Depreciation charged during the period / year		<u>(126,167)</u>	<u>(567,059)</u>
		<u>(135,416)</u>	<u>(621,870)</u>
Closing net book value (NBV)		<u>5,728,134</u>	<u>5,842,860</u>

7.1.1 Details of additions / (adjustment) at cost during the period / year are as follows:

Building	-	17,465
Plant and machinery	14,965	110,079
Other equipment	1,149	357
Furniture and fixtures	73	175
Office and other equipment	1,219	1,984
Vehicles	3,284	57
	<u>20,690</u>	<u>130,117</u>

(Un-audited)
September 30,
2020
—— (Rupees in thousand) ——

(Audited)
June 30,
2020

7.1.2 Details of disposals (at NBV) during the period / year are as follows:

Building	-	(1)
Plant and machinery	(8,923)	(54,317)
Office and other equipment	-	(5)
Vehicles	(326)	(488)
	<u>(9,249)</u>	<u>(54,811)</u>

7.2 Right to Use Assets

Opening book value (NBV)	29,553	30,463
Additions / (adjustment) at cost during the period / year	-	4,779
	<u>29,553</u>	<u>35,242</u>
Disposals at NBV during the period / year	-	-
Depreciation charged during the period / year	(1,918)	(5,689)
	<u>(1,918)</u>	<u>(5,689)</u>
Closing net book value (NBV)	<u>27,635</u>	<u>29,553</u>

8 CAPITAL WORK IN PROGRESS

Building	13,604	8,315
Plant and machinery	84,809	20,872
Advances	17,289	17,289
	<u>115,702</u>	<u>46,476</u>

9 SHARE CAPITAL

9.1 Authorized share capital

100,000,000 (June 30, 2020: 100,000,000) ordinary shares of Rs. 10/- each	1,000,000	1,000,000
25,000,000 (June 30, 2020: 25,000,000) preference shares of Rs. 10/- each	250,000	250,000
	<u>1,250,000</u>	<u>1,250,000</u>

9.2 Issued, subscribed and paid up share capital

27,100,000 (June 30, 2020: 27,100,000) ordinary shares fully paid in cash	271,000	271,000
24,900,000 (June 30, 2020: 24,900,000) issued for consideration other than cash	249,000	249,000
32,700,000 (June 30, 2020: 32,700,000) fully paid bonus shares	327,000	327,000
	<u>847,000</u>	<u>847,000</u>

(Un-audited)
September 30,
2020
—— (Rupees in thousand) ——

(Audited)
June 30,
2020

10 LONG TERM FINANCING

From banking companies and financial institutions- secured		
Balance as at July 01	359,228	488,450
Obtained during the period / year	98,475	92,561
Repayments made during the period / year	-	(221,783)
	457,703	359,228
Current portion shown under current liabilities	(107,197)	(24,648)
	350,506	334,580

11 LONG TERM DIMINISHING MUSHARAKA

From banking companies and financial institutions- secured		
Balance as at July 01	1,460,519	1,498,038
Obtained during the period / year	-	49,981
Repayments made during the period / year	-	(87,500)
	1,460,519	1,460,519
Current portion shown under current liabilities	(140,938)	(53,438)
	1,319,581	1,407,081

12 CONTINGENCIES AND COMMITMENTS**12.1 Contingent liabilities**

There is no significant change in contingencies from the preceding annual financial statements of the Company for the year ended June 30, 2020 except for the matter which is mentioned below:

- a) Letters of guarantee outstanding as at September 30, 2020 were Rs. 366.470 million (June 30 2020: Rs. 375.913 million).

12.2 Commitments

Commitments as on September 30, 2020 were as follows:

- a) Against letters of credit amounting to Rs. 507.938 million (June 30 2020: Rs. 244.684 million).
- b) Against purchase of land amounting to Rs. 1.639 million (June 30 2020: Rs. 1.639 million).

(Un-audited) (Audited)
September 30, June 30,
2020 2019
— (Rupees in thousand) —

13 COST OF SALES

Raw materials consumed	699,763	411,940
Other overheads		
Stores, spares and consumables	45,201	49,898
Packing materials consumed	42,387	29,231
Salaries, wages and other benefits	131,896	131,898
Fuel and power	828,732	1,057,377
Repair and maintenance	7,996	9,179
Rent, rates and taxes	47	290
Insurance	3,648	3,724
Depreciation	123,924	138,610
Vehicle running expenses	3,254	3,870
Telephone, telex and postage	233	230
Printing and stationery	28	24
Provision for obsolete stores	6,000	6,000
Other expenses	307	902
	1,193,653	1,431,233
Opening work in process	38,912	38,143
Closing work in process	(40,501)	(43,313)
	(1,589)	(5,170)
Cost of goods manufactured	1,891,827	1,838,003
Cost of stores traded	-	28
Opening stock of finished goods	392,491	446,016
Closing stock of finished goods	(443,648)	(418,146)
	(51,157)	27,870
	1,840,670	1,865,901

(Un-audited) (Audited)
September 30, June 30,
2020 2019

14 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation - (Rupees in thousand)	170,460	(56,677)
Weighted average number of ordinary shares - (In thousand)	84,700	84,700
Earnings per share - basic and diluted - (Rupees)	2.01	(0.67)

14.1 There is no dilutive effect on the basic earnings per share of the Company.

15 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are given as under:

		(Un-audited) September 30, 2020	(Audited) June 30, 2019
Relationship with the Company	Nature of transaction		
Other related party	Marketing services charges	11,630	9,720
Retirement benefit plans	Contribution to staff retirement benefit plans	120	113
Key management personnel	Remuneration and other benefits	19,514	18,865

15.1 Balance payable to Chemi Multifabrics Limited (other related party) stands at Rs. 30.877 million (June 30, 2020 Rs. 21.648 million).

16 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 27, 2020 by the Board of Directors of the Company.

17 GENERAL

- i Figures have been rounded off to the nearest rupees in thousand unless stated otherwise.
- ii Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effect of which is not material.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



Ms Certification
No of Certificate 236



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GROUP

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