



ITTEHAD CHEMICALS LIMITED



TOWARDS A  
**GREENER**  
TOMORROW

ANNUAL  
REPORT  
**2025**

“Towards  
a greener tomorrow”  
is our pledge to integrate  
sustainability into every level of our  
operations. From sourcing eco-friendly  
materials and minimizing waste to investing  
in clean technologies and supporting green  
innovation.

We are committed to reducing our environmental  
footprint while delivering value to our customers  
and stakeholders. This slogan reflects our vision  
of long-term growth built on responsibility,  
transparency, and a shared journey toward a  
healthier planet for future generations.

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# Corporate Information

## BOARD OF DIRECTORS

Mr. Muhammad Siddique Khatri	Chairman	Non-Executive Director
Mr. Abdul Sattar Khatri	Director/CEO	Executive Director
Mr. Waqas Siddiq Khatri	Director	Executive Director
Mr. Ahmed Mustafa	Director	Non-Executive Director
Mrs. Farhana Abdul Sattar Khatri	Director	Non-Executive Director
Mr. Pervez Ismail	Director	Independent Director
Mr. Ali Asrar Hossain Aga	Director	Independent Director

## AUDIT COMMITTEE

Mr. Pervez Ismail	Chairman
Mr. Ali Asrar Hossain Aga	Member
Mr. Ahmed Mustafa	Member

## HR & REMUNERATION COMMITTEE

Mr. Ali Asrar Hossain Aga	Chairman
Mr. Ahmed Mustafa	Member
Mr. Waqas Siddiq Khatri	Member

## RISK MANAGEMENT COMMITTEE

Mr. Pervez Ismail	Chairman
Mr. Waqas Siddiq Khatri	Member
Mr. Abdul Sattar Khatri	Member

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Asif Khan

## 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.ittehadchemicals.com](http://www.ittehadchemicals.com), E-mail: [info@ittehadchemicals.com](mailto:info@ittehadchemicals.com)  
G.T. Road, Kala Shah Kaku, District Sheikhupura.  
Ph: 042 - 37950222 - 25, Fax: 042 - 37950206

## FACTORY/ PLANT

## SHARES REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Limited  
1<sup>st</sup> Floor, H.M. House, 7 Bank Square  
The Mall, Lahore  
Ph: 042 - 37235081 - 82

## BANKERS

### Banks - Conventional Side

Allied Bank Limited  
Askari Bank Limited  
Habib Metro Bank Limited  
JS Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Pak Brunei Inv. Company Ltd  
Pak Libya Holding Co. (Pvt.) Ltd.  
Pak Oman Investment Co. Ltd.  
Samba Bank Limited  
Soneri Bank Limited  
The Bank of Punjab  
United Bank Limited

### Banks - Islamic Window Operations

Al- Baraka Bank (Pakistan) Limited  
Bank Alfalah Limited - Islamic  
Bank Islami Pakistan Limited  
Dubai Islamic Bank (Pak) Limited  
Faysal Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
The Bank of Khyber  
The Bank of Punjab  
(Taqwa Islamic Banking)  
United Bank Limited  
(Ameen Islamic Banking)

## AUDITORS

M/s. BDO Ebrahim & Co., Chartered Accountants,  
2nd 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

Innovation and sustainability walk hand in hand towards a greener tomorrow.





# Product Profile

## Caustic Soda

Caustic Soda is mainly used as a raw material in soap manufacturing and also for mercerization of cotton in the textile industry. ICL produces caustic Soda in liquid form (%31 & %50) and also in the form of flakes, supplied in 25kg bags.



## Liquid Chlorine

Liquid Chlorine is used in water treatment, paper industry, manufacturing of pharmaceuticals and agro chemicals. ICL supplies liquid chlorine in 100 Kg and 900 Kg cylinders.



## Calcium Chloride

Calcium chloride is produced primarily for use in Oil and Gas industry. The product is supplied in 25KG and 1000 KG bags to customers in Pakistan and in the Middle East.

## Sodium Hypochlorite

Sodium hypochlorite is widely used as a bleaching agent and for disinfection and sanitization purposes. Sodium hypochlorite is supplied by ICL in rubber-lined tankers of 10 to 30 MT.



## SLES (Sodium Lauryl Ether Sulfate)

SLES is primarily used in production of personal hygiene products such as shampoos, handwash, cosmetic products and oral hygiene products. ICL produces 3 grades of SLES being SLES1, SLES2 and SLES3. SLES is supplied in 160 Kg drums and also in bulk tankers.



## Hydrochloric Acid

Hydrochloric acid has a very diverse range of applications. Some of the main applications include steel industry, manufacturing of gelatin, textile, dyestuff and synthetic rubber. ICL produces %33 HCL which is mainly transported in rubber-lined tankers of up to 30 MT.



## Sodium Sulphate

Sodium Sulphate is used in manufacturing of detergents, textile and glass products. ICL produces %99 sodium sulphate, supplied in 50 kg bags.



## Vision-Mission-Values

### Vision

To be a globally recognized organization that drives innovation and sustainable growth, creating lasting value for stakeholders, uplifting communities, and inspiring excellence.

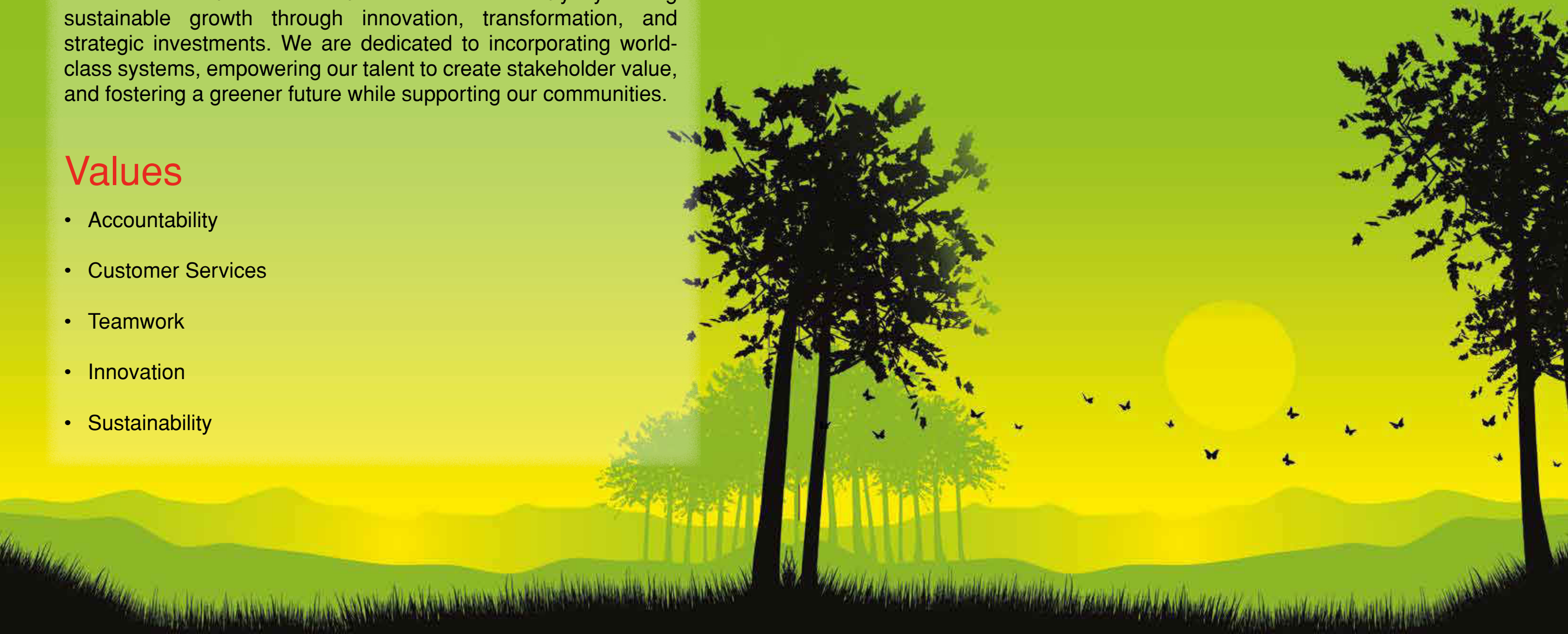
### Mission

our mission is to lead Pakistan's chemical industry by driving sustainable growth through innovation, transformation, and strategic investments. We are dedicated to incorporating world-class systems, empowering our talent to create stakeholder value, and fostering a greener future while supporting our communities.

### Values

- Accountability
- Customer Services
- Teamwork
- Innovation
- Sustainability

**“Our legacy is the world we leave behind-let us make it green.”**





# Enabling Technologies for Sustainability & Growth

ICL has always taken pride in being the industry leader in embracing latest technology and innovations. We are one of the first few companies in Pakistan to have deployed a fully integrated SAP ERP system. During the last one year, we have taken several initiatives to improve our business process efficiencies and to ensure best value-delivery to all our stakeholders. Some of the important milestones achieved were:

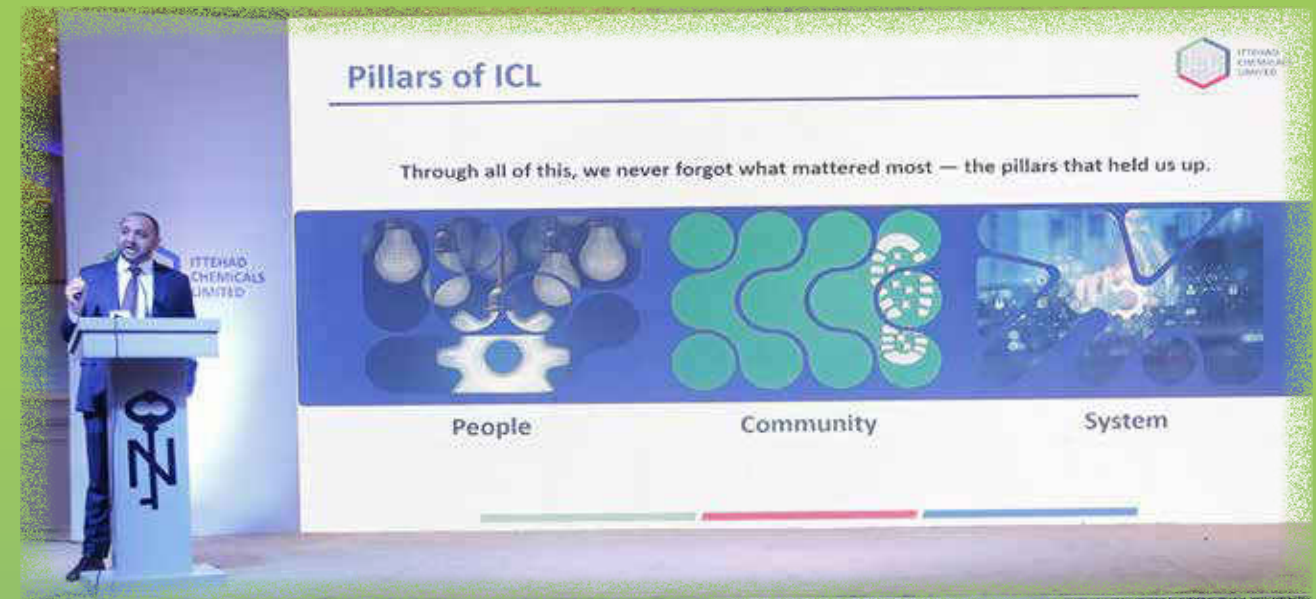
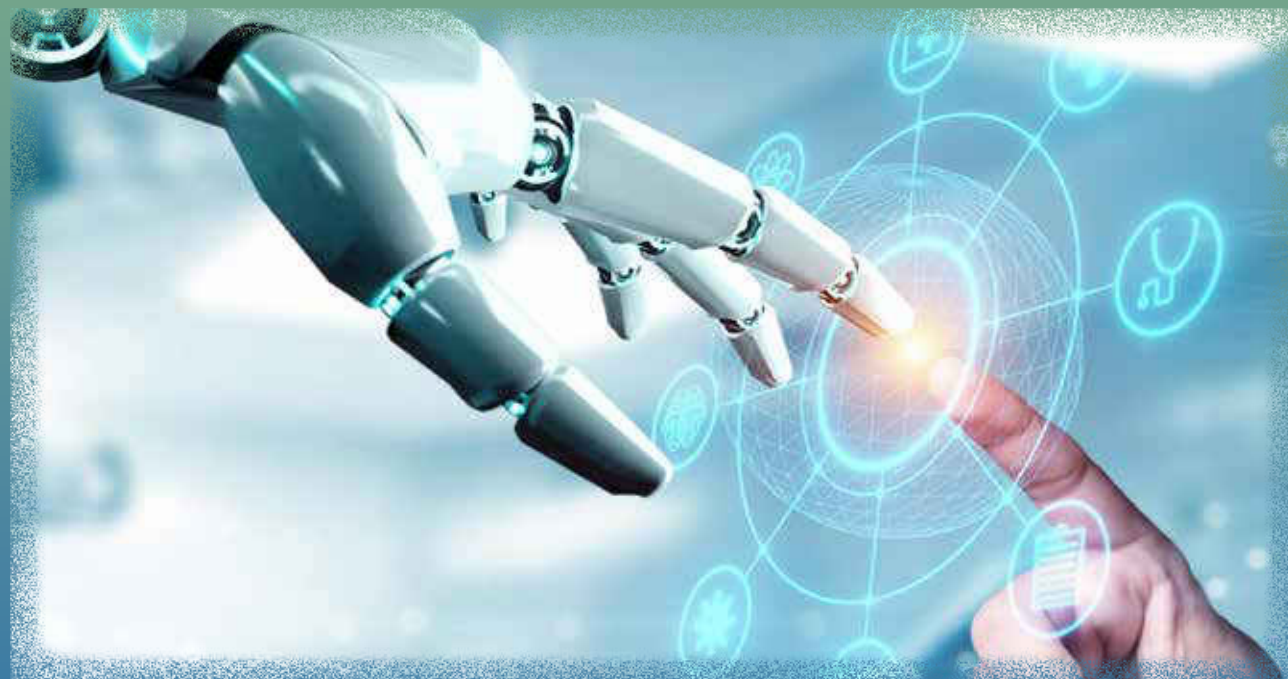
- 1- Deployment of Trukkr portal to integrate transporters and their vehicles.
- 2- Sales Portal for online ordering and tracking
- 3- Deployment of Business Intelligence Module for management reporting & Stewardship
- 4- Provision for Toll Manufacturing Process
- 5- Integrated Out-bound Logistics Process



## Deployment of Trukkr Portal to integrate transporters and their vehicles.

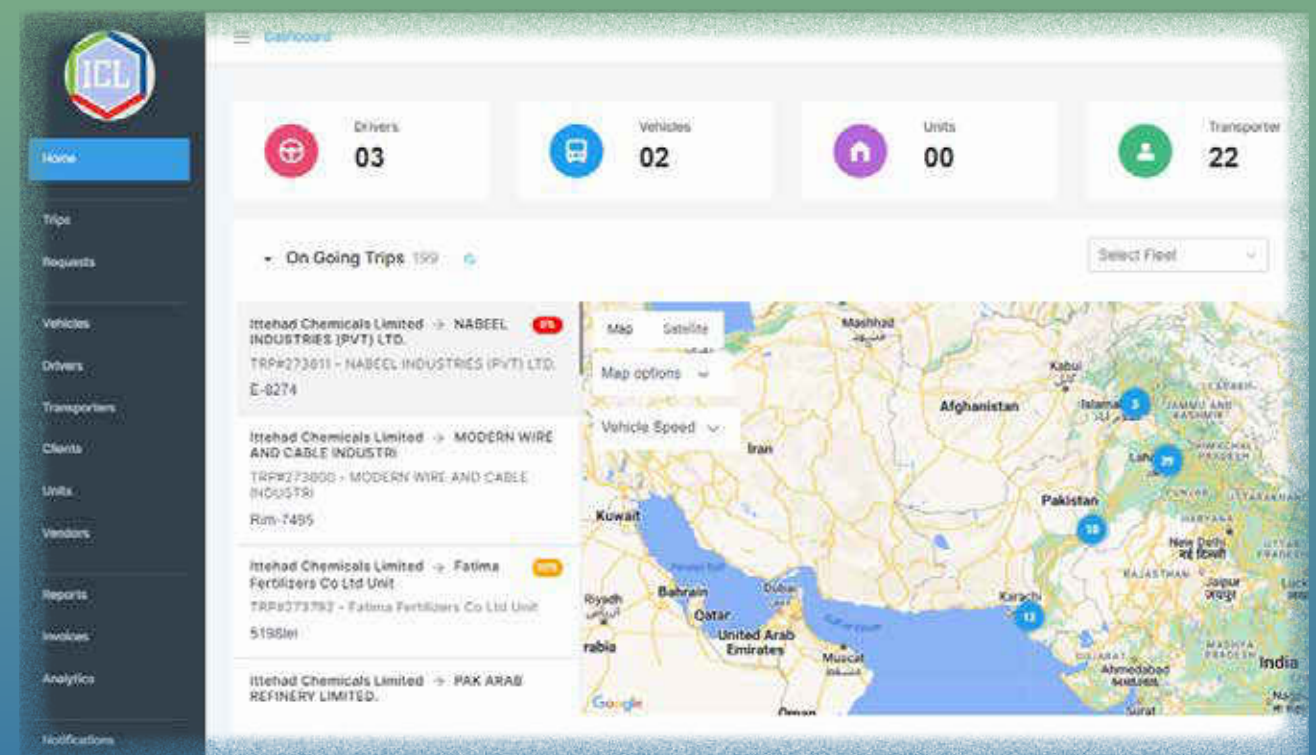
Transportation of chemicals to our valued customers plays an important role in the company's overall service delivery. In order to incorporate the company's transporters and their vehicles in our management system, Trukkr.pk deployed their proprietary Logistics Management System (LMS) at the company. Our in-house IT experts worked with the service provider (Trukkr) to ensure a smooth roll out of the system without any disruption to the normal operations. The system is integrated with SAP and allows for the company's transporters to digitally interact with company's stakeholders to fulfill orders. This interaction includes bidding done by transporters for any specific trip as well as assigning vehicle and driver to any specific order, which has allowed to optimize costs as well as processes to save significant man hours in executing orders.

The Trukkr system also enables real-time product delivery tracking and reporting mechanism, which gives our customers live updates on the location of their shipments during transit along with its ETA (expected time of arrival). This helps ICL ensure timely delivery of its products to the customer and also reduces the chances of pilferage and product quality degradation during transport. ICL is proud to be the first in the chemical manufacturing industry in Pakistan to implement a real-time shipment monitoring system.



## Sales Portal for Online Ordering

B2B businesses like ICL, traditionally operated through offline sales channels only with order generation typically done via phone or during one-to-one interaction with the clients. Taking the covid-19 situation as an opportunity, ICL has developed an online ordering system where our customers have been given access to an online sales portal for ordering company's products without having to call or visit our offices. Implementation of sales portal has greatly reduced the time needed for the customer to place an order and it also gives them an automated account of their transactions with the company without having to ask for account statements on regular basis.





### Business Intelligence (BI) Module – Management Reporting & Stewardship

In order to optimize the decision making at various levels, ICL has implemented Qlik Sense Business intelligence module to provide the decision makers with the right set of information. The system is integrated with SAP and provides customized analytics based on user selected criteria. Based on the success of this tool for sales and distribution, company plans to implement similar solutions for finance, production planning and inventory management in the coming years.



Qlik Sense

### Provision for Toll Manufacturing Process through ERP

ICL greatly values flexibility in its business operations. Our guiding principle is to understand specific requirements of our customers and to fulfill them in best possible way. Some of our key clients requested us to provide them with toll manufacturing services for specific products. The process of toll manufacturing involves same steps in plant operations but requires an entirely different treatment when handled within the ERP system starting from raw material handling, storage, conversion and the shipment of the end product. Our capable in-house IT team, working with supply chain, finance and operations department, not only handled the development and deployment process in-house but also implemented it in a seamless manner without any disruption to the normal operations.



### Integrated Out-bound Logistics

In view of its commitment to sustainability and to reduce paper usage in its operations, ICL implemented an integrated out-bound logistics process through SAP. All the information sharing, approvals and reporting for outward product movement is now done through SAP. In addition to reducing the use of paper this has also resulted in significant improvement in end-to-end processing time.







## ICL's ESG Strategy

This year marked a significant advancement with the development of ICL's ESG Strategy, a comprehensive framework that sets out our priorities for the next five years, supported by clear Key Performance Indicators (KPIs) and measurable targets. Our approach to sustainability is guided by local and global recognized standards, including the Global Reporting Initiative (GRI), the United Nations Sustainable Development Goals (UN SDGs) and the Securities and Exchange Commission of Pakistan (SECP)'s ESG Disclosure Guidelines. This strategy is more than a compliance exercise, it positions us to manage risks more effectively, unlock operational efficiencies, attract responsible investment, and build lasting trust with our stakeholders. It provides the structure needed to translate our sustainability vision into actionable steps, ensuring that environmental stewardship, social responsibility and robust governance are embedded into every aspect of our operations.

One of the most transformative projects in our history is now underway, the construction of our state-of-the-art biomass co-gen plant capable of utilizing a wide range of feedstock, including bagasse, corn cobs, wheat straw, and other agricultural residues. Once operational, the plant will entirely fulfill ICL's electricity and steam

requirements, enabling complete energy self-sufficiency while significantly reducing our reliance on fossil fuels. This pioneering project strengthens our energy security and affirms our role as an industry leader in renewable energy innovation.

In parallel, we have completed the quantification of our greenhouse gas (GHG) emissions in line with the GHG Protocol. This critical step has established a baseline against which we can measure our progress, guiding the design and prioritization of future emissions reduction initiatives.

This year, we undertook the Sedex Members Ethical Trade Audit (SMETA), an internationally recognized assessment that evaluates labor standards, health and safety, environmental performance, and business ethics. Successful completion of this audit is a testament to our commitment to ethical business practices and to upholding the highest standards of workplace integrity and accountability.



# Notice of Annual General Meeting

**Notice** is hereby given that the 34th Annual General Meeting of the Shareholders of **Ittehad Chemicals Limited** will be held on **Tuesday, October 28, 2025** at 11:00 a.m. at the Registered Office of the Company situated at 39-Empress Road, Lahore to transact the following business:

## Ordinary Business:

1. To confirm the minutes of Extraordinary General Meeting held on February 19, 2025.
2. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the Financial Year ended June 30, 2025 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 2.00/- (20%) for the year ended June 30, 2025. This is in addition to interim cash dividend of PKR 2.00/- (20%) per share.
4. To appoint Auditors for the Financial Year 2025-26 and to fix their remuneration. M/s BDO Ebrahim & Co., Chartered Accountants retire and being eligible, have offered themselves for re-appointment.

## Special Business:

5. To ratify and approve transactions carried out by the Company with Related Parties as specified in statement under Section 134(3) of the Companies Act, 2017 by passing the following Special Resolution with or without modification:

**Resolved that** the transactions carried out in the normal course of business with related parties and associated companies as disclosed in Note # 44 of the Financial Statements for the year ended June 30, 2025, be and are hereby ratified and approved."

**Further resolved that** the Board of Directors be and is hereby authorized to approve transactions to be carried out in the normal course of business with related parties and associated companies during the financial year ending on June 30, 2026.

The statement of material facts providing the information as required under Section 134(3) of the Companies Act, 2017 is being sent to shareholders along with the Notice of AGM.

## Any Other Business

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

Lahore  
September 18, 2025

By Order of the Board  
Abdul Mansoor Khan  
Company Secretary

## Notes:-

- i. The Share Transfer Books of the Company will remain closed from October 21, 2025 to October 28, 2025 (both days inclusive). Transfers received in order by our Share Registrars, M/s Hameed Majeed Associates (Pvt.) Limited, H.M. House, 7-Bank Square, The Mall, Lahore by the close of business on October 20, 2025 will be considered in time for attending and vote in Annual General Meeting and for the purpose of entitlement of dividend.
- ii. A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, must be received at the registered office of the Company duly signed and stamped not less than 48 hours before the time of meeting.

- iii. The CDC Account holders/sub-account holders are requested to bring with them their original CNICs or Passports along with the Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose.
- iv. In case of Corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification purpose.
- v. We invite our shareholders to participate in the upcoming Annual General Meeting via video link facility. The interested participants are required to email their credentials including their names, folio/CDC account, CNIC, Cell number and email address with subject matter "AGM 2025" at: mansoor.khan@ittehadchemicals.com & fahad.hussain@ittehadchemicals.com not later than seven (07) days before Annual General Meeting. Upon authentication, the video link and login credentials will be shared to the participants.
- vi. Members are requested to notify the change of address immediately, if any, to Company's Shares Registrar.
- vii. Under the provisions of Section 242 of the Companies Act 2017, any dividend payable in cash shall only be paid through electronic mode directly into the Bank Account designated by the entitled shareholders. The shareholders are hereby advised to provide a dividend mandate in favour of e-dividend mandate form (specimen available on Company's website). In case of CDC shareholders, please update the record with CDC Participant.
- viii. The Government of Pakistan has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the Companies. These tax rates are (a) 15% for filer of income tax returns and (b) 30% for non-filers of income tax returns. The members are advised to update their status accordingly in order to avoid any inconvenience for any dividend.
- ix. Pursuant to "Companies (Postal Ballot) Regulations, 2018" issued vide SECP SRO.254(I)/2018 dated February 22, 2018 members may exercise their right to vote through e-voting in accordance with the requirements and procedures contained in the aforesaid regulations.
- x. Under Section # 72 of the Companies Act, 2017, the shareholders who hold shares in physical form are required to replace their physical shares with book-entry form within the period to be notified by the SECP. Hence, the shareholders who hold shares in physical form are advised to convert their physical shares in electronic form at their earliest.
- xi. The Annual Report for the Financial Year ended June 30, 2025 will be placed on Company's website [www.ittehadchemicals.com](http://www.ittehadchemicals.com) in due course of time:

<https://ittehadchemicals.com/investor-information/>



The shareholders of the company can download annual report through above mentioned QR code and weblink in compliance of directive of S.R.O 389(I)/2023 dated March 21, 2023. Shareholders can also request hard copies of financial statements by submitting an application to the Company Secretary / Shares Registrar, the company will provide hard copy of annual report free of charge within one week.

- xii. Pursuant to Section 185 of the Companies Act, 2017, and the directive issued by the SECP vide S.R.O. 452(I)/2025 dated March 17, 2025, the distribution of gifts, cash, coupons, vouchers, or any other form of gratuity at the Annual General Meeting is strictly prohibited.
- xiii. In accordance with Section 244 of the Companies Act, 2017, dividends that remain unclaimed for a period of three (3) years or more from their due date will be deposited with the Federal Government. Similarly, any shares unclaimed for the same period will be delivered to the SECP. Shareholders who have not yet claimed their entitlements are urged to contact our Share Registrar to inquire about and arrange for the collection of any outstanding dividends or shares.



**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING:**

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2025.

**Item No. 5 of the Agenda - To ratify and approve transactions carried out by the Company with Related Parties as specified in statement under Section 134(3) of the Companies Act, 2017 by passing the following Special Resolution with or without modification.**

Transactions carried out with related parties have to be approved by the Board of Directors as recommended by the Audit Committee under the prevailing corporate laws and Company’s Related Party Transaction Policy. Ittehad Chemicals Limited (the “ICL”) is enjoying marketing advisory services from Chemi Multifabrics Limited (the “CML”) which is a Public Limited Company. However, relative(s) of director(s) of ICL holds few shares in CML (which the relevant ICL Directors have disclosed to the ICL Board); nevertheless, the marketing advisory services agreement executed between the ICL and CML has been approved by shareholders in the General Meeting as a “Special resolution”. However, in order to ensure that the related party transactions are more transparent, the management has decided to place the related party transactions as provided in Note # 44 of the unconsolidated Financial Statements for the year ended June 30, 2025 in the Annual General Meeting of the shareholders to be held on October 28, 2025 to get the transactions approved from shareholders as a “Special Resolution”. The Company’s Financial Statements are available on its website [www.ittehadchemicals.com](http://www.ittehadchemicals.com)

**STATEMENT UNDER REGULATION 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS 2017:-**

**(1) M/s Ittehad Salt Processing (Pvt.) Limited (A wholly owned subsidiary)**

Name of the investee Company	Ittehad Salt Processing (Pvt.) Limited
(a) total investment approved;	Rupees 300,000,000
(b) amount of investment made as on Balance Sheet Date	Rupees 2,500,000
(c) reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time;	No deviation. The Company is a wholly owned subsidiary of Ittehad Chemicals Limited. The investment will be made as per requirements of the subsidiary.
(d) material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	No Change.

**(2) M/s ICL Power (Pvt.) Limited (A wholly owned subsidiary)**

Name of the investee Company	ICL Power (Pvt.) Limited
(a) total investment approved;	Rupees 10,000,000,000
(b) amount of investment made as on Balance Sheet Date	Rupees 1,695,913,540
(c) amount of investment (Loan) made as on Balance Sheet Date	Nil
(c) reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time;	No deviation. The Company is a wholly owned subsidiary of Ittehad Chemicals Limited. The investment will be made as per requirements of the subsidiary.
(d) material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	No Change except as stated above





## Chairman's Review

Dear stakeholders

It is a great pleasure to express the endeavors of the Board of Directors in leading the Company towards strategic directions during the Financial Year ended June 30, 2025.

The performance of the Board and Committees was remained convincing throughout the year in steering the Company forward in a challenging environment. By the grace of Almighty Allah, your Company has continued to display strength and persistence, achieving another milestone this year, with the greatest sales ever of over Rupees 27 Billion. Acknowledging the Company's potential, Ittehad Chemicals Limited (ICL) has been awarded by Forbes Asia among the "Best Under a Billion (US \$)" companies during the year. The commitment to transparency, accountability, and ethical conduct ensured full compliance with all applicable laws and regulations, thereby safeguarding stakeholders' interests and driving sustainable growth.

Looking ahead, the Chemical sector is largely power intensive; hence the impact of fuel expense is significant. The Company, through its wholly owned subsidiary M/s ICL Power (Pvt.) Limited, has commenced construction of a Biomass Power Plant during the year and presently the work on it is in full swing. To support this strategic initiative, the Board has approved enhancement of long-term investment in its wholly owned subsidiary up to PKR Ten (10) Billion. This project is anticipated to strengthen long-term profitability and operational sustainability. In addition, the Board has approved the establishment of a new Caustic Soda Flaker Plant, with commissioning targeted by FY 2025-26. This will further contribute to shareholders' value. Though Mines & Minerals Department recently declined to award Mining Lease to Company's wholly owned subsidiary M/s Ittehad Salt Processing (Private) Limited (the "ISPPL") due to non-issuance of NOC from Forest Department; however, the Company has filed an appeal with the appropriate Forum to review the decision.

The Board has recently reviewed Company's Vision, Mission and Values Statements which are as under:-

### ICL's VISION Statement

To be a globally recognized organization that drives innovation and sustainable growth, creating lasting value for stakeholders, uplifting communities, and inspiring excellence

### ICL's Mission Statement

Our mission is to lead Pakistan's chemical industry by driving sustainable growth through innovation, transformation, and strategic investments. We are dedicated to incorporating world-class systems, empowering our talent to create stakeholder value, and fostering a greener future while supporting our communities

### ICL Values


Accountability, Customer Services, Teamwork, Innovation, Sustainability

While we are proud of our ESG (environmental, social, and governance) progress; we recognize that there is more to do. The Board remained focused on advancing ESG initiatives. During the year, the Company contributed over Rupees 39.76 million to various charitable institutions. Furthermore, we reaffirm our commitment to promoting diversity, equity, and inclusion (DE&I) by ensuring equal employment opportunities, extending community support, and upholding social responsibility.

During the year under review, the Company organized a Corporate Briefing Session to apprise stakeholders of its strategic direction, financial standing, operational activities, and overall performance. The Board remains committed to fostering strong and enduring relationships with all stakeholders.

Last but not the least, I would like to acknowledge the immense contribution and commitment of each member of the Board and the employees of the Company, who ensured our journey of growth and success.

Lahore  
September 18, 2025

  
Muhammad Siddique Khatri  
Chairman





## Directors' Report

The Directors of your Company take pleasure to present the Annual Report along with Audited Financial Statements for the Financial Year ended June 30, 2025, and Auditor's Report thereon.

### ECONOMY OVERVIEW

Pakistan's economy has shown encouraging signs of stabilization. Key indicators, such as a current account surplus, improved foreign exchange reserves and moderate inflation point toward a cautious but positive recovery. Yet, performance was uneven across sectors and growth fell short of expectations. The focus now shifts to the success of structural reforms and maintaining macro-economic stability amid financing and political uncertainties. Despite the positive signs of stabilization, Pakistan's economy is not out of the woods. A substantial portion of the budget is allocated to paying off debt, leaving limited fiscal space for development and social spending. The successful implementation of long-term structural reforms in areas such as taxation, state-owned enterprises, and the energy sector is critical for sustainable growth. While inflation has come down, potential domestic and international shocks could reverse this trend. A stable political environment is essential for consistent economic policymaking and investor confidence. Recent flooding is also a major and escalating challenge for Pakistan, leading to severe humanitarian crisis, significant economic losses, and long-

term vulnerability to climate change. Despite the challenges, the Company remains well-positioned to adapt and grow, supported by a strong balance sheet, diversified product portfolio and disciplined capital allocation. Strategic growth initiatives are underway. The management is committed to secure long-term value creation for all stakeholders in a complex and evolving economic environment.

### FINANCIAL PERFORMANCE

During the year under review, the Company posted net sales revenue of Rupees 27,857 Million (2024: Rupees 24,315 Million). The cost of sales stood at Rupees 22,866 Million (2024: Rupees 19,503 Million) bringing gross profit to Rupees 4,991 Million (2024: Rupees 4,811 Million). The annual gross profit margin was 18% (2024: 20%). Gross margins were impacted by elevated input costs. The bottom line showed a net profit after tax amounting to Rupees 1,298 Million (2024: Rupees 1,386 Million) which yielded earning(s) per share Rupees 12.98 (2024: Rupees 13.86 per share). Capital structure metrics improved supported by growth in equity through retained earnings. Future profitability and cash flow generation are expected to benefit from the commissioning of the biomass power project and caustic soda flaker unit.



## FINANCIAL HIGHLIGHTS

The comparative financial results for the years ended June 30, 2024 & 2025 are as under:

	Financial Year ended June 30	
	2025	2024
	Rupees in “000”	
Net Sales	27,857,090	24,314,588
Gross Profit	4,991,084	4,811,373
Operating Profit	2,857,735	2,987,950
Profit / (Loss) before Tax	2,215,327	2,353,326
Profit after Tax	1,297,806	1,385,752
Earnings Per Share (Rupees)	12.98	13.86

## PROFIT AND APPROPRIATIONS

	Financial Year ended June 30	
	2025	2024
	Rupees in “000”	
Total Comprehensive Income for the Year	1,296,013	1,428,369
Add: - Un-appropriated profit brought forward	5,244,539	4,141,170
Profit available for appropriation	6,540,552	5,569,539
Appropriations:		
Final Cash Dividend paid @ 15% for the Financial Year 2023-24 (2022-23 @ 12.5% )	(150,000)	(125,000)
Interim Cash Dividend paid @ 20% for the Financial Year 2024-25 (2023-24: @ 20%)	(200,000)	(200,000)
Profit available for appropriation	6,190,552	5,244,539

## CASH DIVIDEND

The Board of Directors is pleased to propose a final cash dividend of Rs. 2 per share i.e. 20%, in addition to interim cash dividend already paid at Rs. 2/- per share i.e. 20%, for the Financial Year ended June 30, 2025. The final dividend is subject to the approval of shareholders in Annual General Meeting scheduled to be held on October 28, 2025.

## GENDER PAY GAP STATEMENT

ICL is an equal opportunity employer and is committed to take steps in order to flourish female participation in the organization. Following is gender pay gap calculated for the year ended June 30, 2025:

(i)	Mean Gender Pay Gap	-20%
(ii)	Median Gender Pay Gap	-25%
(iii)	Any other data	Nil

## VIS CREDIT RATING COMPANY LIMITED (Formerly JCR-VIS Credit Rating Company Limited)

As announced on April 29, 2025, VIS Credit Rating Company Limited (VIS) has maintained entity ratings of Ittehad Chemicals Limited (“ICL” or “the Company”) at ‘A-/A2’ (Single A minus/ A Two). Medium to long term rating of ‘A-’ indicates good credit quality; protection factors are adequate. Risk factors may vary with possible changes in the economy. Short-term rating of ‘A2’ indicates good likelihood of timely repayment of short-term obligations with sound short-term liquidity factors. Outlook on the assigned ratings has been changed from Stable to Positive.

## CORPORATE BRIEFING SESSION (CBS)

During the year under review, the Company held a CBS on June 18, 2025, at its Registered Office, with participation also facilitated via video link. This session was convened to highlight the Company’s strategy, financial position, operations, and performance. The Board acknowledges the importance of maintaining strong relationships with all stakeholders. Corporate briefings serve as interactive forums, providing Management with the opportunity to communicate the Company’s overall performance and future outlook to stakeholders.

## BOARD AND ITS COMMITTEES’ MEETINGS AND ATTENDANCE

As per requirements of Clause # 34 (2) (i, ii, iii) of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the “CCG”), the composition of the Board and its Committees has been given in “Statement of Compliance” annexed with this Annual Report. During the year, six (06) Board meetings, five (05) Audit Committee meetings, one (01) HR & Remuneration Committee meeting and three (03) Risk Management Committee meetings were held. The attendance at the Board and its Committees meetings is hereunder: -



Name of Director	Number of Meetings attended			
	Board of Directors	Audit Committee	HR & R Committee	Risk Management Committee
Mr. Muhammad Siddique Khatri	6	N/A	N/A	N/A
Mr. Abdul Sattar Khatri	6	N/A	N/A	3
Mr. Waqas Siddiq Khatri	6	N/A	1	3
Mrs. Farhana Abdul Sattar Khatri	6	N/A	N/A	N/A
Mr. Ahmed Mustafa	6	5	1	N/A
Mr. Pervez Ismail	6	5	N/A	3
Mr. Ali Asrar Hossain Aga	6	5	1	N/A

The names of Members of Board Committees are disclosed under the head “Corporate Information” as required under the Clause # 34 of CCG.

## DIRECTORS’ REMUNERATION

The Company doesn’t pay any remuneration to Independent / Non-executive directors; however, the Board has approved payment of Meeting Attendance Fee of Rupees 60,000 for each Board and its Committees Meetings to independent and Non-Executive Directors only and Rupees 70,000 for Chairman of the Board / Committees as well as reimbursement of expenses incurred (if any) for boarding, lodging and travelling of the Board Members.



### CODE OF CONDUCT

A culture of integrity is the cornerstone of our Company, requiring every employee, at all levels and in all locations, to embody the highest ethical, moral, and legal principles. To support this collective commitment, we have formalized these expectations in our Code of Conduct. This document has been distributed throughout the organization and is available for review on the Company's website.

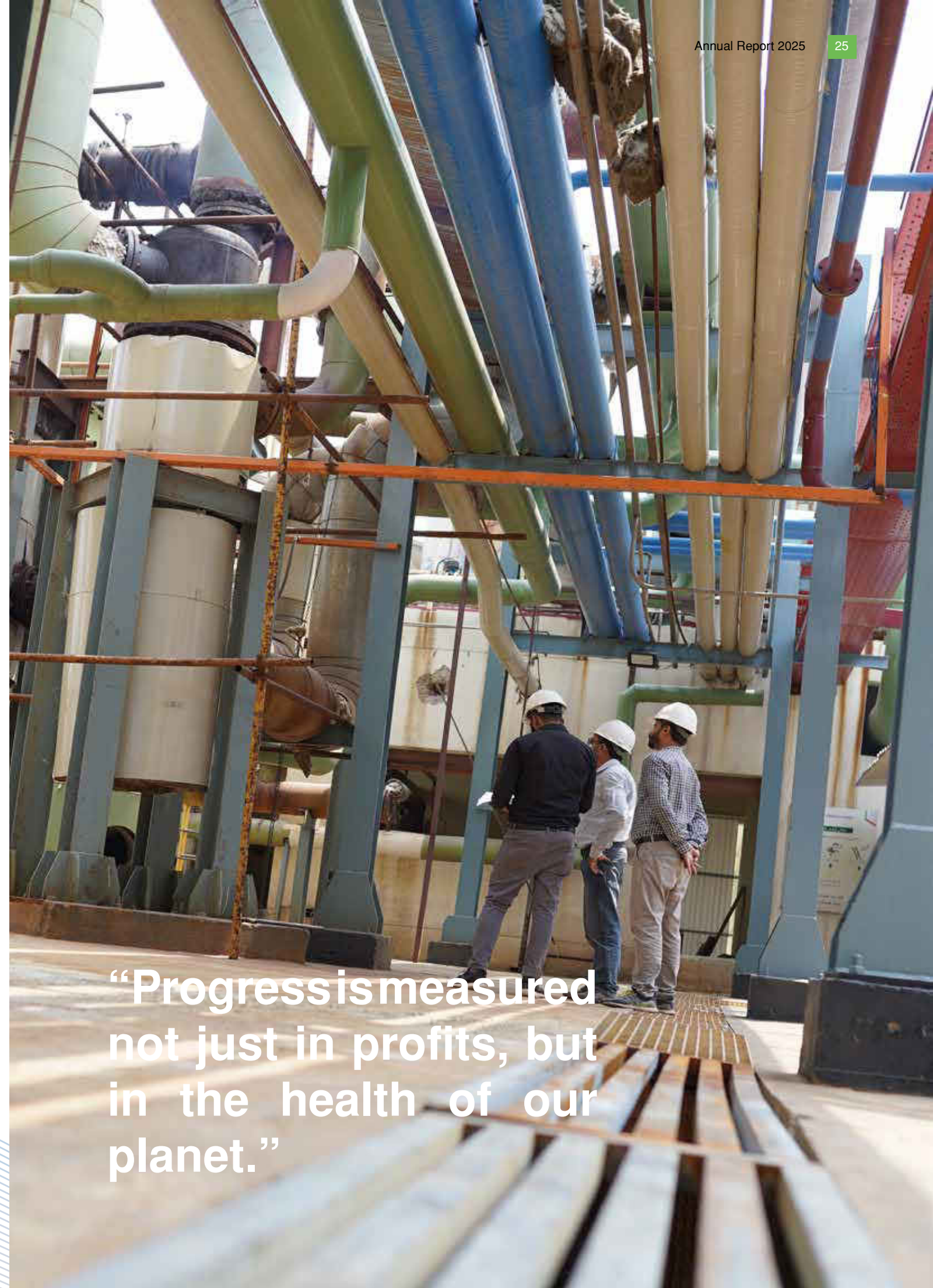
### COMPLIANCE WITH THE LISTED COMPANIES CODE OF CORPORATE GOVERNANCE REGULATIONS, 2019

At Ittehad Chemicals Limited, we place a strong emphasis on corporate governance and regulatory compliance. The compliance with the best practices of Code of Corporate Governance is always ensured by the Board. A statement to this effect is annexed.

### CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Following are the statements on Corporate and Financial Reporting Framework:

- i. The financial statements together with notes thereon have been drawn up by the management in conformity with the Companies Act 2017. These statements present the Company's state of affairs fairly, the results of its operations, cash flow and changes in equity.
- ii. Proper books of accounts of the Company have been maintained.
- iii. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- iv. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom has been adequately disclosed and explained.
- v. The system of internal control is sound in design and has been effectively implemented and monitored.
- vi. There are no significant doubts upon the Company's ability to continue as a going concern.
- vii. The key operating and financial data for the last six years is annexed.
- viii. Information about outstanding taxes and levies is given in Notes to the Accounts.
- ix. The value of investments of the Provident Fund as on Jun 30, 2025 is given in relevant Note(s) of the Financial Statements.
- x. All material information, as described in the Code is disseminated to the Stock Exchange and Securities and Exchange Commission of Pakistan in a timely fashion.
- xi. The Company has complied with requirements as stipulated in Code relating to related party transactions.



“Progress is measured not just in profits, but in the health of our planet.”



## HEALTH, SAFETY AND ENVIRONMENT

We are dedicated to ensuring a safe and healthy work environment for our employees. We actively work towards eliminating potential causes of accidents, preventing environmental pollution, minimizing waste, conserving energy, promoting safety awareness, conducting regular training, enhancing emergency preparedness, and managing environmental impacts that may affect both the surrounding communities and the broader environment. The Company complies with all applicable laws and government regulations, as well as its own internal standards. The Company has been certified for Occupational Health & Safety Management System ISO 45001:2018, Quality Management System (QMS) ISO 9001:2015, Environmental Management Systems (EMS) ISO 14001:2015 by Global Inter Certifications (GIC), Halal Food Management System PS 3733:2019 P-2 by ACTS - Al-Waiz certification and Training Services (Pvt.) Limited and Green House Gases (GHG) Verification ISO 14064-1:2018 by TUV Austria Bureau of Inspection and Certification Pvt. Ltd

## ICL AND THE COMMUNITY

ICL has a unique and intrinsic relationship with its community. The following projects have been established for the welfare of its workers and for the locals.

### SPORTS ACTIVITIES FOR WORKERS

In order to create a healthy environment and social activities, respective teams of cricket and badminton, constituting ICL workers, have been selected with the entire tournament funding arranged by the company.

### FREE MEDICATION/MEDICINE FOR LOCALS

To facilitate the local residents, the company doctor visit local residential areas to provide free medicine and medical check-ups.

### SEWING SCHOOL FOR GIRLS

Two sewing schools for local girls are in operation with twenty girls registered in each school. Two lady teachers are hired to teach sewing and stitching, with a third school being set up in a nearby locality.

### UP-GRADATION / RENOVATION OF LOCAL SCHOOLS

To raise the standard of the local schools up-gradation and renovation have been planned. Few of the local schools need a science laboratory and some schools are in need of computers. Apart from this, most schools need their buildings to be renovated.

### WEDDING GIFT (ON-GOING)

To help employees at the time of marriage of their daughters, financial assistance is provided. This scheme is in progress and the employees below supervisor cadre benefit from it.

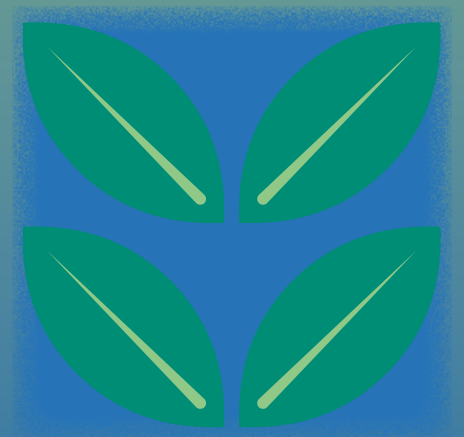
## SUSTAINABILITY STRATEGY - ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) MEASURES

ICL's sustainability strategy centers on environmental stewardship, social responsibility, and robust governance. Environmental Stewardship

### ENVIRONMENTAL STEWARDSHIP

ICL prioritizes environmental responsibility through its robust Health, Safety, and Environment (HSE) policy, with defined Key Performance Indicators (KPIs) to monitor progress in key areas:

- **Energy Security & Operational Efficiency:** ICL is focused on optimizing energy consumption through process improvements and digitalization. Initiatives include real-time process optimization and automation to mitigate energy volatility and support sustainable growth.
- **Emissions Reduction:** The company has a strong commitment to reducing emissions, aligning with national goals. A significant achievement was the 2016 phase-out of mercury cell technology. The planned Biomass Power Plant is another key part of this strategy. Air and greenhouse gas (GHG) emissions are regularly monitored to ensure compliance with Pakistani and international standards (e.g., PEQS, GHG Protocol Corporate Standard).
- **Water Stewardship & Waste Management:** ICL treats water stewardship as a core obligation, focusing on monitoring usage, treating effluent, and maximizing recycling. The company exclusively uses groundwater and reports no production of hazardous waste, demonstrating efficient processes and a commitment to responsible management.







- **Environmental Compliance:** The company conducts regular Environmental Impact Assessments (EIAs) for new projects and has established internal governance mechanisms, including audits, to ensure continuous adherence to the Pakistan Environmental Protection Act (PEPA). There have been no significant fines or non-monetary sanctions for noncompliance.

### SOCIAL RESPONSIBILITY

ICL's social sustainability is rooted in its people and communities, guided by values of ethics, respect, and accountability.

- **Workforce:** The company's comprehensive Occupational Health and Safety Management System (OHSMS) ensures a safe environment for all employees, contractors, and visitors. ICL promotes pay equity based on merit and a continuous learning culture through in-house and external training programs. The company also supports employees and their families with welfare programs, like the Wedding Gift Scheme and the Bi-Cycle Scheme.
- **Community Engagement:** ICL operates with a "double bottom line" approach, focusing on financial success and positive social impact. It makes targeted investments in community welfare, including initiatives for improved public health (e.g., free medical camps, blood donations, and hand pump installations). The company also supports women's empowerment and education by operating sewing schools and contributing to local educational infrastructure.
- **Local Hiring:** To embed community development into its core practices, ICL prioritizes local hiring, with 60% of its workforce from Lahore and 40% from Kala Shah Kaku, where its manufacturing facility is located. Senior management is also recruited from local communities, ensuring leadership is aligned with regional needs.
- **Customer Relations:** ICL is committed to transparency and ethical business practices. It ensures responsible marketing and accurate product labeling, adhering to national and international standards. Customer health and safety are central to its operational philosophy, and the company maintains regular, documented interactions with its industrial clients.
- **Corporate Social Responsibility (CSR):** Through a formal CSR policy, ICL allocates significant annual contributions to civil society organizations and NGOs. For example, in 2024 and 2025, contributions were PKR 30.54 million and PKR 39.76 million respectively, demonstrating a sustained commitment to social uplift.

### GOVERNANCE AND OVERSIGHT

ICL maintains strong governance and regulatory compliance to manage risks and ensure transparent operations.

- **Risk Management:** The company has a comprehensive approach to risk, with a dedicated Risk Management Committee that oversees a risk register. This register is regularly reviewed and updated to address potential tax, regulatory, and reputational risks. External audits are conducted to verify compliance.
- **Technology & Innovation:** ICL believes in combining innovation with integrity. It leverages applied research and development to improve processes, conserve resources, and develop high-quality, cost-effective solutions. The company is exploring renewable energy options like biomass and building smarter systems.
- **Data Privacy:** ICL is committed to safeguarding stakeholder data through controlled access, regular audits, and system upgrades. It reports no data breaches and complies with applicable local and international standards, with the Audit department conducting yearly IT audits.



**EXTERNAL AUDITORS**

The present auditors M/s. BDO Ebrahim & Co., Chartered Accountants, retire and being eligible have offered themselves for re-appointment for the year 2025-26. The Board of Directors has endorsed the Audit Committees' recommendation for the re-appointment of M/s. BDO Ebrahim & Co., Chartered Accountants as Auditors of the Company for the ensuing year subject to the approval of the members in the forthcoming Annual General Meeting. The external auditors have been given a satisfactory rating under the Quality Control Review by the Institute of Chartered Accountants of Pakistan.

**PATTERN OF SHAREHOLDING**

The pattern of shareholding as on June 30, 2025 is annexed.

**FUTURE OUTLOOK**

Even under difficult economic conditions, the outlook seems positive and the ongoing projects are expected to provide further support to Company's revenue generation capacity and will provide improved operational efficiencies. Ittehad Chemicals Limited (ICL) has been recognized by Forbes Asia as one of the "Best Under a Billion (US \$)" companies. This recognition highlights the company's strong performance and growth. The Company, through its wholly owned subsidiary M/s ICL Power (Pvt.) Limited, is determined to complete its Biomass Power Plant which will contribute to long-term profitability. To support this initiative, the Board has enhanced the strategic investment up to PKR 10 billion. Additionally, the Board has also approved the establishment of a new Caustic Soda Flaker Plant. A letter of credit has already been established for the project. The Plant is expected to be commissioned by the end of the fiscal year 2025-26. The Company has filed an appeal at the appropriate Forum against the decision of Mines & Minerals Department wherein the Department declined to award Mining Lease to Company's wholly owned subsidiary M/s Ittehad Salt Processing (Private) Limited (the "ISPPL") due to non-issuance of NOC by the Forest Department. ICL remains focused on improving operational efficiencies, controlling costs, and introducing new value-added products. The management is optimistic about the future growth and healthy returns to all stakeholders.

**ACKNOWLEDGEMENT**

The Board is thankful to the valuable Members, Customers, Suppliers, 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  
September 18, 2025



Muhammad Siddique Khatri  
Chairman



Abdul Sattar Khatri  
Chief Executive Officer

# Operating and Financial Highlights

**PROFIT AND LOSS**

	Unit	2025	2024	2023	2022	2021	2020
Sales	Rs. in mln	27,857	24,315	24,268	15,681	11,124	8,857
Gross Profit	Rs. in mln	4,991	4,811	4,994	2,065	1,886	1,182
Operating Profit	Rs. in mln	2,858	2,988	3,089	993	1,093	496
Profit / (loss) before tax	Rs. in mln	2,224	2,370	2,680	764	980	78
Profit after tax	Rs. in mln	1,298	1,386	1,826	415	657	61
EBITDA	Rs. in mln	3,626	3,677	3,709	1,508	1,606	1,069
Earning per share - Basic and Diluted	Rs.	12.98	13.86	18.26	4.15	6.57	0.72

**BALANCE SHEET**

Operating Fixed assets (NBV)	Rs. in mln	8,312	8,505	6,323	6,298	5,723	5,872
Current Assets	Rs. in mln	9,015	7,778	6,828	5,706	3,805	2,968
Current Liabilities	Rs. in mln	8,548	6,570	6,215	5,775	3,639	2,508
Long Term Liabilities	Rs. in mln	1,311	1,409	1,773	1,909	1,797	2,579
Share capital	Rs. in mln	1,000	1,000	1,000	1,000	847	847
Shareholders' Equity (w/o revaluation surplus)	Rs. in mln	7,361	6,415	5,312	3,789	3,482	3,081
Shareholders' Equity (with revaluation surplus)	Rs. in mln	10,234	9,288	6,704	5,181	4,874	4,054

**INVESTOR INFORMATION**

Gross Profit Margin	%	17.92	19.79	20.58	13.17	16.95	13.34
Net Profit Margin	%	4.66	5.70	7.53	2.64	5.90	0.69
Return on Equity(w/o revaluation surplus)	%	19	24	40	11	20	2
Return on Equity(with revaluation surplus)	%	13	17	31	8	15	1.5
Price Earning Ratio Restated		6.01	3.40	2.14	7.20	4.91	36.60
Net Asset Per Share	Rs.	73.61	64.15	53.12	37.89	41.11	36.38
Long -Term Debt to Equity Ratio		0.13	0.19	0.37	0.51	0.51	0.60
Current Ratio		1.05	1.18	1.10	0.99	1.05	1.18
Quick Ratio		0.66	0.74	0.66	0.53	0.64	0.74
Interest Coverage Ratio		4.50	4.09	5.49	3.01	4.85	1.03
Debtor Turnover	No. of Times	10.10	9.41	14.40	10.28	11.25	13.05
Inventory Turnover	No. of Times	6.77	6.64	7.06	5.11	5.91	6.95
Dividend Payout	%	30.82	25.26	23.27	24.12	30.45	139.31
Bonus Shares	%				18.06%	-	-
Dividend Per Share		4.00	3.50	4.25	1.00	2.00	1.00



# Statement of Value Added

## Wealth Generated:

Total revenue net of discount and allowances  
Bought-in-material and services

## Wealth Distributed:

### To Employees

Salaries, benefits and other costs

### To Government

Income tax, sales tax and worker welfare fund

### To Providers of capital

To shareholders (Dividend & Bonus Shares)  
To Financial Institutes (Mark up/interest on borrowed funds)

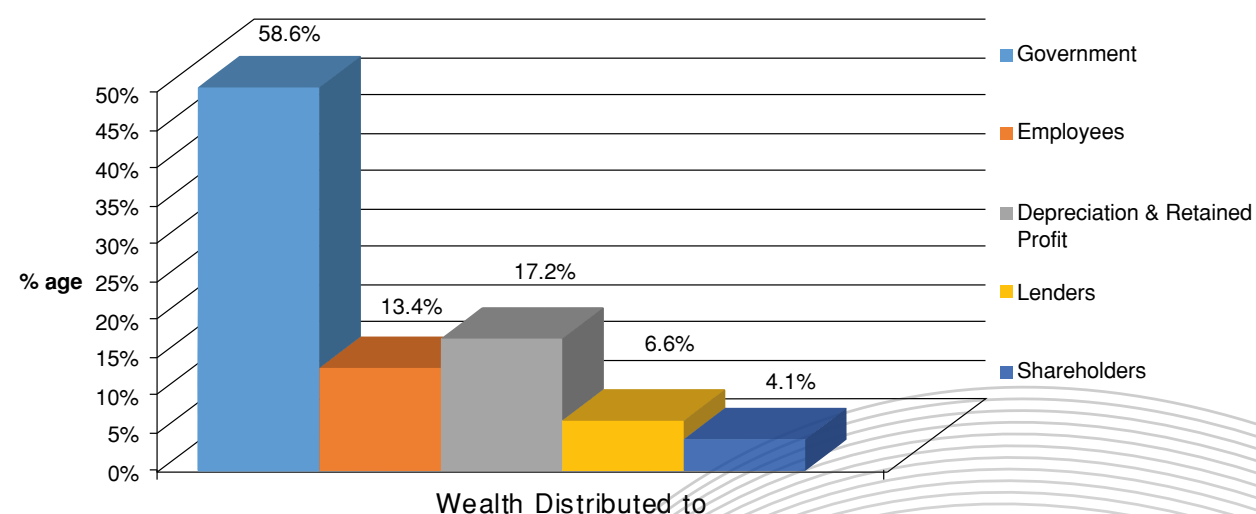
### Retained for Reinvestment and Growth

Depreciation and retained profits

Year ended June 30  
2025 2024  
(Rs. in Million)

Total revenue net of discount and allowances	33,205	28,622
Bought-in-material and services	23,547	19,949
	9,658	8,673
Salaries, benefits and other costs	1,297	1,131
Income tax, sales tax and worker welfare fund	5,661	4,849
To shareholders (Dividend & Bonus Shares)	400	350
To Financial Institutes (Mark up/interest on borrowed funds)	634	731
Depreciation and retained profits	1,666	1,612
	9,658	8,673

## Wealth Distribution



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

Name of the Company: **Ittehad Chemicals Limited**  
Year Ended: **June 30, 2025**

The Company has complied with the requirements of the Regulations in the following manner:-

- The total number of directors are seven (07) as per the following:

Category	Numbers
Male	06
Female	01

- The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Pervez Ismail Mr. Ali Asrar Hossain Aga
Executive Directors	Mr. Abdul Sattar Khatri Mr. Waqas Siddiq Khatri
Non-Executive Directors	Mr. Muhammad Siddique Khatri Mr. Ahmed Mustafa
Female Director	Mrs. Farhana Abdul Sattar Khatri (Non-Executive)

- The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that 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 Act and these Regulations;
- 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 Act and the Regulations 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 these Regulations;
- Presently all Board Members have attained certification offered by SECP approved Institutes for Director's Training Program;
- The Board has approved 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;
- Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
- The Board has formed committees comprising of members given below:



## a) Audit Committee

Names	Designation held
Mr. Pervez Ismail	Chairman
Mr. Ahmed Mustafa	Member
Mr. Ali Asrar Hossain Aga	Member

## b) HR and Remuneration Committee

Names	Designation held
Mr. Ali Asrar Hossain Aga	Chairman
Mr. Waqas Siddiq Khatri	Member
Mr. Ahmed Mustafa	Member


## c) Risk Management Committee

Names	Designation held
Mr. Pervez Ismail	Chairman
Mr. Abdul Sattar Khatri	Member
Mr. Waqas Siddiq Khatri	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 aforesaid committees during the Financial Year ended June 30, 2025 were as per following:
  - a) Audit Committee: Five (05) meetings held (at least one (01) meeting in each quarter).
  - b) HR and Remuneration Committee: One (01) meeting held.
  - c) Risk Management Committee: Three (03) meetings held
15. The Board has set up an effective internal audit function. The staff is considered suitably qualified and experienced for the purpose and is 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 firm 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 regulations 3,6,7,8,27,32,33 and 36, of the Regulations have been complied with; and

19. The Company has fully ensured the compliance of mandatory provisions of the Code. Since the Code requires “comply or explain approach” towards the non-mandatory provisions of the Code; hence, we confirm that all requirements of optional provisions also complied with except presently the Board has not constituted a separate Nomination Committee and the functions are being performed by the HR & RC and the fractional requirement for Independent directors has not been rounded up as one keeping in view the requisite qualification, experience and expertise of the present Board of Directors. At present the Board provides governance and oversight in relation to the Company’s initiatives on Environmental, Social and Governance (ESG) matters. The matter of establishment of a dedicated sustainability committee having at least one female director or assign additional responsibilities to an existing board committee, as stated in the SECP’s notification dated June 12, 2024, will be considered by the Board in due course.

Lahore  
September 18, 2025



Muhammad Siddique Khatri  
Chairman



Abdul Sattar Khatri  
Chief Executive Officer



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
ITTEHAD CHEMICALS 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 Ittehad Chemicals Limited (the Company) for the year ended June 30, 2025 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, 2025.

Lahore  
Dated: September 24, 2025

UDIN: CR202510087otBQpKwPz



Chartered Accountants  
Engagement Partner: Sajjad Hussain Gill

# Financial Statements

for the year ended 30 June 2025





# Independent Auditors’ Report to the Members of Ittehad Chemicals Limited

## Report on the Audit of the Unconsolidated Financial Statements

### Opinion

We have audited the annexed unconsolidated financial statements of ITTEHAD CHEMICALS LIMITED (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and unconsolidated statement of profit or loss, 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 material 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, unconsolidated statement of profit or loss, 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, 2025 and of the profit and comprehensive income, its cash flows and the changes in equity 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 Auditors’ 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 Matters

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.

S. No	Key audit matters	How the matter was addressed in our audit
1.	<b>Revenue Recognition</b>  As described in Notes 5.20 and 32 to the unconsolidated financial statements, the Company generates revenue from several types of products including two major products i.e., Caustic Soda and Linear Alkyl Benzene Sulfonic Acid. During the year ended June 30, 2025, the Company generated net revenue of Rs. 27,857.090 million as compared to Rs. 24,314.588 million, which represents an increase of 15% as compared to last year.  The revenue recognition is identified as a key audit matter due to revenue being one of the key performance indicators of the Company and raises the risk that revenue could be misstated to meet targets.	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the Company’s processes and design and implementation of internal controls relating to revenue recognition, credit control processes (credit limits), discount policies and on a sample basis, testing the effectiveness of those controls, particularly in relation to revenue recognition and timing;</li><li>• Evaluating the appropriateness of the Company’s revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan;</li><li>• Assessed IT general controls and application controls for effectiveness in processing revenue transactions;</li><li>• Performed test of controls on identified controls to ensure that they are operating effectively;</li><li>• Examined supporting documentation for a sample of sales transactions, which involved verifying sales orders, invoices, goods dispatch notes, gate passes and conducting additional detailed procedures;</li><li>• performed substantive analytical procedures to reconcile sales reported in the sales tax returns with those in the internal sales reports. This included comparing the figures, investigating any discrepancies, and ensuring that all sales were accurately recorded and properly reported for tax purposes;</li><li>• Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and</li><li>• Assessing the appropriateness and adequacy of the disclosures provided in Note 32 to the unconsolidated financial statements in accordance with relevant accounting standards;</li></ul>



S. No	Key audit matters	How the matter was addressed in our audit
2.	<b>Stock in trade</b>	
	<p>As described in Note 12 to the unconsolidated financial statements, the Company's stock in trade includes items of raw-materials in hand and raw-materials in transit against which the rights and obligations have been transferred to the Company and the finished good items as at reporting date amounting to Rs. 2,679.874 million as compared to Rs. 2,274.309 million which represents 17.8% increase as compared to last year.</p> <p>We identified this area as a key audit matter because inventories constitute significant portion of total assets of the Company.</p> <p>Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's processes and design and implementation of internal controls relating the purchase and recording on stock in trade and on a sample basis, testing the effectiveness of those controls, particularly in relation to timing and recording on stock in trade;</li> <li>• Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets;</li> <li>• We evaluated the effectiveness of the Company's internal controls over inventory management across various stages of production. This included performing IT audit controls (ITAC) to ensure that overhead costs were properly allocated, and inventory was recorded and issued at accurate moving average rates. We also verified that stock issuance rates were correctly calculated and that inventory was appropriately valued;</li> <li>• Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards;</li> <li>• Performing procedures related to purchases cut-off to ensure that recorded purchases were of the relevant period. This help verifying that the costs associated with inventory were properly allocated to the correct accounting period.</li> <li>• Checked the provision for slow moving stock as at the year end and checked whether it is in accordance with the relevant accounting and reporting standards; and</li> <li>• Checked adequacy of the related disclosures and checked whether these are in accordance with the applicable accounting and financial reporting standards.</li> </ul>

### Information Other than the Unconsolidated Financial Statements and Auditors' 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 auditors' 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.

### Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' 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:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of cash flows and the unconsolidated statement of changes in equity 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
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 auditors' report is Sajjad Hussain Gill.



BDO Ebrahim & Co  
Chartered Accountants

Lahore  
Dated: September 24, 2025

UDIN: AR20251008711TqwgP5



## Statement of Financial Position

as at 30 June, 2025

### ASSETS

#### NON CURRENT ASSETS

Property, plant and equipment  
Operating fixed assets  
Capital work in progress

Intangible assets  
Investment property  
Long term investments  
Long term deposits

#### CURRENT ASSETS

Stores, spares and loose tools  
Stock in trade  
Trade debts  
Loans, advances and other receivables  
Trade deposits and short term prepayments  
Tax refunds due from the Government  
Taxation - net  
Short term investments  
Cash and bank balances

### TOTAL ASSETS

#### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

Authorized share capital  
  
Issued, subscribed and paid up share capital  
Capital reserves :  
Share premium  
Merger reserve  
Surplus on revaluation of freehold land  
Revenue reserves - Unappropriated profit

#### NON CURRENT LIABILITIES

Long term financing  
Deferred liabilities  
Deferred grant

#### CURRENT LIABILITIES

Trade and other payables  
Contract liabilities  
Unclaimed dividend  
Mark-up accrued  
Short term borrowings  
Current portion of long term liabilities


### TOTAL EQUITY AND LIABILITIES

#### CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

## Statement of Profit or Loss

For the year ended 30 June, 2025

Revenue from contracts with customers

Cost of sale

#### Gross profit

Selling and distribution expenses  
General and administrative expenses  
Other operating expense  
Other income

#### Operating profit

Finance cost  
Fair value gain on investment property  
Profit before income tax and levy  
levy

#### Profit before income tax

Income taxation :

Current  
Deferred

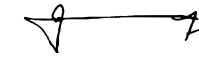
#### Profit after income tax

#### Earnings per share - Basic and diluted (Rupees)

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer




## Statement of Comprehensive Income

For the year ended 30 June, 2025

	Note	2025 Rupees in thousand	2024 Rupees in thousand
<b>Profit after taxation for the year</b>		1,297,806	1,385,752
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to statement of profit or loss :			
Remeasurement of defined benefit liability	25.2	(2,939)	(759)
Revaluation surplus on freehold land	6.1	-	1,523,560
Related tax effect		1,146	278
		(1,793)	1,523,079
Items that may be reclassified subsequently to statement of profit or loss		-	-
		(1,793)	1,523,079
<b>Total comprehensive income for the year</b>		1,296,013	2,908,831

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

## Statement of Cash Flows

For the year ended 30 June, 2025

	Note	2025 Rupees in thousand	2024 Rupees in thousand
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flows from operating activities before working capital changes	43	3,666,964	3,736,852
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		(55,069)	(145,712)
Stock in trade		(405,565)	(77,147)
Trade debts		(279,489)	(1,078,840)
Loans, advances and other receivables		13,729	(83,906)
Receivable from related parties		-	(8,882)
Trade deposits and short term prepayments		(341,490)	(162,203)
Tax refunds due from the Government		126,797	(121,250)
		(941,087)	(1,677,940)
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		5,226	(109,122)
Contract liabilities		(26,168)	(132,477)
		(20,942)	(241,599)
Cash generated from operations		2,704,935	1,817,313
Taxes paid		(1,128,853)	(1,277,904)
Gratuity paid		(16,570)	(7,323)
Finance cost paid		(619,004)	(654,194)
Net cash generated from / (used in) operating activities		940,508	(122,108)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions in operating fixed assets		(76,497)	(52,505)
Additions in capital work in progress		(579,290)	(754,282)
Proceeds from sale of operating fixed assets		11,855	91,561
Long term investment - net		(1,686,032)	(1,000)
Short term investment - net		-	287,800
Long term deposits		(1,655)	(787)
Net cash used in investing activities		(2,331,619)	(429,213)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - net		(145,767)	(351,052)
Long term diminishing musharaka - net		(190,561)	(387,005)
Repayment of finance lease liabilities		-	(4,116)
Dividend paid		(352,337)	(323,080)
Short term borrowings - net		2,239,628	980,397
<b>Net cash generated from / (used in) financing activities</b>		1,550,963	(84,856)
Net increase / (decrease) in cash and cash equivalents		159,852	(636,177)
Cash and cash equivalents at the beginning of the year		287,556	923,733
Cash and cash equivalents at the end of the year	19	447,408	287,556

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer



# Statement of Changes in Equity

## For the year ended 30 June, 2025

Issued, subscribed and paid-up share capital	Reserves				Total	
	Capital Reserves			Revenue Reserves		
	Surplus on revaluation of free hold land	Merger reserve	Share premium	Unappropriated profit		
( Rupees in thousand )						
Balance as at July 01, 2023	1,000,000	1,392,042	(6,445)	177,000	4,141,170	6,703,767
<b>Transaction with owners</b>						
Final cash dividend on ordinary shares @ Rs. 1.25 per share on September 20, 2023	-	-	-	-	(125,000)	(125,000)
Interim cash dividend on ordinary shares @ - Rs. 1.00 per share on February 21, 2024 - Rs. 1.00 per share on April 25, 2024	-	-	-	-	(100,000) (100,000)	(100,000) (100,000)
	-	-	-	-	(325,000)	(325,000)
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,385,752	1,385,752
Revaluation surplus for the year	-	1,523,560		-	-	1,523,560
Revaluation surplus transferred to Revenue reserves	-	(43,098)	-	-	43,098	-
Remeasurements of defined benefit liability - net	-	-	-	-	(481)	(481)
	-	1,480,462	-	-	1,428,369	2,908,831
Balance as at June 30, 2024	1,000,000	2,872,504	(6,445)	177,000	5,244,539	9,287,598
<b>Transaction with owners:</b>						
Final cash dividend on ordinary shares at Rs. 1.5 per share on October 02, 2024	-	-	-	-	(150,000)	(150,000)
Interim cash dividend on ordinary shares at - Rs. 2.00 per share on February 14, 2025	-	-	-	-	(200,000)	(200,000)
	-	-	-	-	(350,000)	(350,000)
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,297,806	1,297,806
Remeasurements of defined benefit liability - net	-	-	-	-	(1,793)	(1,793)
	-	-	-	-	1,296,013	1,296,013
Balance as at June 30, 2025	1,000,000	2,872,504	(6,445)	177,000	6,190,552	10,233,611

The annexed notes from 1 to 57 form an integral part of these unconsolidated financial statements.



Chief Executive



Director



Chief Financial Officer

# Notes to the Financial Statements

## For the year ended 30 June, 2025

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Ittehad Chemicals Limited (the Company) was incorporated on September 28, 1991 under the repealed Companies Ordinance, 1984 ( now Companies Act, 2017 ) and is listed on Pakistan Stock Exchange Limited. The Company was privatised on July 03, 1995. The Company is engaged in the business of manufacturing and selling caustic soda and other allied chemicals.

### 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 Sheikhpura and regional offices are located as follows:

#### Regional office

Karachi  
Faisalabad  
Islamabad

#### Office address

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

### 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified 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 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention except for recognition of certain staff retirement liability which are measured at present value, freehold land and investment property which are measured at fair value as referred in relevant notes to the financial statements.

The preparation of unconsolidated financial statements in conformity with approved financial reporting standards requires management to make estimates, assumptions and use judgments that effect the application of policies and reported amounts, of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

#### 3.3 Accounting estimates and judgments

The Company's main accounting policies affecting its result of operations and financial conditions are set out in Note 5. Judgments and assumptions have been required by the management in applying the Company's accounting policies in many areas. Actual results may differ from estimates calculated using these judgments and assumptions. Key sources of estimation, uncertainty and critical accounting judgments are as follows:



**a) Income taxes**

The Company takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 5.8 to these unconsolidated financial statements.

Effective date  
(annual periods  
beginning on or after)

**b) Property, plant and equipment**

The estimates for revalued amounts, if any, of land, are based on valuation performed by external professional valuers and recommendation of technical teams of the Company. Further, the Company reviews the value of the assets for possible impairment on an annual basis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in Note 6 to these unconsolidated financial statements, the Company has revalued its free hold land as on November 03, 2023.

**c) Stores and spares**

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in the unconsolidated statement of profit or loss as provision / reversal.

**d) Expected credit losses**

The carrying amount of trade and other receivables are assessed on regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of expected credit loss is recognized.

**3.4 Functional and presentation currency**

These unconsolidated financial statements are presented in Pak Rupees, which is the functional and presentation currency for the Company.

#### **4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS**

##### **4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025**

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants

January 01, 2024

Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements

January 01, 2024

##### **4.2 New accounting standards, amendments and interpretations that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments

January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments

January 01, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability

January 01, 2025

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)

January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)

January 01, 2026

IFRS 17 Insurance Contracts

January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.



## 5 MATERIAL ACCOUNTING POLICIES

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

### 5.1 Property, plant and equipment

#### a) Owned assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is carried at revalued amount and capital work-in-progress which is stated at cost less impairment losses. Cost comprises of actual cost including, interest expense and trial run operational results.

Depreciation is charged on all fixed assets by applying the reducing balance method at the rates specified in Note 6. The rates are determined to allocate the cost of an asset less estimated residual value, if not insignificant, over its useful life.

Depreciation on assets is charged from the month of addition while no depreciation is charged for the month in which assets are disposed off.

Increases in the carrying amounts arising on revaluation of fixed assets is recognised, net of tax (if any), in other comprehensive income and accumulated revaluation surplus in shareholders' equity and value of fixed assets. If an assets' carrying amount is increased as a result of revaluation, the increase will be recognized in other comprehensive income. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an assets' carrying amount is decreased as a result of revaluation, the decrease shall be first charged to any revaluation surplus against this asset and the remaining balance recognized in profit or loss.

Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements, if any, is capitalized.

Gains and losses on disposal and retirement of an asset are included in the statement of profit or loss.

#### b) Capital work in progress

Capital work-in-progress are stated at cost less impairment losses, if any, and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

### c) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each unconsolidated statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each unconsolidated statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the statement of profit or loss.

### 5.2 Intangible assets

Costs that are directly associated with identifiable software products controlled by the Company and have probable economic benefits beyond one year are recognized as intangible assets. These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is provided on a straight line basis over the asset's estimated useful lives.

### 5.3 Investment property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both. Investment property is initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition investment property is carried at fair value. The fair value is determined annually by an independent valuer. The fair values is based on market value being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arms length transaction.

Any gain or loss arising from a change in fair value is recognized in the income statement.

When an item of property, plant and equipment is transferred to investment property following a change in its use, differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the unconsolidated income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.



## 5.4 Leases

### Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

### Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## 5.5 Investments in subsidiary

Investment in unquoted subsidiary is initially valued at cost. At subsequent reporting dates, the Company reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

Where impairment loss subsequently reverses, the carrying amount of investment is increased to its revised recoverable amount but limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the profit or loss.

The profits and losses of subsidiaries are carried forward in their unconsolidated financial statements and not dealt within these unconsolidated financial statements except to the extent of dividend declared by the subsidiaries which are recognized in other income. Gains and losses on disposal of investment is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

## 5.6 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, except for items in transit, which are valued at cost comprising of invoice value plus other charges paid thereon till the unconsolidated statement of financial position date. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated realisable value.

## 5.7 Stock-in-trade

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

Raw and packing materials	- Moving average cost
Raw and packing materials in transit	- Invoice value plus other expenses incurred thereon
Work in process	- Cost of material as above plus proportionate production overheads
Finished goods	- Average cost of manufacture which includes proportionate production overheads including duties and taxes paid thereon, if any.

Adequate provision is made for slow moving and obsolete items.

Net realizable value represents the estimated selling prices in the ordinary course of business less expenses incidental to make the sale.

## 5.8 Taxation

### a) Current

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### b) Deferred

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

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

## 5.9 Levy

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance 2001, over the amount designated as current income tax for the year, is then recognized as a levy.

## 5.10 Borrowings

Loans and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis and are shown as interest and mark-up accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit or loss in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as allowed under IAS 23 "Borrowing cost".



### 5.11 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

### 5.12 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

### 5.13 Deferred grant

The deferred grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. Subsequently, the grant is recognized in unconsolidated statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.

### 5.14 Cash and cash equivalents

For the purposes of unconsolidated cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand and balances with banks.

### 5.15 Dividend and appropriation to reserve

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's unconsolidated financial statements in the period in which the dividends are approved.

### 5.16 Financial instruments

#### 5.16.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at unconsolidated statement of financial position date are carried at amortized cost.

#### Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

#### Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

#### Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

#### Impairment

The Company recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Company recognizes loss allowance for Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs, on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.



12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Management uses actual credit loss experience over a past years to base the calculation of ECL.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### 5.16.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

#### 5.16.3 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

#### 5.16.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

#### 5.17 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### 5.18 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions or at the contract rate. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing at the reporting date or at the contract rate. Exchange gains and losses are included in the statement of profit or loss currently.

#### 5.19 Employee benefits

The Company's employees benefits comprise of gratuity scheme and compensated absences for eligible employees.

##### 5.19.1 Staff retirement benefits

##### a) Defined contribution plan (Provident Fund)

A recognized provident fund scheme is in operation, which covers all permanent employees, who had not opted Voluntarily Separation Scheme / Golden Hand Shake Scheme announced at the time of privatization of the Company in 1995. The Company and the employees make equal contributions to the fund.

##### b) Defined benefit liability

The Company operates an un-funded gratuity scheme for all its permanent employees who have attained retirement age, died or resigned during service period and have served for the minimum qualification period. Provision is based on the actuarial valuation of the scheme carried out as at June 30, 2025 using the Projected Unit Credit Method in accordance with IAS-19 "Employee Benefits" and resulting vested portion of past service cost has been charged to income in the current year. The remeasurement gains / losses as per actuarial valuation done at financial year end are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 "Employee Benefits" in the statement of profit or loss.

##### 5.19.2 Compensated absences

The Company accounts for these benefits in the period in which the absences are earned.

#### 5.20 Revenue recognition

Revenue comprises the fair value for the sale of goods net of sales taxes and discounts. Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognized when specific criteria have been met for each of the Company's activities as described below:

##### Revenue from contracts with customers

##### Sale of goods

The Company is engaged in the business of manufacturing and selling caustic soda and other allied chemicals, toll manufacturing, and trading. In toll manufacturing, the Company processes raw materials provided by third parties, converting them into finished products as per the specifications of the customer. 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.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery.



## 6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets  
Right of use assets  
Capital work in progress

Note	2025 Rupees in thousand	2024
6.1	8,311,619	8,504,920
6.10	-	-
6.11	327,556	242,090
	<u>8,639,175</u>	<u>8,747,010</u>

### Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

### Others income

- Scrap sales are recognized on delivery to customers
- Return on deposits is accrued using effective interest rate.
- Dividend on equity investments is recognized as income when the right to receive payment is established.

### 5.21 Related party transactions

Transactions and contracts with the related parties are based on the policy approved by the Board. These prices are determined in accordance with the methods prescribed in the Companies Act, 2017.

### 5.22 Borrowing costs

Interest and commitment charges on long term loans are capitalized for the period up to the date of commencement of commercial production of the respective plant and machinery acquired out of the proceeds of such loans. All other interest and charges are treated as expenses during the year.

### 5.23 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which 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 the Company has a present legal or constructive 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 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

### 5.25 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 the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

## 6.1 Operating fixed assets

The following is the statement of operating fixed assets:

Description	Freehold land	Buildings on freehold land	Railway siding	Plant and machinery	Other equipments	Furniture and fixtures	Office equipments	Vehicles	Total
(Rupees in thousand)									
<b>Net carrying value basis</b>									
<b>Year ended June 30, 2025</b>									
Opening net book value (NBV)	3,030,980	352,386	509	4,921,230	69,385	3,624	16,408	110,398	8,504,920
Additions/ revaluation / transfer (at cost)	-	22,819	-	455,848	6,654	1,044	17,663	72,095	576,123
Disposals (NBV)	-	-	-	-	-	-	-	(1,781)	(1,781)
Depreciation	-	(36,152)	(51)	(685,382)	(10,716)	(984)	(4,830)	(29,528)	(767,643)
<b>Closing net book value</b>	<b>3,030,980</b>	<b>339,053</b>	<b>458</b>	<b>4,691,696</b>	<b>65,323</b>	<b>3,684</b>	<b>29,241</b>	<b>151,184</b>	<b>8,311,619</b>
<b>Gross carrying value basis</b>									
<b>Year ended June 30, 2025</b>									
Cost or revalued	3,030,980	659,696	3,906	9,870,628	189,687	11,567	90,483	286,520	14,143,467
Accumulated depreciation	-	(320,643)	(3,448)	(5,178,932)	(124,364)	(7,883)	(61,242)	(135,336)	(5,831,848)
<b>Net book value</b>	<b>3,030,980</b>	<b>339,053</b>	<b>458</b>	<b>4,691,696</b>	<b>65,323</b>	<b>3,684</b>	<b>29,241</b>	<b>151,184</b>	<b>8,311,619</b>
<b>Net carrying value basis</b>									
<b>Year ended June 30, 2024</b>									
Opening net book value (NBV)	1,592,895	363,074	565	4,185,339	42,619	4,019	19,662	113,264	6,321,437
Additions/ revaluation / transfer (at cost)	1,523,560	27,141	-	1,397,366	35,785	344	2,014	24,553	3,010,763
Disposals (NBV)	(85,475)	(3)	-	(49,662)	(2,040)	(322)	(1,541)	(1,390)	(140,433)
Depreciation	-	(37,826)	(56)	(611,813)	(6,979)	(417)	(3,727)	(26,029)	(686,847)
<b>Closing net book value</b>	<b>3,030,980</b>	<b>352,386</b>	<b>509</b>	<b>4,921,230</b>	<b>69,385</b>	<b>3,624</b>	<b>16,408</b>	<b>110,398</b>	<b>8,504,920</b>
<b>Gross carrying value basis</b>									
<b>Year ended June 30, 2024</b>									
Cost or revalued	3,030,980	636,877	3,906	9,414,780	183,033	10,523	72,820	214,425	13,567,344
Accumulated depreciation	-	(284,491)	(3,397)	(4,493,550)	(113,648)	(6,899)	(56,412)	(104,027)	(5,062,424)
<b>Net book value</b>	<b>3,030,980</b>	<b>352,386</b>	<b>509</b>	<b>4,921,230</b>	<b>69,385</b>	<b>3,624</b>	<b>16,408</b>	<b>110,398</b>	<b>8,504,920</b>
<b>Depreciation rate % per annum</b>	-	10	10	10 to 33	15	10	15 to 30	20	

**6.2** Freehold lands of the Company are located at Mudwala Khurd Sheikhpura with an area covering 74 kanals and 11 Marla, Kala Shah Kaku, Sheikhpura with an area of 886 Kanal - 2 Marla and at Khanpur Canal Sheikhpura with an area of 135 Kanal-6 Marla. This includes land which has been held for establishment of factory.

**6.3** This includes transfer from capital work-in-progress amounting to Rs. 499.626 million (2024: Rs. 1,434.443 million).

**6.4** Freehold land was latest revalued by M/s Harvester Services (Private) Limited as at November 03, 2023 on the basis of market value. The revaluation resulted in surplus aggregating to Rs. 2,872.504 million. Had there been no revaluation, the book value of operating fixed assets would have been lower by Rs. 2,872.594 million (2024: Rs. 2,872.504 million). Had there been no revaluation, the net book value of the freehold land based on historical cost would have been Rs. 158.476 million (2024: Rs. 158.476 million).

**6.5** The forced sale value of free hold land as per latest revaluation by M/s Harvestor was Rs. 2,353.650 million.

**6.6** The depreciation charge for the year has been allocated as follows:

	Note	2025 --- Rupees in thousand ---	2024 ---
Cost of sale	33	743,173	663,207
Selling and distribution expenses	34	2,930	1,724
General and administrative expenses	35	21,540	23,456
		767,643	688,387

**6.7** The depreciation break-up is as follows:

Operating fixed assets	6.1	767,643	686,847
Right of use of assets	6.10	-	1,540
		767,643	688,387

**6.8** The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
----- (Rupees in thousand) -----							
Vehicles							
Hino Mini Bus LEB-07-2148	1,982	1,982	-	2,000	2,000	Negotiation	Mr. Ghazanfar Ali Ch
Toyota Fortuner LEC-17-1335	5,505	4,464	1,041	6,000	4,959	Negotiation	Mr. Faisal Hafeez
Suzuki Bolan Ravi Pickup LES-18-6394	735	558	177	270	93	Negotiation	Mr. Muzafar Iqbal
suzuki Mehran LEF-14-3821	372	327	45	250	205	Negotiation	Mr.Muhammad Afzal
Honda Citi - LEF-13-4503	1,565	1,422	143	1,335	1,192	Negotiation	Mr. Waqar Ahmed
Suzuki Alto LED-08-8739	669	660	9	300	291	Negotiation	Mr. Shahbaz Ali
Toyota Corolla GLI - LEE-17-8790	1,896	1,530	366	1,700	1,334	Negotiation	Mr. Rana Ali Abbas
<b>Total - 2025</b>	<b>12,724</b>	<b>10,943</b>	<b>1,781</b>	<b>11,855</b>	<b>10,074</b>		
<b>Total - 2024</b>	<b>311,013</b>	<b>170,580</b>	<b>140,433</b>	<b>91,561</b>	<b>(48,872)</b>		

**6.9 Fair value measurement (revalued property, plant and equipment)**

**6.9.1** Fair value measurement of revalued land is based on assumptions considered to be level 2 inputs.

**6.9.2 Valuation techniques used to derive level 2 fair values - Land**

Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per kanal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

**6.10 Right of use assets**

The following is the statement of right of use assets:

Building

Year ended June 30,

Net carry value basis

Opening net book value

Disposals

Depreciation charge

Closing net book value

Gross carry value basis

Cost

Accumulated depreciation

Net book value

Depreciation rate % per annum

**6.11 CAPITAL WORK IN PROGRESS**

This comprises of:

Building

Plant and machinery

Advances

Note	2025 --- Rupees in thousand ---	2024 ---
	-	1,540
	-	-
	-	(1,540)
	-	-
	-	27,653
	-	(27,653)
	-	-
	10%	10%
	29,416	12,707
	142,300	125,243
6.11.1	155,840	104,140
	327,556	242,090

Advances	Building	Plant and machinery	Total
----- Rupees in thousand -----			

**6.11.1 Movement of carrying amount**

**Year ended June 30, 2025**

Opening balance

Additions (at cost)

Transferred to operating fixed assets

Adjustments

Closing balance

**Year ended June 30, 2024**

Opening balance

Additions (at cost)

Transferred to operating fixed assets

Adjustments

Closing balance

104,140	12,707	125,243	242,090
154,200	59,561	473,831	687,592
-	(42,852)	(456,774)	(499,626)
(102,500)	-	-	(102,500)
155,840	29,416	142,300	327,556
48,251	20,295	839,646	908,192
66,500	18,878	683,218	768,596
(10,611)	(26,466)	(1,397,366)	(1,434,443)
-	-	(255)	(255)
104,140	12,707	125,243	242,090



**6.11.2** Advances include balances amounting to Rs. 1.639 million (2024: Rs. 1.639 million) and Rs. 154.200 million against purchase of land at Karachi from Sindh Industrial Trading Estate and purchase of Flaker unit representing 25% of LC value respectively.

**6.11.3** During the year, borrowing cost amounting to Rs. 5.802 million (2024: Rs. 14.314 million) has been capitalized in the cost of capital work in progress by using capitalization rate of 13.02% (2024: 4%).

## 7 INTANGIBLE ASSETS

Computer software and licences

### 7.1 Computer software and licences

**Net carrying value as at June 30,**

Opening balance

Addition during the year

Amortization charge

Net book value

**Gross carrying value as at June 30,**

Cost

Accumulated amortization

Net book value

**Amortization % per annum**

### 7.2 The amortization charge for the year has been allocated as follows:

Administrative expense

## 8 INVESTMENT PROPERTY

### 8.1 The movement in this account is as follows:

Opening balance

Fair value gain on revaluation recognized as income

### 8.2 Fair value measurement (Investment property)

This comprises commercial property that is freehold land held for capital appreciation. The carrying value of investment property is the fair value of the property as at June 30, 2025 as determined by approved independent valuer M/s Harvester Services (Private) Limited. Fair value is determined having regard to recent market transactions for similar properties in the same location and condition.

Fair value measurement of investment property is based on assumptions considered to be based on level 2 inputs.

#### Valuation techniques used to derive level 2 fair values - Land

Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per kanal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

**8.3** The forced sale value of investment property is Rs. 573.750 million (2024: Rs. 573.750 million).

**8.4** Investment properties of the Company are located at Barki road Lahore, with areas covering 42 kanals and 24 kanals each.

## 9 LONG TERM INVESTMENTS

Investment in related parties - unquoted

Chemi Visco Fiber Limited

Ittehad Salt Processing (Private) Limited

ICL Power (Private) Limited

### 9.1 Chemi Visco Fiber Limited

5,625,000 (2024: 5,625,000) fully paid ordinary shares

Less: Provision for diminution in value of investment

Percentage of investment in equity held 7.91%

(2024: 7.91%) (Chief Executive : Mr. Usman Ghani)

**9.1.1** This provision was made in prior years as a matter of prudence since the project of the investee company is not operating and there is significant uncertainty regarding future earnings and related cash flows. Further, the financial statements of the entity indicate that the fair value of the net assets is negative.

### 9.2 Ittehad Salt Processing (Private) Limited

250,000 (2024: 250,000) fully paid ordinary shares

Percentage of investment 100% (2024: 100%)

**9.2.1** This represents investment made in wholly owned subsidiary, incorporated on December 03, 2019 in Pakistan. The principal line of business of the subsidiary is to carry on business of exploring, operating and working on mines to extract minerals, salt, sand and stone etc. The Chief executive of the Company is Mr. Ahmed Mustafa. The company is non - operational as government authorities has not provided mining lease.

### 9.3 ICL Power (Private) Limited

Equity held 100,000,000 (2024: 100,000) fully paid ordinary shares

Advance paid against shares

Percentage of investment 100% (2024: 100%)

**9.3.1** This represents investment made in wholly owned subsidiary, incorporated on January 02, 2024 in Pakistan. The principal line of business of the subsidiary is generating and providing of electricity. The Chief executive of the Company is Mr. Waqas Siddiq Khatri.

**9.3.2** This represents advance paid to ICL Power (Private) Limited against issue of shares.

Note	2025 — Rupees in thousand —	2024 —
7.1	-	326
	326	883
	-	-
35	(326)	(557)
	-	326
	24,214	24,214
	(24,214)	(23,888)
	-	326
	33.33%	33.33%
35	326	557
8.1	675,000	675,000
	675,000	562,500
8.2	-	112,500
	675,000	675,000
9.1	-	-
9.2	2,500	2,500
9.3	1,695,914	9,882
	1,698,414	12,382
9.1.1	56,250	56,250
	(56,250)	(56,250)
	-	-
9.2.1	2,500	2,500
	100%	100%
9.3.1	1,000,000	1,000
9.3.2	695,914	8,882
	1,695,914	9,882
	100%	100%
9.3.1		
9.3.2		

	Note	2025 —Rupees in thousand—	2024
<b>10 LONG TERM DEPOSITS</b>			
Long term deposit	10.1	64,799	63,144
<b>10.1</b> This includes security deposit against utilities which are refundable at the expiry of agreement. These deposits do not carry any interest or mark-up and are not recoverable within one year. The impact of discounting is considered insignificant by the Company.			
<b>11 STORES, SPARES AND LOOSE TOOLS</b>			
Stores			
in hand	11.1	88,368	75,791
in transit		2,174	-
		90,542	75,791
Spares:			
in hand	11.1	616,314	501,965
in transit		27,450	101,481
		643,764	603,446
		734,306	679,237
Less: Provision for obsolete stores and spares	11.2	35,988	18,000
		698,318	661,237
<b>11.1</b> Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.			
<b>11.2</b> Movement of provision for obsolete stores and spares			
Opening balance		18,000	-
Provision made during the year		17,988	18,000
		35,988	18,000
<b>12 STOCK IN TRADE</b>			
Raw materials:			
in hand	33	1,295,614	784,056
in transit	12.1	97,873	151,529
		1,393,487	935,585
Packing materials			
in hand	33	49,196	47,217
Work in process	33	87,682	82,822
Finished goods	33 and 12.3	1,149,509	1,208,685
		2,679,874	2,274,309
<b>12.1</b> This represents stock in transit which was still on the way from port at the year end.			
<b>12.2</b> Stock-in-trade up to a maximum amount of Rs. 2,679.874 million (2024: Rs. 2,274.309 million) are under hypothecation of commercial banks as security against short term borrowings.			
<b>12.3</b> This include provision for write down of finished goods inventory to net realizable value amounting to Rs. Nil (2024: Rs. 7.918 million).			

	Note	2025 —Rupees in thousand—	2024
<b>13 TRADE DEBTS</b>			
Unsecured - Considered good			
Foreign		47,192	324,191
Local		3,321,645	2,759,899
		3,368,837	3,084,090
Less: Expected credit losses	13.1	(88,854)	(68,317)
		3,279,983	3,015,773
<b>13.1</b> Movement of expected credit losses (ECL) is as follows:			
Opening balance		68,317	66,861
Expected credit loss		21,014	1,456
Adjustment		(477)	-
Closing balance		88,854	68,317
<b>14 LOANS, ADVANCES AND OTHER RECEIVABLES</b>			
Advances - (Unsecured - considered good)			
To employees against salaries	14.1	9,044	9,945
To employees against expenses	14.2	261	1,798
Advance against gratuity	14.3	11,919	11,919
		21,224	23,662
Advance to supplier and services (Unsecured)			
Considered good		218,482	230,016
Considered doubtful		1,374	1,374
		219,856	231,390
Against import		2,314	1,576
		243,394	256,628
Accrued interest receivable		609	1,104
Less: Expected credit losses	14.4	(1,374)	(1,374)
		242,629	256,358
<b>14.1</b> This includes advance to employees against salaries in accordance with the terms of their employment. These advances are unsecured, interest free and are deductible from their salaries. The financial impact of discounting to present value is considered as immaterial.			
<b>14.2</b> This includes advances provided to employees to meet business expenses.			
<b>14.3</b> This includes advances amounting to Rs. 11.919 million (2024: Rs. 11.919 million) deposited with the various Courts against various cases for gratuity of employees. The Company is expecting favourable outcome and therefore, considered good.			
<b>14.4</b> Movement of allowance for doubtful advances is as follows:			
Opening balance		1,374	1,374
Addition during the year		-	-
Closing balance		1,374	1,374



	Note	2025 — Rupees in thousand —	2024
<b>15 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits - (Considered good)	15.1	2,246	8,727
Security deposits	15.2	536,528	186,528
Prepayments		6,927	8,956
		<u>545,701</u>	<u>204,211</u>
<b>15.1</b> This represents short term deposits in the normal course of business and does not carry any interest or mark-up.			
<b>15.2</b> This includes security deposit paid to United Gas Distribution Company amounting to Rs. 534.108 million (2024: Rs. 184.108 million) against utilities.			
<b>16 TAX REFUNDS DUE FROM THE GOVERNMENT</b>			
Income tax		703,316	469,211
Sales tax		127,985	254,782
		<u>831,301</u>	<u>723,993</u>
<b>17 TAXATION - NET</b>			
Advance income tax		1,326,391	1,244,901
Less: Provision for taxation	39	1,048,687	911,765
		<u>277,704</u>	<u>333,136</u>
<b>18 SHORT TERM INVESTMENTS</b>			
Term Deposit Receipts - Shariah			
Bank Al-Falah Limited		12,200	12,200
<b>18.1</b> This represents term deposit receipts and carry interest rate ranging from 6.77% to 12.25% (2024: 12.26% to 17.66%). These have a maturity period of three months.			
<b>19 CASH AND BANK BALANCES</b>			
Cash in hand		425	1,516
Balance at banks			
Current accounts			
Conventional		236,636	175,369
Shariah		203,927	105,600
		<u>440,563</u>	<u>280,969</u>
Saving accounts	19.1		
Conventional		6,086	4,756
Shariah		334	315
		<u>6,420</u>	<u>5,071</u>
		<u>447,408</u>	<u>287,556</u>
<b>19.1</b> The balance in saving accounts carries mark up which ranges from 6.77% to 12.25% (2024: 6.75% to 18.00%) per annum.			

	Note	2025 — Rupees in thousand —	2024
<b>20 SHARE CAPITAL</b>			
<b>20.1 Authorized share capital</b>			
		2025	2024
Number of ordinary shares of Rs. 10/- each		175,000,000	175,000,000
Ordinary shares of Rs. 10/- each		1,750,000	1,750,000
Preference shares of Rs. 10/- each		250,000	250,000
		<u>2,000,000</u>	<u>2,000,000</u>
<b>20.2 Issued, subscribed and paid up capital</b>			
		2025	2024
Number of ordinary shares of Rs. 10/- each		27,100,000	27,100,000
Fully paid in cash		271,000	271,000
Issued for consideration other than cash	(20.2.1)	249,000	249,000
Fully paid bonus shares		480,000	480,000
		<u>1,000,000</u>	<u>1,000,000</u>
<b>20.2.1</b> The Company took over 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 privatised on July 03, 1995.			
<b>20.2.2</b> There is no shareholder agreement for voting rights, board selection, rights of first refusal and block voting.			
<b>21 SHARE PREMIUM</b>			
<b>21.1</b> This reserve can be utilized by the Company only for the purposes specified in section 81(3) of the Companies Act, 2017.			
<b>22 MERGER RESERVE</b>			
This represents "balance arising upon merger" of wholly owned subsidiary, recorded in accordance with the SECP accounting standard "Accounting for Common Control Transactions".			
<b>23 SURPLUS ON REVALUATION OF FREEHOLD LAND</b>			
Revaluation surplus on freehold land	23.1	<u>2,872,504</u>	<u>2,872,504</u>

**23.1** The revaluation surplus on freehold land is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of Companies Act, 2017.

## 24 LONG TERM FINANCING

Secured:

## Banking Companies

Samba Bank Limited-TERF	24.1	169,248	282,637
The Bank of Punjab	24.2	116,910	173,016
Allied Bank Limited	24.3	98,776	129,000
The Bank of Punjab	24.4	154,898	-
		539,832	584,653
Other Financial Institutions			
Pak Libya Holding Company (Private) Limited	24.5	65,072	119,322
Pak Brunei Investment Company Limited	24.6	-	66,667
Pak Brunei Investment Company Limited	24.7	41,250	68,750
Pak Libya Holding Company (Private) Limited	24.8	125,000	175,000
Pak Oman Investment Co. Limited	24.9	138,462	-
		369,784	429,739
		909,616	1,014,392
Less: Current portion	30	(421,912)	(431,977)
		487,704	582,415

**24.1** The Company has obtained this loan under the scheme of Temporary Economic Refinance Facility (TERF) to the extent of Rs. 495 million. This finance is secured against 667 million joint parri passu charge over fixed assets of the Company inclusive of 25% margin. This carries mark up at SBP TERF rate plus 3% per annum. The loan is repayable in sixteen (16) equal quarterly installments starting from 1 year (grace period) after initial draw down.

**24.2** The Company has obtained this loan to the extent of Rs. 313.717 million. The SBP has approved Rs. 246.144 million under Temporary Economic Refinance Facility (TERF). So, the remaining amount of Rs. 67.573 million is treated as demand finance. This finance is secured against the specific charge of Rs. 440 million. This carry mark up at SBP rate plus 4% spread of Bank per annum under TERF and for the remaining amount carry 6 month KIBOR plus 1.5% per annum. The loan is repayable in Ten (10) equal semi- annual installments having grace period of six months after the disbursement date.

**24.3** The Company has obtained this loan to the extent of Rs. 200 million. This finance is secured against joint charge over present and future fixed assets with 25% risk margin. This carries mark up at the rate of six months KIBOR plus 1% per annum payable on semi -annual basis from the date of disbursement. The loan is repayable in eight (8) equal semi-annual installments having a grace period of one year after the date of disbursement.

**24.4** The Company has obtained this loan to the extent of Rs. 810 million. This finance is secured against ranking charge inclusive of 25% margin on all fixed assets of the Company, convertible to Joint Pari Passu charge within 180 days. This carries mark up at the rate of six months KIBOR plus 1.00% per annum payable on semi -annual basis from the date of disbursement. The loan is repayable in eight (8) equal semi-annual installments having a grace period of one year after the date of disbursement.

**24.5** The Company has obtained this loan under long term finance facility to the extent of Rs. 217 million. This finance is secured against joint pari passu charge inclusive of 25% margin on all present and future fixed assets of the Company and carries mark up at 3 months KIBOR plus 1.5% per annum. The loan is repayable in sixteen (16) equal quarterly installments starting from 15th month from the first drawdown.

**24.6** The Company has obtained this loan under long term finance facility to the extent of Rs. 300 million. This finance is secured against hypothecation / mortgage charge over all present and future fixed assets of the Company with 25% margin and carries mark up at three months average KIBOR plus 1.40%. The loan was disbursed in January, 2019 and is repayable in nine equal semi-annual installments commencing from February, 2020.

**24.7** The Company has obtained this loan under long term finance facility to the extent of Rs. 110 million. This finance is secured against joint pari passu hypothecation and mortgage charge on all moveable and immovable fixed assets of the Company. This carries mark up at 3 months KIBOR plus 1.40% per annum. The loan is repayable in sixteen (16) equal quarterly instalments with 1st installment falling due at the end of 15th month from the disbursement date.

**24.8** The Company has obtained this loan under long term finance facility to the extent of Rs. 200 million. This finance is secured against ranking charge of Rs. 267 million, inclusive of 25% margin on all fixed assets of the Company, convertible to joint Pari Passu charge. This carries mark up at the rate of 3 months KIBOR plus 1.50% per annum payable on quarterly basis. The loan is repayable in sixteen (16) equal quarterly installments on quarterly basis. First installment will fall due at the end of 12th month from the date of first draw down.

**24.9** The Company has obtained this loan under long term finance facility to the extent of Rs. 150 million. This finance is secured against joint pari passu charge over fixed assets including land, building, plant and machinery of the Company inclusive of 25% margin. This carries mark up at the rate of 3 months KIBOR plus 1.25% per annum payable on quarterly basis. The loan is repayable in sixteen (16) equal quarterly installments on quarterly basis.

## 25 DEFERRED LIABILITIES

## Deferred taxation

Defined benefit liability

## 25.1 Deferred taxation

Deferred tax liability comprises as follows:

Taxable temporary differences

Property, plant and equipment

Deductible temporary differences

Provision for defined benefit liability

Allowances for expected loss

Provision for WPPF

Provision for obsolete stores

	2025	2024
Note	—Rupees in thousand—	
25.1	607,769	633,079
25.2	211,726	166,299
	819,495	799,378
	786,844	772,245
	(82,573)	(60,917)
	(34,653)	(26,076)
	(47,814)	(45,579)
	(14,035)	(6,594)
	607,769	633,079



	2025	2024
	— Rupees in thousand —	
<b>25.1.1</b> The gross movement in the deferred tax liability during the year is as follow:		
Balance as at July 1,	633,079	448,342
Charge to statement of profit or loss	(24,164)	185,015
Charge in statement of other comprehensive income	(1,146)	(278)
	<u>607,770</u>	<u>633,079</u>

## 25.2 Defined benefit liability

### a) General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/S Nauman Associates as at June 30, 2025 using the Projected Unit Credit method.

The Company faces the following risks on account of gratuity:

**Final salary risk** - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount would also increase proportionately.

**Discount rate fluctuation** - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

**Demographic Risks: 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.

**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.

	2025	2024
	Percentage	Percentage
	Per annum	
<b>b) Significant actuarial assumptions</b>		
Following are significant actuarial assumptions used in the valuation:		
Discount rate	11.75	14.75
Expected rate of increase in salary	<u>10.75</u>	<u>13.75</u>

	2025	2024
	— Rupees in thousand —	
<b>c) Reconciliation of payable to defined benefit plan</b>		
Present value of obligation and liability recognized in balance sheet	<u>211,726</u>	<u>166,299</u>
<b>d) Movement of the liability recognized in the unconsolidated statement of financial position</b>		
Opening net liability	166,299	122,975
Charge for the year	59,058	49,888
Remeasurement chargeable to other comprehensive income	2,939	759
Contribution paid to outgoing employees	(16,570)	(7,323)
Closing net liability	<u>211,726</u>	<u>166,299</u>

	2025	2024
	— Rupees in thousand —	
<b>e) Charge for the year</b>		
Current service cost	35,349	30,500
Past service cost	402	-
Interest cost	23,307	19,388
	<u>59,058</u>	<u>49,888</u>

**f)** The expected charge in respect of defined benefit plan for the year ending June 30, 2026 will be 62.322 million.

### g) Sensitivity analysis

The impact of 1% change in following variables on defined benefit obligation is as follows:

	(Rupees in thousand)	
	Increase in assumption	Decrease in assumption
<b>2025</b>		
Discount rate	197,945	227,161
Salary increase	<u>227,467</u>	<u>197,426</u>
<b>2024</b>		
Discount rate	155,312	155,312
Salary increase	<u>178,810</u>	<u>178,810</u>

### h) Maturity profile

	2025	2024
	— Rupees in thousand —	
Time in year		
1	14,705	11,262
2	21,590	17,116
3	25,095	20,785
4	35,780	26,519
5-11 onwards	2,110,355	2,968,775

The average duration of the defined benefit obligation is 7 years.

### i) Remeasurement chargeable to other comprehensive income

	2025	2024
	— Rupees in thousand —	
Experience adjustment and actuarial loss on obligation	2,939	759
Tax impact at 39% (2024: 39%)	(1,146)	(278)
	<u>1,793</u>	<u>481</u>

## 26 DEFERRED GRANT

	2025	2024
	— Rupees in thousand —	
Deferred Grant	27,381	68,372
Current portion of grant	(23,207)	(40,846)
	<u>4,174</u>	<u>27,526</u>

**26.1** This represents deferred grant recognized in respect of the benefit of below-market interest rate on long term finance facility. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:

	2025	2024
	—Rupees in thousand—	
<b>26.2</b> Following is the movement in government grant during the year:		
Opening balance as at July 01	68,372	127,779
Addition during the year	-	-
Amortization during the year	(40,991)	(59,407)
Closing balance as at June 30	27,381	68,372

**26.3** The Company received term finance facility under Refinancing / Temporary Economic Refinance Facility Scheme of the State Bank of Pakistan from different banks as disclosed in Note 24.

## 27 TRADE AND OTHER PAYABLES

Trade creditors		696,474	665,282
Accrued liabilities		1,070,025	1,212,881
Due to related party	27.1	73,007	25,814
Cost of supply	27.2	561,919	496,979
GIDC payable	27.3	620,458	620,458
Security deposits	27.4	50,372	38,650
Retention money		4,828	6,824
Income tax deducted at source		5,048	3,618
Workers' Profit Participation Fund	27.5	122,599	124,029
Workers' Welfare Fund	27.6	47,589	50,870
Levy payable		-	1,687
Other payables		7	8
		3,252,326	3,247,100

**27.1** This includes a balance due to Chemi Multifabrics Limited, a related party, amounting to Rs. 73.007 million (2024: Rs. 25.814 million). The maximum aggregate amount due to Chemi Multifabrics Limited at the end of any month during the year was Rs. 77.711 million (2024 : 25.814 million).

**27.2** Sui Northern Gas Pipelines Limited has charged cost of supply relating to the RLNG supplies in the billing month of February 2018 based on interim order passed by Oil and Gas Regulatory Authority. The Company along with other industrial units in Punjab filed writ petition for deferment of said order. The Honorable Lahore High Court issued stay order with reference to the petition filed. The matter is pending adjudication. However, the Company has made a provision amounting Rs. 561.919 million on prudence basis since February, 2018.

**27.3** Pursuant to Supreme Court order in August, 2020 and its subsequent dismissal of review petition in November, 2020, the Company is paying levy as per GIDC monthly billing by Sui Northern Gas Pipeline Limited (SNGPL). The Company has paid seven (7) instalments till June 30, 2021 and balance provision of GIDC as at the reporting date is Rs. 620.458 million (2024: 620.458 million). The provision was recognized earlier based on estimation basis for the respective periods. However, the Company has filed a writ petition in the Honorable Sindh High Court to suspend the recovery of arrears of Cess calculated at enhanced captive rates. The Honorable Sindh High Court has granted a stay for recovery of arrears and matter is pending for adjudication. There is an aggregate differential of Rs. 352.920 million which is subjudice and that will be remain as provision until the matter is settled.

Further, there is an aggregate differential of Rs. 170.291 million (2024: 170.291 million) between provision as per books of account and liability based on monthly instalment billed by SNGPL for unpaid portion of Cess levied through GIDC Act, 2011 and GIDC Ordinance, 2014, which is not recognized by the Company based on the advice of its legal expert as per their view it will not be collectable as per GIDC Act, 2015.

**27.4** This amount represented security deposits received from dealers for goods/ services. This has been utilized for the purpose of business in accordance with written agreements in terms of section 217 of the Companies Act, 2017.

	Note	2025	2024
		—Rupees in thousand—	
<b>27.5 Workers' Profit Participation Fund</b>			
Balance as at July 01,		124,029	138,226
Interest at prescribed rate		13,200	13,868
Less: Amount paid		(134,178)	(149,614)
		3,051	2,480
Current year's allocation at 5%	36	119,548	121,549
		122,599	124,029

The Company retains the allocation of this fund for its business operations till the amounts are paid.

## 27.6 Workers' Welfare Fund

Balance as at July 01,		50,870	57,470
Current year's allocation at 2%	36	47,589	50,870
Less : Amount paid / adjusted		(50,870)	(57,470)
		47,589	50,870

The Company retains the allocation of this fund for its business operations till the amounts are paid.

## 28 MARK UP ACCRUED

### Secured

Long term financing - Conventional	15,379	25,748
Long term diminishing musharaka - Shariah	-	8,577
Short term borrowings		
Conventional	53,182	47,086
Shariah	19,029	26,459
	72,211	73,545
	87,590	107,870



**29 SHORT TERM BORROWINGS****Secured****Banking companies****Running finances - Conventional**

	Note	2025 —Rupees in thousand—	2024
MCB Bank Limited	29.1	385,452	359,922
Askari Bank Limited	29.1	-	30,823
The Bank of Punjab	29.1	168,917	197,166
Samba Bank Limited	29.1	190,755	344,567
Habib Metro Bank Limited	29.1	-	-
Soneri Bank Limited	29.1	95,449	-
Allied Bank Limited	29.1	546,207	-
JS Bank Limited	29.1	42,875	-
		1,429,655	932,478

**Term finance****Conventional**

Askari Bank Limited	29.2	150,000	150,000
Pak Brunei Investment Company Limited	29.2	850,000	200,000
JS Bank Limited	29.2	4,973	-
		1,004,973	350,000

**Shariah**

Bank Al-Falah Limited	29.2	500,000	266,000
Faysal Bank Limited (Istisna)	29.2	300,000	150,000
Al-Baraka Bank (Pakistan) Limited	29.2	499,000	246,000
MCB Islamic Bank Ltd (Istisna)	29.2	249,970	249,970
Al-Baraka Bank (Pakistan) Limited - R. Musharaka	29.2	350,478	-
The Bank of Khyber - Istisna	29.2	200,000	-
		2,099,448	911,970

**Un-secured****Related party-Ittehad Developers**

	29.3	-	100,000
		4,534,076	2,294,448

**29.1** Short term running finance facilities have been obtained from various banks aggregated to Rs. 2,870 million (2024: Rs. 1,220 million) and carry mark-up ranging from one month KIBOR plus 0.75% to three months KIBOR plus 1.00% per annum (2024: one month KIBOR plus .75% to three months KIBOR plus 1.25% per annum) on utilized limits. These facilities are secured against joint pari passu charge over present and future current assets of the Company and hypothecation charge over stores, spares and stocks of chemicals.

**29.2** Term finance facilities have been obtained from various banks aggregated to Rs. 3,350 million (2024: Rs. 1,700 million) and carry mark-up ranging from matching KIBOR plus 0.65% to 1.00% per annum (2024: matching KIBOR plus 0.65% to 1.00% per annum ) on utilized limits. These facilities are secured against ranking and joint pari passu charge over present and future current assets of the Company.

**29.3** This represents a loan from a related party which has been fully repaid during the current year.

**29.4** The maximum amount due to Ittehad Developers at the end of any month during the year was Rs. 230 million (2024: Rs. 100 million).

**29.5 Financing/credit facilities available**

At the reporting date, the following financing facilities had been negotiated and were available.

Aggregate facilities for opening of letters of credit and short term loan amounting to Rs. 8,495 million (2024: Rs. 5,695 million) are available to the Company.

**30 CURRENT PORTION OF LONG TERM LIABILITIES**

	Note	2025 —Rupees in thousand—	2024
Long term financing	24	421,912	431,977
Long term diminishing musharaka	25	-	190,561
Deferred grant	26	23,207	40,846
		445,119	663,384

**31 CONTINGENCIES AND COMMITMENTS****31.1 Contingent liabilities**

- a)** Letters of guarantee outstanding as at June 30, 2025 were Rs. 552.440 million (2024: Rs. 471.522 million).
- b)** The taxation authorities have amended the deemed assessment for the Tax Year 2010 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001 creating, thereby, income tax demand of Rs. 54.510 million. The Company filed an appeal before Commissioner Inland Revenue (Appeals) who decided the case partially in favour of the Company while remanding back the remaining issues for re-assessment. The Company as well as tax department filed an appeal against the said order before Appellate Tribunal Inland Revenue. These cross appeals were decided through a consolidated order without passing a speaking order. The consolidated order has been called back by Honorable ATIR upon application for rectification filed before ATIR to pass revised speaking order. The ATIR after re hearing of the case again proceeded to issue the same non speaking order which has now been contested before double bench of the Honourable Lahore High Court, Lahore. The Company expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in maximum tax payable of Rs. 54.510 million (2024: Rs. 54.510 million).
- c)** The Company is facing claims, launched in the labour courts, pertaining to staff retirement benefits. In the event of an adverse decision, the Company would be required to pay an amount of Rs. 7.083 million (2024: Rs. 9.658 million ) against these claims.
- d)** Show cause notice was served by the ACIR whereby taxpayer is required to explain the alleged illegal input (sales tax) tax adjustment amounting to Rs. 28.725 million. Detailed reply was filed by the Company. In response to which ACIR issued assessment order and created demand amounting to Rs. 19.724 million along with penalty amounting to Rs. 0.986 million. The Company being aggrieved filed appeal before CIR (A). The CIR(A) has remanded back additions of Rs. 6,004.3 million and reduced the remaining demand to Rs. 2.020 million. The Company has challenged the demand of Rs. 1.334 million in ATIR. The Company expects a favourable outcome of the proceedings.
- e)** Show cause notices for the Tax Years 2021 and 2023 were issued to the Company by Additional Commissioner Punjab Revenue Authority contending short deduction of Punjab Sales Tax against services acquired during the period under discussion. The Company has challenged the above notices in Lahore High Court and the Honourable Court granted stay against the proceedings. However, the Additional Commissioner Punjab Revenue Authority proceeded to issue an antidated order for the Tax Year 2021 wherein a tax liability of Rs. 72 million has been raised in frivolous manner. The Company has filed an appeal before Commissioner Appeals, Punjab Revenue Authority. The Company expects a favorable outcome of the case.

f) The Deputy Commissioner Inland Revenue, while adjudicating disallowed the claim of input tax against purchase of mild steel products that were utilized in fabrication and repair of machinery. The company contested the claim before Commissioner Inland Revenue (Appeals) who has also decided the case in favour of the department. Being aggrieved, the company has filed a reference before Honourable Lahore High Court Lahore which is still pending for adjudication. However, if the case is decided against the Company, it may result in maximum tax payable of Rs. 0.9 million (2024: Rs. 0.9 million).

g) The taxation authorities have amended the deemed assessment for Tax Year 2006 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001. The Company challenged the same before Commissioner Inland Revenue (Appeals) who partially set aside and partially decided against the Company. The Company has filed an appeal before Appellate Tribunal Inland Revenue against the said order. The ATIR remanded the case back to the Additional Commissioner Inland Revenue (ADCIR). In remand back proceeding ADCIR decided the case partially in favour of the Company. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) CIR (A) against the remaining portion. The CIR(A) has decided the case in favour of the Company. Thereafter the CIR has filed appeal before ATIR. The Company considers the appeal of CIR as for sake only and therefore expects a favourable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 4.080 million (June 30, 2024: Rs. 4.080 million).

### 31.2 Commitments

Commitments as on June 30, 2025 against letters of credit amount to Rs.1,449.507 million (2024: Rs. 1,479.252 million).

## 32 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's from contracts with customers

### Major products and services

	Note	2025 —Rupees in thousand —	2024 —Rupees in thousand —
Manufacturing		32,473,198	28,327,769
Trading		650,770	-
Toll manufacturing		-	177,898
		33,123,968	28,505,667
Less:			
Sales tax		4,687,858	3,813,946
Trade discount		265,153	129,290
Commission to selling agents		313,867	247,843
		5,266,878	4,191,079
		27,857,090	24,314,588
Local sales		25,670,428	22,686,229
Export sales		2,186,662	1,628,359
		27,857,090	24,314,588

### Geographical region:

	Note	2025 —Rupees in thousand —	2024 —Rupees in thousand —
Pakistan		25,670,428	22,686,229
Afghanistan		319,144	398,166
Azerbaijan		112,242	2,450
United Arab Emirates		953,128	1,169,142
United States of America		2,655	-
Uzbekistan		-	41,861
South Africa		742,408	-
Belgium		23,502	16,740
Oman		33,583	-
		27,857,090	24,314,588

### Timing of transfer of goods

Goods transferred to customers at a point in time		27,857,090	24,314,588
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### Contract balances

Trade receivables	13	3,279,983	3,015,773
Contract liabilities		224,816	250,984

## 33 COST OF SALES

Raw materials consumed			
Opening stock		935,585	1,018,173
Purchases		11,828,810	9,540,972
		12,764,395	10,559,145
Closing stock	12	(1,393,487)	(935,585)
		11,370,908	9,623,560
Stores, spares and consumables		505,798	476,683
Packing materials consumed		262,552	246,896
Salaries, wages and other benefits	33.1	1,024,236	888,314
Fuel and power		8,171,349	7,585,172
Repair and maintenance		73,827	76,460
Rent, rates and taxes		19,159	9,407
Insurance		19,488	18,935
Depreciation	6.6	743,173	663,207
Vehicle running expense		29,263	28,659
Telephone, telex and postage		1,344	1,106
Printing and stationery		123	80
Provision for slow moving stores and spares	11.2	17,988	18,000
Other expense		9,330	9,385
		22,248,538	19,645,864
Work in process			
Opening		82,822	75,529
Closing	12	(87,682)	(82,822)
		(4,860)	(7,293)
Cost of goods manufactured		22,243,678	19,638,571
Cost of stock traded		563,152	-
Finished goods			
Opening		1,208,685	1,073,329
Closing	12	(1,149,509)	(1,208,685)
		59,176	(135,356)
		22,866,006	19,503,215

33.1 This amount includes Rs. 47.671 million (2024: Rs. 45.813 million) and Rs. 0.864 million (2024: Rs. 0.855 million) in respect of gratuity and provident fund respectively.



	Note	2025 — Rupees in thousand —	2024
<b>34 SELLING AND DISTRIBUTION EXPENSES</b>			
Salaries and other benefits	34.1	64,847	55,081
Travelling and conveyance		3,866	4,711
Vehicle running expense		7,591	7,848
Advertisement		1,417	368
Telephone, telex and postage		1,173	1,005
Marketing service charges	34.2	128,331	114,745
Freight		1,391,899	1,142,662
Rent, rates and taxes		5,838	4,349
Printing and stationery		392	3,927
Fee and subscription		479	294
Fuel and power		5,378	5,250
Repair and maintenance		1,279	873
Insurance		10,616	9,285
Depreciation	6.6	2,930	1,724
		<u>1,626,036</u>	<u>1,352,122</u>

**34.1** This amount includes Rs. 4.044 million (2024: Rs. 2.947 million) in respect of gratuity.

**34.2** This represents marketing expense charged by Chemi multifabrics Limited on the basis of 0.5% of local sales.

<b>35 GENERAL AND ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits	35.1	207,596	187,660
Traveling and conveyance		26,211	27,537
Vehicle running expense		22,354	20,382
Telephone, telex and postage		5,416	4,750
Rent, rates and taxes		16,921	9,141
Printing and stationery		1,741	1,620
Fee and subscription		12,470	13,970
Legal and professional charges		18,300	11,498
Fuel and power		11,447	11,585
Allowance for expected credit loss		21,014	1,456
Amortization of intangible asset		326	557
Repair and maintenance		7,470	4,822
Depreciation	6.6	21,540	23,456
Bad debts written off		171	4,948
Donations	35.2	39,760	30,542
Other expense		6,302	5,841
		<u>419,039</u>	<u>359,765</u>

**35.1** This amount includes Rs. 7.343 million (2024: Rs. 5.255 million) in respect of gratuity.

	Note	2025 — Rupees in thousand —	2024
<b>35.2 Donations</b>			
The Company has paid donations to following donees exceeding Rs. 1.00 million.			
Taryaq Welfare Organization		4,316	9,000
Al Khidmat Foundation		1,000	1,000
Zubaida Associates		1,211	923
Dastkari School KSK		-	2,635
Kiran Foundation	35.2.1	1,200	1,000
Baitusslam Welfare Trust		500	850
Indus Hospital		1,500	1,500
Musalaman Cutchi Khatri Jamat		-	1,000
Rizq Trust		1,757	-
Jinnah Model School		2,684	-
		<u>14,168</u>	<u>17,908</u>

**35.2.1** Interest of the directors or their spouses in the donations made during the year is as follows:

Donation amounting to Rs. 1.20 million (2024: Rs. 1.00 million) paid to Kiran Foundation (Ex. Kiran Ibtadai School). Ms. Sabina Khatri w/o Mr. Muhammad Siddique Khatri, Chairman of the Company is the patron of the school and Mr. Waqas Siddiq Khatri, an executive director of the Company, is also the member of the Board of Trustees.

**35.2.2** Donations other than mentioned above were not made to any donee in which any director of the Company or his spouse had any interest at any time during the year.

<b>36 OTHER OPERATING EXPENSE</b>			
Auditors' remuneration			
Audit fee		1,350	1,150
Half yearly review fee		288	288
Tax and certification charges		50	50
Out of pocket expenses		339	142
		<u>2,027</u>	<u>1,630</u>
Loss on scrap of fixed assets		-	53,568
Workers' Profit Participation Fund	27.5	119,548	121,549
Workers' Welfare Fund	27.6	47,589	50,870
		<u>169,164</u>	<u>227,617</u>
<b>37 OTHER INCOME</b>			
Income from financial assets:			
Gain on foreign exchange		5,906	3,799
Return on saving accounts		209	1,825
Return on TDRs - Shariah		874	2,993
		<u>6,989</u>	<u>8,617</u>
Income from non- financial assets:			
Gain on sale of fixed assets		10,074	4,696
Sale of scrap		22,836	43,361
Government grants		40,991	59,407
		<u>73,901</u>	<u>107,464</u>
		<u>80,890</u>	<u>116,081</u>

	Note	2025 — Rupees in thousand —	2024 — Rupees in thousand —
<b>38 FINANCE COST</b>			
Mark-up / interest on:			
Long term financing - Conventional		151,028	236,768
Long term diminishing musharaka - Shariah		15,760	95,393
Interest on lease finance		-	1,233
Short term borrowings - Conventional		233,572	191,794
Short term borrowings - Shariah		199,660	174,672
Worker's Profit Participation Fund		13,200	13,868
		613,220	713,728
Bank charges and commission		20,695	17,112
		633,915	730,840
<b>39 TAXATION</b>			
Levy	39.1	8,493	16,284
Current tax	39.2 and 39.3		
- Normal		686,333	588,920
- Export		16,010	-
- prior year		(4,123)	(10,316)
		698,220	578,604
Super tax	39.4	243,465	203,955
Deferred tax		(24,164)	185,015
		926,014	983,858

**39.1** This represents final taxes paid under Under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

**39.2** Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the unconsolidated statement of profit or loss is as follows:

Current tax liability for the year as per applicable tax laws	950,178	798,843
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(941,685)	(782,559)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(8,493)	(16,284)
Difference	-	-

**39.3** The aggregate of final tax and current income tax for the year, amounting to Rs. 950.178 (2024 : 798.843 million represents tax liability of the Company for the year calculated under the relevant provisions of the Income Tax Ordinance, 2001.

**39.4** This represents super tax @ 10% on the taxable income for the tax year 2025 imposed through Finance Act 2022.

**39.5** Numerical reconciliation between the average effective tax rate and the applicable tax rate is as follows:

	2025 — Rupees in thousand —	2024 — Rupees in thousand —
<b>39.5.1 Relationship between tax expense and accounting profit</b>		
Accounting profit	2,223,820	2,369,610
Applicable tax rate 29% ( 2024: 29%)	29%	29%
Tax at the applicable rate of 29% ( 2024: 29%)	644,908	687,187
Tax effect of inadmissible expenses/ losses	317,607	281,258
Tax effect of admissible expenses	(257,095)	(350,881)
Income taxed at different rates	8,493	(10,537)
Prior years adjustment	(4,123)	(10,316)
Tax effect of losses and other allowances	(3,077)	(2,551)
Effect of super tax	243,465	204,683
Effect of temporary difference	(24,164)	185,015
Tax charge for the year	926,014	983,858

**39.6** The rate of tax has been fixed at 29% for Tax Year 2025 and onwards by taxation authorities.

#### 40 DEFINED CONTRIBUTION PLANS

**40.1** The Company has contributory provident fund scheme for benefit of all its permanent employees, who had not opted Voluntarily Separation Scheme / Golden Hand Shake Scheme announced at the time of privatization of the Company in 1995, under the title of "Ittehad Chemicals Limited - Employees Contributory Provident Fund". The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

The Trustees have intimated that the size of the Fund at year end was Rs. 9.389 million (2024: Rs. 9.720 million).

Based on the un-audited financial information of the provident fund as at June 30, 2025 investments out of the Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

The cost / fair value of the investments was Rs.9.389 million at that date. The category wise break up of investment as per section 218 of the Companies Act, 2017 is given below:

	Rupees in thousand	Percentage
<b>2025</b>		
Deposit in scheduled banks	9,389	100
<b>2024</b>		
Deposit in scheduled banks	8,154	100

#### 41 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on following:

	2025 — Rupees in thousand —	2024 — Rupees in thousand —
Profit after taxation	1,297,806	1,385,752
Weighted average number of ordinary shares in thousand	100,000	100,000
Earnings per share - (Rupees)	12.98	13.86



#### 43 RECONCILIATION OF MOVEMENT OF LIABILITIES AND EQUITY TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities and equity		
	Financing / Lease	Dividend	Total
	—Rupees in thousand—		
Balance as at July 1, 2024	3,567,773	5,932	3,573,705
Borrowings from Banking Companies (short and long) - net	2,093,861	-	2,093,861
Repayments of long term diminishing musharaka	(190,561)	-	(190,561)
Dividend on ordinary shares	-	350,000	350,000
Payment of dividend	-	(352,337)	(352,337)
Balance as at June 30, 2025	5,471,073	3,595	5,474,668

Note      2025      2024  
—Rupees in thousand—

#### 43 CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		2,223,820	2,369,610
Adjustments for items not involving movement of funds:			
Depreciation	6.6	767,643	688,387
Amortization of intangible assets	7	326	557
Provision for defined benefit liability	25	59,058	49,888
Loss / (gain) on sale of fixed assets	6.8	(10,074)	48,872
Gain on revaluation of investment property	8.1	-	(112,500)
Foreign exchange gain	36	(5,906)	(3,799)
Allowance for expected credit loss	13	21,014	1,456
Bad debt written off	35	171	4,948
Deferred grant amortization	37	(40,991)	(59,407)
Provision for obsolete stores and spares	11	17,988	18,000
Finance cost	38	633,915	730,840
Net cash flow before working capital changes		3,666,964	3,736,852

#### 44 TRANSACTIONS WITH RELATED PARTIES INCLUDING ASSOCIATED UNDERTAKINGS

The related parties comprise of related group companies, local associated companies, staff retirement funds, directors, associate persons and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows except for those which are specifically disclosed elsewhere:

#### 44.1 Transactions with related parties

Relation with the Company	Nature of transaction	2025 —Rupees in thousand—	2024 —Rupees in thousand—
Other related party			
Chemi Multifabrics Limited	Marketing service charges	127,313	114,731
ICL Power (Private) Limited	Investment made	1,686,032	1,000
	Advance - given	-	8,882
Associated			
Ittehad Developers	Loan - received	130,000	100,000
	Loan - repaid	230,000	-
Staff retirement fund	Contribution to staff retirement	864	855
Directors and employees	Remuneration to directors and key management personnel	123,451	134,578

#### 44.2 Basis of relationship with the Company

Name of related party	Relationship	Basis of Association	%
Chemi Viscofiber Limited	Other related party	Shareholding	7.91%
Chemi Multifabrics Limited	Other related party	Relatives of director	-
Ittehad Salt Processing (Private) Limited	Subsidiary	Wholly owned subsidiary	100%
ICL Power (Private) Limited	Subsidiary	Wholly owned subsidiary	100%
Ittehad Developers	Associated Undertaking	Common directorship	-

#### 44.3 Year end balance

	2025 —Rupees in thousand—	2024 —Rupees in thousand—
Chemi Multifabrics Limited (Payable)	73,007	25,814
ICL Power (Private) Limited (share deposit money)	695,914	8,882
Ittehad Developers	-	100,000

44.4 The details of compensation paid to key management personnel are shown under the heading of “Remuneration of Chief Executive, Directors and Executive (Note 49)”. There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

44.5 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Company considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

#### 45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

##### Financial risk management

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

##### 45.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
	—Rupees in thousand—	
Long term deposits	64,799	63,144
Long term investments	1,698,414	12,382
Trade debts - net of expected credit loss	3,279,983	3,015,773
Loans, advances and other receivables - net of provision	9,653	11,049
Trade deposits	2,246	8,727
Short term investment	12,200	12,200
Bank balances	446,983	286,040
	<u>5,514,278</u>	<u>3,409,315</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Credit terms are approved by the approval committee. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 to 90 days to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

Export	47,192	324,191
Domestic	3,232,791	2,691,582
	<u>3,279,983</u>	<u>3,015,773</u>

Foreign trade receivables by geographical split is as follows:

Country	Sales			Trade debts	
	LC	Others	Total	Outstanding balance	
	Rupees in thousand			2025	2024
Afghanistan	-	319,144	319,144	559	1,046
Azerbaijan	-	112,242	112,242	-	42
United Arab	-	953,128	953,128	46,630	323,079
Uzbekistan	-	-	-	-	-
Belgium	-	23,502	23,502	-	24
Oman				3	
Total	-	1,408,016	1,408,016	47,192	324,191

The maximum exposure to credit risk for trade debts at the reporting date by type of customer is as follows:

	2025	2024
	—Rupees in thousand—	
Dealers	1,013,882	915,217
End-user customers	2,266,101	2,100,556
	<u>3,279,983</u>	<u>3,015,773</u>
The aging of trade receivable at the reporting date is:		
Not past due	2,256,785	1,987,451
Past due 1-30 days	595,045	729,854
Past due 30-150 days	386,282	268,692
Past due more than 150 days	41,871	29,776
	<u>3,279,983</u>	<u>3,015,773</u>

The Company's most significant customers, are dealers from whom the receivable was Rs. 1013.882 million (2024: Rs. 915.217 million) and foreign debtors amounting to Rs. 47.192 million (2024: Rs. 324.191 million) of the total carrying amount as at June 30, 2025.

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that no impairment allowance is necessary in respect of trade debtors past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable ground to believe that the amounts will be recovered in short course of time.

On the basis of expected credit loss an amount of Rs. 21.014 million (2024: Rs. 1.456 million) has been charged to the statement of profit or loss and upto statement of financial position an amount of Rs. 88.854 million (2024: Rs. 68.317 million) has been provided for as expected credit loss as fully explained on Note 13.1.

The Company's bank balances can be assessed with reference to external credit ratings as follows:



### Cash and bank balances

The Company held cash and cash equivalents amounting to Rs. 447.408 million (2024: Rs. 287.556 million). These cash and cash equivalents are held with banks and financial institutions counterparties, which are rated A to AA+, based on PACRA ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Company considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. 12 month probabilities of default are based on historical data supplied by PACRA rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

	Rating Agency	Ratings Short Term	Long Term
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	A1+
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Al-falah Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A-1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Ltd (Istisna)	PACRA	A1	A+
Meezan Bank Limited	JCR-VIS	A-1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
SAMBA Bank	PACRA	A1	AA
The Bank of Punjab	PACRA	A1+	AA+
United Bank Limited	JCR-VIS	A-1+	AAA
Pak Brunie Investment Company Limited	JCR-VIS	A-1+	AA+
Pak Libya Holding Company (Private) Limited	PACRA	A1+	AA-
BankIslami Pakistan Limited	PACRA	A1+	AA-
The Bank of Khyber	PACRA	A+	AA-
Bank Al-Habib	PACRA	A1+	AAA

### Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries and deposits with government entities. The Company has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

### 45.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to 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.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	One to two years	Two to five years
Rupees in thousand						
<b>2025</b>						
<b>Financial liabilities</b>						
Long term financing	909,616	1,119,921	275,517	260,915	334,843	248,646
Long term diminishing musharaka	-	-	-	-	-	-
Trade and other payables	2,953,711	2,953,711	2,953,711	-	-	-
Mark-up accrued	87,590	87,590	87,590	-	-	-
Short term borrowing	4,534,076	4,740,056	4,740,056	-	-	-
	<u>8,484,993</u>	<u>8,901,278</u>	<u>8,056,874</u>	<u>260,915</u>	<u>334,843</u>	<u>248,646</u>
<b>2024</b>						
<b>Financial liabilities</b>						
Long term financing	1,014,392	1,337,121	287,918	282,221	705,407	61,575
Long term diminishing musharaka	190,561	217,570	160,942	56,628	-	-
Trade and other payables	3,028,246	3,028,246	3,028,246	-	-	-
Mark-up accrued	107,870	107,870	107,870	-	-	-
Short term borrowing	2,294,448	2,412,978	2,412,978	-	-	-
	<u>6,635,517</u>	<u>7,103,785</u>	<u>5,997,954</u>	<u>338,849</u>	<u>705,407</u>	<u>61,575</u>

### 45.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The company is exposed to currency risk and interest rate risk only.

#### a) Currency risk

The Company is exposed to currency risk on trade debts, import of raw materials and stores and spares and export sales that are denominated in a currency other than the respective functional currency of the Company, primarily in U.S. dollar. The Company's exposure to foreign currency risk is as follows:

	Note	2025 Rupees in thousand	2024 Rupees in thousand
Trade debts		47,192	324,191
Gross statement of financial position exposure		47,192	324,191
Outstanding letters of credit	31.2	(1,449,507)	(1,479,252)
Net exposure		<u>(1,402,315)</u>	<u>(1,155,061)</u>

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
USD to PKR	281.20	282.95	283.60	278.80

#### Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

#### Effect on profit or loss

Loss	4,719	32,419
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The weakening of the PKR against US dollar would have had an equal but opposite impact on the post tax profits / loss.

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the reporting date the interest rate profile of the Company's interest - bearing financial instruments is as follows:

		Carrying amount	
		2025	2024
	Effective rates	Rupees in thousand	
Financial liabilities			
Variable rate instruments:			
Long term loans	14.84%	936,997	1,082,764
Long term diminishing musharaka	17.41%	-	190,561
Short term borrowings	13.28%	4,534,076	2,194,448
		5,471,073	3,467,773

Effective interest rates are mentioned in the respective notes to the unconsolidated financial statements.

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

	Profit and loss	
	100 bp increase	100 bp decrease
As at June 30, 2025		
Cash flow sensitivity - Variable rate financial liabilities	(54,711)	54,711
As at June 30, 2024		
Cash flow sensitivity - Variable rate financial liabilities	(34,678)	34,678

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Company.

#### 45.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

#### 46 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and over sight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee. The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### 47 FAIR VALUE MEASUREMENT OF FINANCIAL AND NON FINANCIAL INSTRUMENTS

The carrying values of all assets and liabilities reflected in the unconsolidated financial statements approximate their fair values except investment property and freehold land. 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 uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments held by the Company which are measured at fair value as of June 30, 2025 and June 30, 2024.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The Company has valued freehold land at fair value and classified under property, plant and equipment and investment property. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the unconsolidated financial statements.



#### 48 FINANCIAL INSTRUMENTS BY CATEGORY

##### On- Statement of financial position

As at June 30, 2025

##### Financial assets

	Note	Amortised Cost (Rupees in thousand)
Long-term deposits	10	64,799
Long term investment	9	1,698,414
Trade debts - net of provisions	13	3,279,983
Loans, advances and other receivables	14	9,653
Trade deposits	15	2,246
Short term investment	18	12,200
Cash and bank balances	19	447,408
		<u>5,514,703</u>

##### Financial liabilities

Long term financing	24	909,616
Long term diminishing musharaka	30	-
Gratuity	25	211,726
Trade and other payables	27	2,953,711
Mark-up accrued	28	87,590
Short-term borrowings	29	4,534,076
		<u>8,696,719</u>

##### On- Statement of financial position

As at June 30, 2024

##### Financial Assets

Long Term Investment	9	3,500
Long-term deposits	10	63,144
Trade debts - net of provisions	13	3,015,773
Loans, advances and other receivables	14	22,968
Receivable from related parties		8,882
Trade deposits	15	8,727
Short term investment	18	12,200
Cash and bank balances	19	287,556
		<u>3,422,750</u>

##### Financial liabilities

Long term financing	24	1,014,392
Long term diminishing musharaka	30	190,561
Gratuity	25	166,299
Trade and other payables	27	3,028,246
Mark-up accrued	28	107,870
Short-term borrowings	29	2,294,448
		<u>6,801,816</u>

**48.1** Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

#### 49 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the unconsolidated financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees in thousand					
Managerial remuneration	8,272	7,536	7,936	7,876	176,633	123,357
House rent allowance	3,722	3,391	3,571	3,544	79,485	55,510
Medical expenses	414	377	397	394	8,832	6,168
Bonus (performance)	1,551	1,488	1,488	1,551	33,507	15,917
	<u>13,959</u>	<u>12,792</u>	<u>13,392</u>	<u>13,365</u>	<u>298,457</u>	<u>200,952</u>
Number of persons	1	1	1	1	111	77

**49.1** The Company also provides the Chief Executive and some of the Directors and Executives with Company maintained cars and mobiles phones in accordance with their terms of employment.

**49.2** Aggregate amount charged in these unconsolidated financial statements in respect of Directors' fee for attending Board, Human Resource and Remuneration Committee, Audit Committee and Risk Management Committee meetings amounted to Rs. 2.97 million (2024: Rs. 2.15 million). The Directors fees for attending Board, Human Resource and Remuneration Committee, Audit Committee and Risk Management Committee meetings were paid as prescribed in Articles of Association.

**49.3** Remuneration to Non-Executive Director relates to amount paid to attend meetings.

#### 50 CAPACITY AND PRODUCTION

	Installed capacity (Tonnes)		Actual production (Tonnes)		Reason for shortfall
	2025	2024	2025	2024	
Caustic Soda Liquid	150,000	150,000	89,887	81,757	Production strategy based on actual demands.
Caustic Soda Flakes	10,000	10,000	6,204	5,054	
LABSA / SLES	70,000	70,000	30,368	31,087	
Liquid Chlorine	13,200	13,200	5,323	5,619	
Hydrochloric Acid	250,000	250,000	195,078	178,714	
Sodium Hypochlorite	49,500	49,500	38,690	33,032	
Zinc Sulphate	600	600	15	12	
Sodium Sulphate (anhydrous)	4,000	4,000	2,294	1,674	
Calcium Chloride Prills	30,000	30,000	18,369	20,395	
Humic Acid	120	120	-	-	

#### 51 NUMBER OF EMPLOYEES

Number of employees at June 30,

Average number of employees during the year

2025 2024

694	712
<u>703</u>	<u>697</u>

## 52 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

	Note	2025 —Rupees in thousand—	2024
The proportion of debt to equity at the year end was:			
Total Borrowings (Notes 24, 29 and 30)		5,466,899	3,540,247
Less: Balances with banks (Note 19)		447,408	287,556
Net debt		5,019,491	3,252,691
Total equity		10,233,611	9,287,598
Total capital		15,253,102	12,540,289
Gearing ratio		0.33	0.26

## 53 SHARIAH COMPLIANCE DISCLOSURE

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index.

Description	Explanation			
Loan and advance obtained	Interest bearing	29 & 30	1,187	1,102,531
Bank balance as at June 30,	Placed under shariah permissible	19	204,261	105,915
Income on bank deposit		37	874	2,993
Mark up paid on Islamic mode of Financing			231,427	233,822

## Relationship with banks having Islamic windows

### Bank Name

Al- Baraka Bank (Pakistan) Limited  
Dubai Islamic Bank (Pakistan) Limited  
Bank Alfalah Limited - Islamic  
Faysal Bank (Islamic) Limited  
United Bank Limited (Ameen Islamic Banking)  
The Bank of Khyber  
MCB Islamic Bank Limited

### Nature of transaction

Long term diminishing musharaka, short term borrowings and current account

Profit earned or interest paid on any conventional loan or advance has been disclosed in the relevant note to these unconsolidated financial statements.

## 54 CORRESPONDING FIGURES

These corresponding figures have been reclassified and rearranged where necessary to facilitate comparison, however there has been no significant reclassification.

## 55 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

**55.1** ICL Power (Private) Limited has issued 86 million right shares of face value Rs. 10 amounting to Rs. 860.00 million subsequent to the year end.

**55.2** The Board of Directors of the Company in its meeting held on September 18, 2025 has recommended Rs. 2 i.e 20% (2024: 15% ) final dividend. However these unconsolidated financial statements do not reflect this appropriation.

## 56 DATE OF AUTHORIZATION OF ISSUE

These unconsolidated financial statements were authorized for issue on September 18, 2025 by the Board of Directors of the Company.

## 57 GENERAL

Figures have been rounded off to the nearest rupees in thousand unless stated otherwise.



Chief Executive



Director



Chief Financial Officer



# Consolidated Financial Statements

for the year ended 30 June 2025



## Directors' Report on The Consolidated Financial Statements

The Directors take pleasure in presenting their Report on the Consolidated Financial Statements of Ittehad Chemicals Limited ("The Holding Company") and its wholly owned subsidiary companies, "Ittehad Salt Processing (Pvt.) Limited" (the "ISPPL") and "ICL Power (Pvt.) Limited" (the "IPL"), for the year ended June 30, 2025.

Ittehad Salt Processing (Private) Limited ("ISPPL") was established in accordance with the provisions of the Companies Act, 2017, as a company limited by shares, incorporated on December 3, 2019, in Pakistan. The company's registered office is located in Lahore, Punjab. ISPPL, as a wholly owned subsidiary of M/s Ittehad Chemicals Limited, is primarily focused on exploring opportunities in rock salt mining, ensuring full compliance with all applicable legal requirements. Presently, the ISPPL has filed an appeal at the appropriate Forum against the decision of Mines & Minerals Department, Punjab wherein the Department declined to award Mining Lease to the Company due to non-issuance of NOC by the Forest Department.


ICL Power (Private) Limited ("IPL") was incorporated in Pakistan as a company limited by shares on January 2, 2024 under the Companies Act, 2017. The registered office of the Company is situated in Lahore, Punjab. The main objective of this wholly owned subsidiary is to carry out all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting and dealing in electricity, in Pakistan or elsewhere in the world subject to the applicable laws. The wholly owned subsidiary is actively engaged in establishing a Biomass Power Plant, with construction work currently progressing at full pace. The Holding Company M/s Ittehad Chemicals limited has approved long-term investment in the subsidiary, up to PKR 10 billion to support this strategic initiative. This project is expected to enhance long-term profitability and reinforce operational sustainability. Up to now, IPL has issued 186,000,000 shares to the Holding Company and its Nominee Directors.

The Consolidated Financial Statements showed Earnings per share Rs. 12.90 (2024: Rupees 13.85) for the year ended June 30, 2025.

We remain committed to delivering value to our shareholders and ensuring the sustainable growth of your Company.

For & on behalf of the Board

Lahore  
September 18, 2025

  
Muhammad Siddique Khatri  
Chairman

  
Abdul Sattar Khatri  
Chief Executive Officer

## Independent Auditors' Report to the Members of Ittehad Chemicals Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the annexed consolidated financial statements of ITTEHAD CHEMICALS LIMITED (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material 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, 2025, 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 Auditors' 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 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 Matters

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 are the key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<b>Revenue Recognition</b>	
	As described in Notes 5.20 and 32 to the consolidated financial statements, the Group generates revenue from several types of products including two major products i.e., Caustic Soda and Linear Alkyl Benzene Sulfonic Acid. During the year ended June 30, 2025, the Group generated net revenue of Rs. 27,857.090 million as compared to Rs. 24,314.588 million, which represents an increase of 15% as compared to last year.	Our audit procedures amongst others included the following: <ul style="list-style-type: none"> <li>Obtained an understanding of the Group's processes and design and implementation of internal controls relating to revenue recognition, credit control processes (credit limits), discount policies and on a sample basis, testing the</li> </ul>



S. No	Key audit matters	How the matter was addressed in our audit
	The revenue recognition is identified as a key audit matter due to revenue being one of the key performance indicators of the Group and raises the risk that revenue could be misstated to meet targets.	<ul style="list-style-type: none"> <li>effectiveness of those controls, particularly in relation to revenue recognition and timing;</li> <li>Evaluating the appropriateness of the Group's revenue recognition policies and procedures to ensure compliance with International Financial Reporting Standards (IFRS) as applicable in Pakistan;</li> <li>Assessed IT general controls and application controls for effectiveness in processing revenue transactions;</li> <li>Performed test of controls on identified controls to ensure that they are operating effectively;</li> <li>Examined supporting documentation for a sample of sales transactions, which involved verifying sales orders, invoices, goods dispatch notes, gate passes and conducting additional detailed procedures;</li> <li>performed substantive analytical procedures to reconcile sales reported in the sales tax returns with those in the internal sales reports. This included comparing the figures, investigating any discrepancies, and ensuring that all sales were accurately recorded and properly reported for tax purposes;</li> <li>Performed cut-off procedures on near year-end sales to ensure revenue has been recorded in the correct period; and</li> <li>Assessing the appropriateness and adequacy of the disclosures provided in Note 34 to the consolidated financial statements in accordance with relevant accounting standards;</li> </ul>

S. No	Key audit matters	How the matter was addressed in our audit
2.	<b>Stock in trade</b>	
	<p>As described in Note 11 to the consolidated financial statements, the Group's stock in trade includes items of raw-materials in hand and raw-materials in transit against which the rights and obligations have been transferred to the Group and the finished good items as at reporting date amounting to Rs. 2,680.740 million as compared to Rs. 2,274.309 million which represents 17.8% increase as compared to last year.</p> <p>We identified this area as a key audit matter because inventories constitute significant portion of total assets of the Group.</p> <p>Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the Group's processes and design and implementation of internal controls relating the purchase and recording on stock in trade and on a sample basis, testing the effectiveness of those controls, particularly in relation to timing and recording on stock in trade;</li> <li>Observed physical inventory count procedures and compared on a sample basis, physical count with inventory sheets;</li> <li>We evaluated the effectiveness of the Group's internal controls over inventory management across various stages of production. This included performing IT audit controls (ITAC) to ensure that overhead costs were properly allocated, and inventory was recorded and issued at accurate moving average rates. We also verified that stock issuance rates were correctly calculated and that inventory was appropriately valued;</li> <li>Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards;</li> <li>Performing procedures related to purchases cut-off to ensure that recorded purchases were of the relevant period. This help verifying that the costs associated with inventory were properly allocated to the correct accounting period.</li> <li>Checked the provision for slow moving stock as at the year end and checked whether it is in accordance with the relevant accounting and reporting standards; and</li> <li>Checked adequacy of the related disclosures and checked whether these are in accordance with the applicable accounting and financial reporting standards.</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditors' 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 Auditors' 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 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 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 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 are responsible for overseeing the Group's financial reporting process.

### Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 Auditors' report is Sajjad Hussain Gill.

Lahore

Dated: September 24, 2025

UDIN: AR202510087OvtXSo7Yi



BDO Ebrahim & Co  
Chartered Accountants



## Consolidated Statement of Financial Position

as at 30 June, 2025

	Note	2025 — Rupees in thousand —	2024
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6.1	8,314,835	8,504,920
Operating fixed assets	6.11	2,052,169	251,750
Capital work in progress		10,367,004	8,756,670
Intangible assets	7	252	578
Investment property	8	675,000	675,000
Long term deposits	9	66,436	64,644
		11,108,692	9,496,892
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	10	698,318	661,237
Stock in trade	11	2,680,740	2,274,309
Trade debts	12	3,279,983	3,015,773
Loans, advances and other receivables	13	243,116	256,358
Trade deposits and short term prepayments	14	545,701	204,211
Tax refunds due from the Government	15	860,720	723,993
Taxation - net	16	277,704	333,136
Short term investments	17	12,200	12,200
Cash and bank balances	18	450,121	289,057
		9,048,603	7,770,274
<b>TOTAL ASSETS</b>		<b>20,157,295</b>	<b>17,267,166</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	19.1	2,000,000	2,000,000
Issued, subscribed and paid up share capital	19.2	1,000,000	1,000,000
Capital reserves:			
Share premium	20	177,000	177,000
Merger reserve	21	(6,445)	(6,445)
Surplus on revaluation of freehold land	22	2,872,504	2,872,504
Revenue reserves - Unappropriated profit		6,181,987	5,243,885
		10,225,046	9,286,944
<b>NON CURRENT LIABILITIES</b>			
Long term financing	23	487,704	582,415
Deferred liabilities	24	819,495	799,378
Deferred grant	25	4,174	27,526
		1,311,373	1,409,319
<b>CURRENT LIABILITIES</b>			
Trade and other payables	26	3,324,670	3,247,275
Contract liabilities		224,816	250,984
Short term loan	27	1,010	1,010
Unclaimed dividend		3,595	5,932
Mark-up accrued	28	87,590	107,870
Short term borrowings	29	4,534,076	2,294,448
Current portion of long term liabilities	30	445,119	663,384
		8,620,876	6,570,903
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20,157,295</b>	<b>17,267,166</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	31		

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer

## Consolidated Statement of Profit or Loss

For the year ended 30 June, 2025

	Note	2025 — Rupees in thousand —	2024
Revenue from contracts with customers	32	27,857,090	24,314,588
Cost of sale	33	(22,866,006)	(19,503,215)
<b>Gross profit</b>		<b>4,991,084</b>	<b>4,811,373</b>
Selling and distribution expenses	34	(1,626,037)	(1,352,122)
General and administrative expenses	35	(426,551)	(359,895)
Other operating expense	36	(169,552)	(227,797)
Other income	37	80,890	116,081
		(2,141,250)	(1,823,733)
<b>Operating profit</b>		<b>2,849,834</b>	<b>2,987,640</b>
Finance cost	38	(633,925)	(730,841)
Fair value gain on investment property	8	-	112,500
Profit before income tax and levy		2,215,909	2,369,299
levy	39	(8,493)	(16,284)
<b>Profit before income tax</b>		<b>2,207,416</b>	<b>2,353,015</b>
Income taxation :	39		
Current		(941,685)	(782,559)
Deferred		24,164	(185,015)
		(917,521)	(967,574)
<b>Profit after income tax</b>		<b>1,289,895</b>	<b>1,385,441</b>
<b>Earnings per share - Basic and diluted (Rupees)</b>	41	<b>12.90</b>	<b>13.85</b>

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.



Chief Executive



Director



Chief Financial Officer


## Consolidated Statement of Comprehensive Income

For the year ended 30 June, 2025

	Note	2025 — Rupees in thousand —	2024
<b>Profit after taxation for the year</b>		1,289,895	1,385,441
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to statement of profit or loss :			
Remeasurement of defined benefit liability	24.2	(2,939)	(759)
Revaluation surplus on freehold land	6.1	-	1,523,560
Related tax effect		1,146	278
		(1,793)	1,523,079
Items that may be reclassified subsequently to statement of profit or loss		-	-
		(1,793)	1,523,079
<b>Total comprehensive income for the year</b>		1,288,102	2,908,520

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer


## Consolidated Statement of Cash Flows

For the year ended 30 June, 2025

	Note	2025 — Rupees in thousand —	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net cash flows from operating activities before working capital changes	43	3,659,128	3,736,542
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		(55,069)	(145,712)
Stock in trade		(406,431)	(77,147)
Trade debts		(279,489)	(1,078,840)
Loans, advances and other receivables		13,242	(83,906)
Trade deposits and short term prepayments		(341,490)	(162,203)
Tax refunds due from the Government		97,378	(121,250)
		(971,859)	(1,669,058)
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		77,395	(108,997)
Contract liabilities		(26,168)	(132,477)
		51,227	(241,474)
Cash generated from operations		2,738,496	1,826,010
Taxes paid		(1,116,996)	(1,277,904)
Gratuity paid		(16,570)	(7,323)
Finance cost paid		(618,242)	(654,194)
<b>Net cash generated from / (used in) operating activities</b>		986,688	(113,411)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions in operating fixed assets		(79,778)	(52,505)
Additions in capital work in progress		(2,295,017)	(763,942)
Proceeds from sale of operating fixed assets		-	91,561
Short term investment - net		-	287,800
Long term deposits		(1,792)	(788)
Net cash used in investing activities		(2,376,587)	(437,874)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing - net		(145,767)	(351,052)
Long term diminishing musharaka - net		(190,561)	(387,005)
Repayment of finance lease liabilities		-	(4,116)
Dividend paid		(352,337)	(323,080)
Short term borrowings - net		2,239,628	980,397
<b>Net cash generated from / (used in) financing activities</b>		1,550,963	(84,856)
Net increase / (decrease) in cash and cash equivalents		161,064	(636,141)
Cash and cash equivalents at the beginning of the year		289,057	925,198
Cash and cash equivalents at the end of the year	18	450,121	289,057

The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer



# Consolidated Statement of Changes in Equity

## For the year ended 30 June, 2025

Issued, subscribed and paid-up share capital	Reserves				Total	
	Capital Reserves			Revenue Reserves		
	Surplus on revaluation of fixed assets	Merger reserve	Share premium	Unappropriated profit		
( Rupees in thousand )						
Balance as at July 01, 2023	1,000,000	1,392,042	(6,445)	177,000	4,140,827	6,703,424
<b>Transaction with owners</b>						
Final cash dividend on ordinary shares @ - Rs. 1.25 per share on September 20, 2023	-	-	-	-	(125,000)	(125,000)
Interim cash dividend on ordinary shares @ - Rs. 1.00 per share on February 21, 2024	-	-	-	-	(100,000)	(100,000)
- Rs. 1.00 per share on April 25, 2024	-	-	-	-	(100,000)	(100,000)
	-	-	-	-	(325,000)	(325,000)
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,385,441	1,385,441
Revaluation surplus for the year	-	1,523,560		-	-	1,523,560
Revaluation surplus transferred to Revenue reserves	-	(43,098)	-	-	43,098	-
Remeasurements of defined benefit liability - net	-	-	-	-	(481)	(481)
	-	1,480,462	-	-	1,428,058	2,908,520
Balance as at June 30, 2024	1,000,000	2,872,504	(6,445)	177,000	5,243,885	9,286,944
<b>Transactions with owners:</b>						
Final cash dividend on ordinary shares at Rs. 1.5 per share on October 02, 2024	-	-	-	-	(150,000)	(150,000)
Interim cash dividend on ordinary shares at - Rs. 2.00 per share on February 14, 2025	-	-	-	-	(200,000)	(200,000)
	-	-	-	-	(350,000)	(350,000)
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,289,895	1,289,895
Remeasurements of defined benefit liability - net	-	-	-	-	(1,793)	(1,793)
	-	-	-	-	1,288,102	1,288,102
<b>Balance as at June 30, 2025</b>	<b>1,000,000</b>	<b>2,872,504</b>	<b>(6,445)</b>	<b>177,000</b>	<b>6,181,987</b>	<b>10,225,046</b>

\*The annexed notes from 1 to 57 form an integral part of these consolidated financial statements.

  
Chief Executive

  
Director

  
Chief Financial Officer

# Notes to the Consolidated Financial Statements

## For the year ended 30 June, 2025

### 1 LEGAL STATUS AND NATURE OF BUSINESS

Ittehad Chemicals Limited (the Group) was incorporated on September 28, 1991 under the repealed Companies Ordinance, 1984 ( now Companies Act, 2017 ) and is listed on Pakistan Stock Exchange Limited. The Group was privatised on July 03, 1995. The Group is engaged in the business of manufacturing and selling caustic soda and other allied chemicals.

#### 1.1 Status of the Parent Company

Ittehad Chemicals Limited (the Holding Company) was incorporated on September 28, 1991 under the repealed Companies Ordinance, 1984 ( now Companies Act, 2017 ) and is listed on Pakistan Stock Exchange Limited. The Group was privatised on July 03, 1995. The Group is engaged in the business of manufacturing and selling caustic soda and other allied chemicals.

The Holding Company holds 100% shares of Ittehad Salt Processing (Private) Limited (subsidiary company), which is a private limited company and incorporated in Pakistan under the Companies Act, 2017 on December 03, 2019, as company limited by shares. The subsidiary company is engaged in the business of exploring, operating, and working on mines and quarries. The Chief Executive of subsidiary company is Ahmed Mustafa.

The Holding Company holds 100% shares of ICL Power (Private) Limited (subsidiary company), which is a private limited company and incorporated in Pakistan under the Companies Act, 2017 on January 2, 2024, as company limited by shares. The subsidiary company is engaged in the business of generating and providing of electricity. The Chief Executive of subsidiary company is Waqas Siddiq Khatri.

#### 1.2 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Holding Company and its Subsidiary Companies as at June 30, 2024 (together referred to as "the Group").

A Company is a subsidiary, if an entity (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.

Subsidiary is consolidated from the date on which the Holding Company obtains control, and continue to be consolidated until the date when such control ceases. The effective date of consolidation was May 26, 2021.

The financial statements of the subsidiaries is prepared for the same reporting period as the Holding/parent Company, using consistent accounting policies.

All inter-company balances, transactions and unrealized gains and losses resulting from inter-company transactions and dividends are eliminated in full.

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 the consolidated financial statements.

## 2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The geographical locations and addresses of the Group's business units, including production facilities are as under:

### 2.1 Holding company

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

#### Regional office

Karachi  
Faisalabad  
Islamabad

#### Office address

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

### 2.2 Subsidiary companies

The registered office of the Ittehad Salt Processing (Private) Limited (ISPL) is situated at 31-A, Tech Society, Canal Bank, Lahore.

The registered office of the ICL Power (Private) Limited is situated at 39, Empress Road, Lahore.

## 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) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified 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 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except for recognition of certain staff retirement liability which are measured at present value, freehold land and investment property which are measured at fair value as referred in relevant notes to the financial statements.

The preparation of consolidated financial statements in conformity with approved financial reporting standards requires management to make estimates, assumptions and use judgments that effect the application of policies and reported amounts, of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

## 3.3 Accounting estimates and judgments

The Group's main accounting policies affecting its result of operations and financial conditions are set out in Note 5. Judgments and assumptions have been required by the management in applying the Group's accounting policies in many areas. Actual results may differ from estimates calculated using these judgments and assumptions. Key sources of estimation, uncertainty and critical accounting judgments are as follows:

### a) Income taxes

The Group takes into account relevant provisions of the current income tax laws while providing for current and deferred taxes as explained in note 5.8 to these consolidated financial statements.

### b) Property, plant and equipment

The estimates for revalued amounts, if any, of land, are based on valuation performed by external professional valuers and recommendation of technical teams of the Group. Further, the Group reviews the value of the assets for possible impairment on an annual basis.

Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment. As explained in Note 6 to these consolidated financial statements, the Group has revalued its free hold land as on November 03, 2023.

### c) Stores and spares

Management has made estimates for realizable amount of slow moving and obsolete stores and spares items to determine provision for slow moving and obsolete items. Any future change in the estimated realizable amounts might affect carrying amount of stores and spares with corresponding affect on amounts recognized in the consolidated statement of profit or loss as provision / reversal.

### d) Expected credit losses

The carrying amount of trade and other receivables are assessed on regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of expected credit loss is recognized.

## 3.4 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees, which is the functional and presentation currency for the Group.



#### 4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

##### 4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2025

The following standards, amendments and interpretations are effective for the year ended June 30, 2025. These standards, amendments and interpretations are either not relevant to the Group's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

##### 4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Group's operations or are not expected to have significant impact on the Group's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2027.

#### 5 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented in these consolidated financial statements.

##### 5.1 Property, plant and equipment

###### a) Owned assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is carried at revalued amount and capital work-in-progress which is stated at cost less impairment losses. Cost comprises of actual cost including, interest expense and trial run operational results.

Depreciation is charged on all fixed assets by applying the reducing balance method at the rates specified in Note 6. The rates are determined to allocate the cost of an asset less estimated residual value, if not insignificant, over its useful life.

Depreciation on assets is charged from the month of addition while no depreciation is charged for the month in which assets are disposed off.

Increases in the carrying amounts arising on revaluation of fixed assets is recognized, net of tax (if any), in other comprehensive income and accumulated revaluation surplus in shareholders' equity and value of fixed assets. If an assets' carrying amount is increased as a result of revaluation, the increase will be recognized in other comprehensive income. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an assets' carrying amount is decreased as a result of revaluation, the decrease shall be first charged to any revaluation surplus against this asset and the remaining balance recognized in profit or loss.

Maintenance and normal repairs are charged to income as and when incurred while cost of major replacements and improvements, if any, is capitalized.

Gains and losses on disposal and retirement of an asset are included in the statement of profit or loss.

###### b) Capital work in progress

Capital work-in-progress are stated at cost less impairment losses, if any, and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

### c) Impairment of non-financial assets

The carrying amount of the Group's non-financial assets are reviewed at each consolidated statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each consolidated statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the statement of profit or loss.

### 5.2 Intangible assets

Costs that are directly associated with identifiable software products controlled by the Group and have probable economic benefits beyond one year are recognized as intangible assets. These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is provided on a straight line basis over the asset's estimated useful lives.

### 5.3 Investment property

Investment property is the property which is held either to earn rental income or for capital appreciation or for both. Investment property is initially recognized at cost, being the fair value of the consideration given. Subsequent to initial recognition investment property is carried at fair value. The fair value is determined annually by an independent valuer. The fair values is based on market value being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arms length transaction.

Any gain or loss arising from a change in fair value is recognized in the income statement.

When an item of property, plant and equipment is transferred to investment property following a change in its use, differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the consolidated income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes.

### 5.4 Leases

#### Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

#### Lease liability

The lease liability was measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortized cost using the effective interest rate method.

Subsequently lease liabilities are measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a 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.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### 5.5 Investment in subsidiary

Investment in unquoted subsidiary is initially valued at cost. At subsequent reporting dates, the Group reviews the carrying amount of the investment to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

Where impairment loss subsequently reverses, the carrying amount of investment is increased to its revised recoverable amount but limited to the extent of initial cost of investment. Reversal of impairment losses are recognized in the profit or loss.

The profits and losses of subsidiaries are carried forward in their consolidated financial statements and not dealt within these consolidated financial statements except to the extent of dividend declared by the subsidiaries which are recognized in other income. Gains and losses on disposal of investment is included in other income. When the disposal of investment in subsidiary resulted in loss of control such that it becomes an associate, the retained investment is carried at cost.

### 5.6 Stores, spares and loose tools

These are valued at lower of moving average cost and net realizable value less impairment, if any, except for items in transit, which are valued at cost comprising of invoice value plus other charges paid thereon till the consolidated statement of financial position date. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores, spares and loose tools. For items which are slow moving and / or identified as surplus to the Group's requirements, adequate provision is made for any excess book value over estimated realizable value.



**5.7 Stock-in-trade**

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

Raw and packing materials	- Moving average cost
Raw and packing materials in transit	- Invoice value plus other expenses incurred thereon
Work in process	- Cost of material as above plus proportionate production overheads
Finished goods	- Average cost of manufacture which includes proportionate production overheads including duties and taxes paid thereon, if any.

Adequate provision is made for slow moving and obsolete items.

Net realizable value represents the estimated selling prices in the ordinary course of business less expenses incidental to make the sale.

**5.8 Taxation****a) Current**

Current tax is the expected tax payable on the taxable income for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

**b) Deferred**

Deferred tax is provided using the balance sheet method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized.

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

**5.9 Levy**

The amount calculated on taxable income using the notified tax rate is recognized as current income tax expense for the year in statement of profit or loss. Any excess of expected income tax paid or payable for the year under the Income Tax Ordinance 2001, over the amount designated as current income tax for the year, is then recognized as a levy.

**5.10 Borrowings**

Loans and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis and are shown as interest and mark-up accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Group has unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit or loss in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as allowed under IAS 23 "Borrowing cost".

**5.11 Trade and other payables**

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group and subsequently measured at amortized cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

**5.12 Provisions**

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

**5.13 Deferred grant**

The deferred grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. Subsequently, the grant is recognized in consolidated statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.

**5.14 Cash and cash equivalents**

For the purposes of consolidated cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand and balances with banks.

**5.15 Dividend and appropriation to reserve**

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved.

## 5.16 Financial instruments

### 5.16.1 Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Group as at consolidated statement of financial position date are carried at amortized cost.

#### Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

#### Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

#### Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

### Impairment

The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group recognizes loss allowance for Expected Credit Losses (ECLs), except for the following, which are measured at 12-month ECLs, on financial assets measured at amortized cost and contract assets. The Group measures loss allowance at an amount equal to lifetime ECLs.

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

At each reporting date, the Group assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group applies the IFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. Management uses actual credit loss experience over a past years to base the calculation of ECL.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### 5.16.2 Financial liabilities

All financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument.



### 5.16.3 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

### 5.16.4 Derecognition

The financial assets are de-recognized when the Group loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

### 5.17 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Group has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 5.18 Foreign currency transactions and translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions or at the contract rate. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing at the reporting date or at the contract rate. Exchange gains and losses are included in the statement of profit or loss currently.

### 5.19 Employee benefits

The Group's employees benefits comprise of gratuity scheme and compensated absences for eligible employees.

#### 5.19.1 Staff retirement benefits

##### a) Defined contribution plan (Provident Fund)

A recognized provident fund scheme is in operation, which covers all permanent employees, who had not opted Voluntarily Separation Scheme / Golden Hand Shake Scheme announced at the time of privatization of the Group in 1995. The Group and the employees make equal contributions to the fund.

##### b) Defined benefit liability

The Group operates an un-funded gratuity scheme for all its permanent employees who have attained retirement age, died or resigned during service period and have served for the minimum qualification period. Provision is based on the actuarial valuation of the scheme carried out as at June 30, 2025 using the Projected Unit Credit Method in accordance with IAS-19 "Employee Benefits" and resulting vested portion of past service cost has been charged to income in the current year. The remeasurement gains / losses as per actuarial valuation done at financial year end are recognized immediately in other comprehensive income and all other expenses are recognized in accordance with IAS 19 "Employee Benefits" in the statement of profit or loss.

#### 5.19.2 Compensated absences

The Group accounts for these benefits in the period in which the absences are earned.

### 5.20 Revenue recognition

Revenue comprises the fair value for the sale of goods net of sales taxes and discounts. Revenue from the sale of goods is recognized when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Revenue is recognized when specific criteria have been met for each of the Group's activities as described below:

#### Revenue from contracts with customers

##### Sale of goods

The Group is engaged in the business of manufacturing and selling caustic soda and other allied chemicals, toll manufacturing, and trading. In toll manufacturing, the Group processes raw materials provided by third parties, converting them into finished products as per the specifications of the customer. 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 Group expects to be entitled in exchange for those goods.

Revenue from sale of goods is recognized at a point when performance obligations are satisfied coinciding with transfer of control of the asset to the customer, generally on delivery.

#### Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

#### Other income

- Scrap sales are recognized on delivery to customers
- Return on deposits is accrued using effective interest rate.
- Dividend on equity investments is recognized as income when the right to receive payment is established.

### 5.21 Related party transactions

Transactions and contracts with the related parties are based on the policy approved by the Board. These prices are determined in accordance with the methods prescribed in the Companies Act, 2017.

### 5.22 Borrowing costs

Interest and commitment charges on long term loans are capitalized for the period up to the date of commencement of commercial production of the respective plant and machinery acquired out of the proceeds of such loans. All other interest and charges are treated as expenses during the year.

### 5.23 Contingencies

A contingent liability is disclosed when the Group has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present legal or constructive 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.





**6.4** Freehold land was latest revalued by M/s Harvestor Services (Private) Limited as at November 03, 2023 on the basis of market value. The revaluation resulted in surplus aggregating to Rs. 2,872.504 million. Had there been no revaluation, the book value of operating fixed assets would have been lower by Rs. 2,872.594 million (2024: Rs. 2,872.504 million). Had there been no revaluation, the net book value of the freehold land based on historical cost would have been Rs. 158.476 million (2024: Rs. 158.476 million).

**6.5** The forced sale value of free hold land as per latest revaluation by M/s Harvestor was Rs. 2,353.650 million.

**6.6** The depreciation charge for the year has been allocated as follows:

	Note	2025 Rupees in thousand	2024 Rupees in thousand
Cost of sale	33	743,173	663,207
Selling and distribution expenses	34	2,931	1,724
General and administrative expenses	35	21,604	23,456
		767,708	688,387

**6.7** The depreciation break-up is as follows:

	Note	2025 Rupees in thousand	2024 Rupees in thousand
Operating fixed assets	6.1	767,708	686,847
Right of use of assets	6.10	-	1,540
		767,708	688,387

**6.8** The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation (Rupees in thousand)	Net Book value (Rupees in thousand)	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of buyers
Vehicles							
Hino Mini Bus LEB-07-2148	1,982	1,982	-	2,000	2,000	Negotiation	Mr. Ghazanfar Ali Ch
Toyota Fortuner LEC-17-1335	5,505	4,464	1,041	6,000	4,959	Negotiation	Mr. Faisal Hafeez
Suzuki Bolan Ravi Pickup LES-18-6394	735	558	177	270	93	Negotiation	Mr. Muzafar Iqbal
Suzuki Mehran LEF-14-3821	372	327	45	250	205	Negotiation	Mr.Muhammad Afzal
Honda Citi - LEF-13-4503	1,565	1,422	143	1,335	1,192	Negotiation	Mr. Waqar Ahmed
Suzuki Alto LED-08-8739	669	660	9	300	291	Negotiation	Mr. Shahbaz Ali
Toyota Corolla GLI - LEE-17-8790	1,896	1,530	366	1,700	1,334	Negotiation	Mr. Rana Ali Abbas
<b>Total - 2025</b>	<b>12,724</b>	<b>10,943</b>	<b>1,781</b>	<b>11,855</b>	<b>10,074</b>		
<b>Total - 2024</b>	<b>311,013</b>	<b>170,580</b>	<b>140,433</b>	<b>91,561</b>	<b>(48,872)</b>		

**6.9 Fair value measurement (revalued property, plant and equipment)**

**6.9.1** Fair value measurement of revalued land is based on assumptions considered to be level 2 inputs.

**6.9.2 Valuation techniques used to derive level 2 fair values - Land**

Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per kanal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

**6.10 Right of use assets**

The following is the statement of right of use assets:

Note	2025 Rupees in thousand	2024 Rupees in thousand
Building		
Year ended June 30,		
Net carry value basis		
Opening net book value (July 01,)	-	1,540
Disposals	-	-
Depreciation charge	-	(1,540)
Closing net book value	-	-
Gross carry value basis		
Cost	-	27,653
Accumulated depreciation	-	(27,653)
Net book value	-	-
Depreciation rate % per annum	10%	10%

**6.11 CAPITAL WORK IN PROGRESS**

This comprises of:

	2025 Rupees in thousand	2024 Rupees in thousand
Building	171,255	12,707
Plant and machinery	199,428	125,243
Advances	1,652,058	113,800
Capital stores	29,428	-
	2,052,169	251,750

**6.11.1 Movement of carrying amount**

**Year ended June 30, 2025**

	Advances	Building	Plant and machinery	Capital stores	Total
	Rupees in thousand				
Opening balance	113,800	12,707	125,243	-	251,750
Additions (at cost)	1,640,758	201,400	530,959	29,428	2,402,545
Transferred to operating fixed assets	-	(42,852)	(456,774)	-	(499,626)
Adjustments	(102,500)	-	-	-	(102,500)
Closing balance	1,652,058	171,255	199,428	29,428	2,052,169

	Advances	Building	Plant and machinery	Others	Total
	Rupees in thousand				
<b>Year ended June 30, 2024</b>					
Opening balance	48,251	20,295	839,646	-	908,192
Additions (at cost)	76,160	18,878	683,218	-	778,256
Transferred to operating fixed assets	(10,611)	(26,466)	(1,397,366)	-	(1,434,443)
Adjustments	-	-	(255)	-	(255)
Closing balance	113,800	12,707	125,243	-	251,750

6.11.2 This includes Rs. 1,415 million paid to Etihad Alloys for plant and machinery of the biomass power plant, Rs. 1.639 million for purchase of land at Karachi from Sindh Industrial Trading Estate, and Rs. 154.200 million for a Flaker unit, representing 25% of the LC value.

6.11.3 During the year, borrowing cost amounting to Rs. 5.802 million (2024: Rs. 14.314 million) has been capitalized in the cost of capital work in progress by using capitalization rate of 13.02% (2024: 4%).

## 7 INTANGIBLE ASSETS

Computer software and licences  
Goodwill

Note	2025	2024
	Rupees in thousand	
7.1	-	326
7.3	252	252
	252	578

### 7.1 Computer software and licences

#### Net carrying value as at June 30,

Opening balance	326	883
Amortization charge	(326)	(557)
Net book value	-	326

#### Gross carrying value as at June 30,

Cost	24,214	24,214
Accumulated amortization	(24,214)	(23,888)
Net book value	-	326

#### Amortization % per annum

33.33%	33.33%
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### 7.2 The amortization charge for the year has been allocated as follows:

Administrative expense	35	326	557
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### 7.3 Goodwill

Goodwill on acquisition of ISPL		252	252
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## 8 INVESTMENT PROPERTY

Freehold land

8.1	675,000	675,000
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### 8.1 The movement in this account is as follows:

The movement in this account is as follows:			
Opening balance		675,000	562,500
Fair value gain on revaluation recognized as income	8.2	-	112,500
		<u>675,000</u>	<u>675,000</u>

## 8.2 Fair value measurement (Investment property)

This comprises commercial property that is freehold land held for capital appreciation. The carrying value of investment property is the fair value of the property as at June 30, 2025 as determined by approved independent valuer M/s Harvester Services (Private) Limited. Fair value is determined having regard to recent market transactions for similar properties in the same location and condition.

Fair value measurement of investment property is based on assumptions considered to be based on level 2 inputs.

### Valuation techniques used to derive level 2 fair values - Land

Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per kanal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

8.3 The forced sale value of investment property is Rs. 573.750 million (2024: Rs. 573.750 million).

8.4 Investment properties of the Group are located at Barki road Lahore, with areas covering 42 kanals and 24 kanals each.

## 9 LONG TERM DEPOSITS

Long term deposit

Note	2025	2024
	Rupees in thousand	
9.1	66,436	64,644

9.1 This includes security deposit against utilities which are refundable at the expiry of agreement. The impact of discounting is considered insignificant by the management.

## 10 STORES, SPARES AND LOOSE TOOLS

Stores

in hand	10.1	88,368	75,791
in transit		2,174	-
		90,542	75,791

Spares:

in hand	10.1	616,314	501,965
in transit		27,450	101,481
		643,764	603,446

		734,306	679,237
Less: Provision for obsolete stores and spares	10.2	35,988	18,000
		698,318	661,237

10.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

### 10.2 Movement of provision for obsolete stores and spares

Opening balance	18,000	-
Provision made during the year	17,988	18,000
	35,988	18,000



	Note	2025 — Rupees in thousand —	2024 — Rupees in thousand —
<b>11 STOCK IN TRADE</b>			
Raw materials:			
in hand	33	1,296,473	784,056
in transit	11.1	97,873	151,529
		<u>1,394,346</u>	<u>935,585</u>
Packing materials			
in hand	33	49,203	47,217
Work in process	33	87,682	82,822
Finished goods	33 & 11.3	1,149,509	1,208,685
		<u>2,680,740</u>	<u>2,274,309</u>

**11.1** This represents stock in transit which was still on the way from port at the year end.

**11.2** Stock-in-trade up to a maximum amount of Rs. 2,680.740 million (2024: Rs. 2,274.309 million) are under hypothecation of commercial banks as security against short term borrowings.

**11.3** This include provision for write down of finished goods inventory to net realizable value amounting to Rs. Nil (2024: Rs. 7.918 million).

## 12 TRADE DEBTS

Unsecured - Considered good		47,192	324,191
Foreign		3,321,645	2,759,899
Local		3,368,837	3,084,090
Less: Expected credit losses	12.1	(88,854)	(68,317)
		<u>3,279,983</u>	<u>3,015,773</u>
<b>12.1</b> Movement of expected credit losses (ECL) is as follows:			
Opening balance		68,317	66,861
Expected credit loss		21,014	1,456
Adjustment		(477)	-
Closing balance		<u>88,854</u>	<u>68,317</u>

## 13 LOANS, ADVANCES AND OTHER RECEIVABLES

Advances - (Unsecured - considered good)			
To employees against salaries	13.1	9,044	9,945
To employees against expenses	13.2	261	1,798
Advance against gratuity	13.3	11,919	11,919
		<u>21,224</u>	<u>23,662</u>
Advance to supplier and services (Unsecured)			
Considered good		218,969	230,016
Considered doubtful		1,374	1,374
		<u>220,343</u>	<u>231,390</u>
Against import		2,314	1,576
		<u>243,881</u>	<u>256,628</u>
Accrued interest receivable		609	1,104
Less: Expected credit losses	13.4	(1,374)	(1,374)
		<u>243,116</u>	<u>256,358</u>

**13.1** This includes advance to employees against salaries in accordance with the terms of their employment. These advances are unsecured, interest free and are deductible from their salaries. The financial impact of discounting to present value is considered as immaterial.

**13.2** This includes advances provided to employees to meet business expenses.

**13.3** This includes advances amounting to Rs. 11.919 million (2024: Rs. 11.919 million) deposited with the various Courts against various cases for gratuity of employees. The Group is expecting favourable outcome and therefore, considered good.

	Note	2025 — Rupees in thousand —	2024 — Rupees in thousand —
<b>13.4 Movement of allowance for doubtful advances is as follows:</b>			
Opening balance		1,374	1,374
Addition during the year		-	-
Closing balance		<u>1,374</u>	<u>1,374</u>
<b>14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits - (Considered good)	14.1	2,246	8,727
Security deposits	14.2	536,528	186,528
Prepayments		6,927	8,956
		<u>545,701</u>	<u>204,211</u>

**14.1** This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

**14.2** This includes security deposit paid to United Gas Distribution Group amounting to Rs. 534.108 million (2024: Rs. 184.108 million) against utilities.

## 15 TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax		703,316	469,211
Sales tax		157,404	254,782
		<u>860,720</u>	<u>723,993</u>

## 16 TAXATION - NET

Advance income tax		1,326,391	1,244,901
Less: Provision for taxation	39	1,048,687	911,765
		<u>277,704</u>	<u>333,136</u>

## 17 SHORT TERM INVESTMENTS

Term Deposit Receipts - Shariah			
Bank Al-Falah Limited		12,200	12,200

**17.1** This represents term deposit receipts and carry interest rate ranging from 6.77% to 12.25% (2024: 12.26% to 17.66%). These have a maturity period of three months.

## 18 CASH AND BANK BALANCES

Cash in hand		577	1,516
Balance at banks			
Current accounts			
Conventional		239,197	176,870
Shariah		203,927	105,600
		<u>443,124</u>	<u>282,470</u>
Saving accounts	18.1		
Conventional		6,086	4,756
Shariah		334	315
		<u>6,420</u>	<u>5,071</u>
		<u>450,121</u>	<u>289,057</u>





**23.6** The Group has obtained this loan under long term finance facility to the extent of Rs. 300 million. This finance is secured against hypothecation / mortgage charge over all present and future fixed assets of the Company with 25% margin and carries mark up at three months average KIBOR plus 1.40%. The loan was disbursed in January, 2019 and is repayable in nine equal semi-annual installments commencing from February, 2020.

**23.7** The Group has obtained this loan under long term finance facility to the extent of Rs. 110 million. This finance is secured against joint pari passu hypothecation and mortgage charge on all moveable and immovable fixed assets of the Group. This carries mark up at 3 months KIBOR plus 1.40% per annum. The loan is repayable in sixteen (16) equal quarterly instalments with 1st installment falling due at the end of 15th month from the disbursement date.

**23.8** The Group has obtained this loan under long term finance facility to the extent of Rs. 200 million. This finance is secured against ranking charge of Rs. 267 million, inclusive of 25% margin on all fixed assets of the Group, convertible to 1st Pari Passu charge. This carries mark up at the rate of 3 months KIBOR plus 1.50% per annum payable on quarterly basis. The loan is repayable in sixteen (16) equal quarterly installments on quarterly basis. First installment will fall due at the end of 12th month from the date of first draw down.

**23.9** The Group has obtained this loan under long term finance facility to the extent of Rs. 150 million. This finance is secured against joint pari passu charge over fixed assets including land, building, plant and machinery of the Group inclusive of 25% margin. This carries mark up at the rate of 3 months KIBOR plus 1.25% per annum payable on quarterly basis. The loan is repayable in sixteen (13) equal quarterly installments on quarterly basis.

## 24 DEFERRED LIABILITIES

Deferred taxation

Defined benefit liability

### 24.1 Deferred taxation

Deferred tax liability comprises as follows:

Taxable temporary differences

Property, plant and equipment

Deductible temporary differences

Provision for defined benefit liability

Allowances for expected loss

Provision for WPPF

Provision for obsolete stores

#### 24.1.1 The gross movement in the deferred tax liability during the year is as follow:

Balance as at July 1,  
Charge to statement of profit or loss  
Charge in statement of other comprehensive income

Note	2025 —Rupees in thousand—	2024
24.1	607,769	633,079
24.2	211,726	166,299
	<u>819,495</u>	<u>799,378</u>
	786,844	772,245
	(82,573)	(60,917)
	(34,653)	(26,076)
	(47,814)	(45,579)
	(14,035)	(6,594)
	<u>607,769</u>	<u>633,079</u>
	633,079	448,342
	(24,164)	185,015
	(1,146)	(278)
	<u>607,769</u>	<u>633,079</u>

## 24.2 Defined benefit liability

### a) General description

The scheme provides for terminal benefits for all its permanent employees who qualify for the scheme. The defined benefit payable to each employee at the end of his service comprises of total number of years of his service multiplied by last drawn basic salary including cost of living allowance.

Annual charge is based on actuarial valuation carried out by an independent approved valuer M/S Nauman Associates as at June 30, 2025 using the Projected Unit Credit method.

The Group faces the following risks on account of gratuity:

**Final salary risk** - The risk that the final salary at the time of cessation of service is greater than what the Group has assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macro-economic factors), the benefit amount would also increase proportionately.

**Discount rate fluctuation** - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

**Demographic Risks: 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.

**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.

### b) Significant actuarial assumptions

Following are significant actuarial assumptions used in the valuation:

Discount rate

Expected rate of increase in salary

### c) Reconciliation of payable to defined benefit plan

Present value of obligation and liability recognized in statement of financial position

### d) Movement of the liability recognized in the consolidated statement of financial position

Opening net liability

Charge for the year

Remeasurement chargeable to other comprehensive income

Contribution paid to outgoing employees

Closing net liability

### e) Charge for the year

Current service cost

Past service cost

Interest cost

	2025 Percentage Per annum	2024 Percentage Per annum
	11.75	14.75
	10.75	13.75
	211,726	166,299
	166,299	122,975
	59,058	49,888
	2,939	759
	(16,570)	(7,323)
	<u>211,726</u>	<u>166,299</u>
	35,349	30,500
	402	-
	23,307	19,388
	<u>59,058</u>	<u>49,888</u>

f) The expected charge in respect of defined benefit plan for the year ending June 30, 2026 will be 62.322 million.

g) **Sensitivity analysis**

The impact of 1% change in following variables on defined benefit obligation is as follows:

	(Rupees in thousand)	
	Increase in assumption	Decrease in assumption
<b>2025</b>		
Discount rate	197,945	227,161
Salary increase	227,467	197,426
<b>2024</b>		
Discount rate	155,312	155,312
Salary increase	178,810	178,810

h) **Maturity profile**

Time in year

	2025	2024
	—Rupees in thousand—	
1	14,705	11,262
2	21,590	17,116
3	25,095	20,785
4	35,780	26,519
5-11 onwards	2,110,355	2,968,775

The average duration of the defined benefit obligation is 7 years.

i) **Remeasurement chargeable to other comprehensive income**

	2025	2024
	—Rupees in thousand—	
Experience adjustment and actuarial loss on obligation	2,939	759
Tax Impact at 39% (2024:39%).	(1,146)	(278)
	1,793	481

**25 DEFERRED GRANT**

Deferred grant  
Current portion of grant

	27,381	68,372
	(23,207)	(40,846)
	4,174	27,526

**25.1** This represents deferred grant recognized in respect of the benefit of below-market interest rate on long term finance facility. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The reconciliation of the carrying amount is as follows:

**25.2** Following is the movement in government grant during the year:

Opening balance as at July 01	68,372	127,779
Addition during the year	-	-
Amortization during the year	(40,991)	(59,407)
Closing balance as at June 30	27,381	68,372

**25.3** The Group received term finance facility under Refinancing / Temporary Economic Refinance Facility Scheme of the State Bank of Pakistan from different banks as disclosed in Note 23.

**26 TRADE AND OTHER PAYABLES**

	Note	2025	2024
		—Rupees in thousand—	
Trade creditors		764,011	665,282
Accrued liabilities		1,072,858	1,213,056
Due to related party	26.1	73,007	25,814
Cost of supply	26.2	561,919	496,979
GIDC payable	26.3	620,458	620,458
Security deposits	26.4	50,372	38,650
Retention money		6,802	6,824
Income tax deducted at source		5,048	3,618
Workers' Profit Participation Fund	26.5	122,599	124,029
Workers' Welfare Fund	26.6	47,589	50,870
Levy payable		-	1,687
Other payables		7	8
		3,324,670	3,247,275

**26.1** This includes a balance due to Chemi Multifabrics Limited, a related party, amounting to Rs. 73.007 million (2024: Rs. 25.814 million). The maximum aggregate amount due to Chemi Multifabrics Limited at the end of any month during the year was Rs. 77.711 million (2024 : 25.814 million).

**26.2** Sui Northern Gas Pipelines Limited has charged cost of supply relating to the RLNG supplies in the billing month of February 2018 based on interim order passed by Oil and Gas Regulatory Authority. The Group along with other industrial units in Punjab filed writ petition for deferment of said order. The Honorable Lahore High Court issued stay order with reference to the petition filed. The matter is pending adjudication. However, the Group has made a provision amounting Rs. 561.919 million on prudence basis since February, 2018.

**26.3** Pursuant to Supreme Court order in August, 2020 and its subsequent dismissal of review petition in November, 2020, the Group is paying levy as per GIDC monthly billing by Sui Northern Gas Pipeline Limited (SNGPL). The Group has paid seven (7) instalments till June 30, 2021 and balance provision of GIDC as at the reporting date is Rs. 620.458 million (2024: 620.458 million). The provision was recognized earlier based on estimation basis for the respective periods. However, the Group has filed a writ petition in the Honorable Sindh High Court to suspend the recovery of arrears of Cess calculated at enhanced captive rates. The Honorable Sindh High Court has granted a stay for recovery of arrears and matter is pending for adjudication. There is an aggregate differential of Rs. 352.920 million which is subjudice and that will be remain as provision until the matter is settled.

Further, there is an aggregate differential of Rs. 170.291 million (2024: 170.291 million) between provision as per books of account and liability based on monthly instalment billed by SNGPL for unpaid portion of Cess levied through GIDC Act, 2011 and GIDC Ordinance, 2014, which is not recognized by the Group based on the advice of its legal expert as per their view it will not be collectable as per GIDC Act, 2015.

**26.4** This amount represented security deposits received from dealers for goods/ services. This has been utilized for the purpose of business in accordance with written agreements in terms of section 217 of the Companies Act, 2017.



Note      2025      2024  
 —Rupees in thousand —

### 26.5 Workers' Profit Participation Fund

Balance as at July 01,		124,029	138,226
Interest at prescribed rate		13,200	13,868
Less: Amount paid to fund		(134,178)	(149,614)
		3,051	2,480
Current year's allocation at 5%	36	119,548	121,549
		122,599	124,029

The Group retains the allocation of this fund for its business operations till the amounts are paid.

### 26.6 Workers' Welfare Fund

Balance as at July 01,		50,870	57,470
Current year's allocation at 2%	36	47,589	50,870
Less : Amount paid / adjusted		(50,870)	(57,470)
		47,589	50,870

The Group retains the allocation of this fund for its business operations till the amounts are paid.

### 27 SHORT TERM LOAN

Sohaib Razzaq	27.1	1,010,000	1,010,000
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**27.1** The amount represents interest free general purpose loan and is repayable within next 12 months.

### 28 MARK UP ACCRUED

#### Secured

Long term financing - Conventional		15,379	25,748
Long term diminishing musharaka - Shariah		-	8,577
Short term borrowings			
Conventional		53,182	47,086
Shariah		19,029	26,459
		72,211	73,545
		87,590	107,870

### 29 SHORT TERM BORROWINGS

#### Secured

#### Banking companies

#### Running finances - Conventional

MCB Bank Limited	29.1	385,452	359,922
Askari Bank Limited	29.1	-	30,823
The Bank of Punjab	29.1	168,917	197,166
Samba Bank Limited	29.1	190,755	344,567
Habib Metro Bank Limited	29.1	-	-
Soneri Bank Limited	29.1	95,449	-
Allied Bank Limited	29.1	546,207	-
JS Bank Limited	29.1	42,875	-
		1,429,655	932,478

#### Term finance

#### Conventional

Askari Bank Limited	29.2	150,000	150,000
Pak Brunei Investment Group Limited	29.2	850,000	200,000
JS Bank Limited	29.2	4,973	-
		1,004,973	350,000

#### Shariah

Bank Al-Falah Limited	29.2	500,000	266,000
Faysal Bank Limited (Istisna)	29.2	300,000	150,000
Al-Baraka Bank (Pakistan) Limited	29.2	499,000	246,000
MCB Islamic Bank Ltd (Istisna)	29.2	249,970	249,970
Al-Baraka Bank (Pakistan) Limited - R. Musharaka	29.2	350,478	-
The Bank of Khyber - Istisna	29.2	200,000	-
		2,099,448	911,970

#### Un-secured

#### Related party-Ittehad Developers

	29.3	-	100,000
		4,534,076	2,294,448

**29.1** Short term running finance facilities have been obtained from various banks aggregated to Rs. 2,870 million (2024: Rs. 1,220 million) and carry mark-up ranging from one month KIBOR plus 0.75% to three months KIBOR plus 1.00% per annum (2024: one month KIBOR plus .75% to three months KIBOR plus 1.25% per annum) on utilized limits. These facilities are secured against joint pari passu charge over present and future current assets of the Group and hypothecation charge over stores, spares and stocks of chemicals.

**29.2** Term finance facilities have been obtained from various banks aggregated to Rs. 3,350 million (2024: Rs. 1,700 million) and carry mark-up ranging from matching KIBOR plus 0.65% to 1.00% per annum (2024: matching KIBOR plus 0.65% to 1.00% per annum ) on utilized limits. These facilities are secured against ranking and joint pari passu charge over present and future current assets of the Group.

**29.3** This represents a loan from a related party which has been fully repaid during the current year.

**29.4** The maximum amount due to Ittehad Developers at the end of any month during the year was Rs. 230 million (2024: Rs. 100 million).

### 29.5 Financing/credit facilities available

At the reporting date, the following financing facilities had been negotiated and were available.

Aggregate facilities for opening of letters of credit and short term loan amounting to Rs. 8,495 million (2024: Rs. 5,695 million) are available to the Group.

**30 CURRENT PORTION OF LONG TERM LIABILITIES**

	Note	2025 —Rupees in thousand—	2024
Long term financing	23	421,912	431,977
Long term diminishing musharaka	24	-	190,561
Deferred grant	25	23,207	40,846
		<u>445,119</u>	<u>663,384</u>

**31 CONTINGENCIES AND COMMITMENTS****31.1 Contingent liabilities**

- a) Letters of guarantee outstanding as at June 30, 2025 were Rs. 552.440 million (2024: Rs. 471.522 million).
- b) The taxation authorities have amended the deemed assessment for the Tax Year 2010 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001 creating, thereby, income tax demand of Rs. 54.510 million. The Group filed an appeal before Commissioner Inland Revenue (Appeals) who decided the case partially in favour of the Group while remanding back the remaining issues for re-assessment. The Group as well as tax department filed an appeal against the said order before Appellate Tribunal Inland Revenue. These cross appeals were decided through a consolidated order without passing a speaking order. The consolidated order has been called back by Honorable ATIR upon application for rectification filed before ATIR to pass revised speaking order. The ATIR after re hearing of the case again proceeded to issue the same non speaking order which has now been contested before double bench of the Honourable Lahore High Court, Lahore. The Group expects a favourable outcome of the proceedings. However, if the case is decided against the Group, it may result in maximum tax payable of Rs. 54.510 million (2024: Rs. 54.510 million).
- c) The Group is facing claims, launched in the labour courts, pertaining to staff retirement benefits. In the event of an adverse decision, the Group would be required to pay an amount of Rs. 7.083 million (2024: Rs. 9.658 million ) against these claims.
- d) Show cause notice was served by the ACIR whereby taxpayer is required to explain the alleged illegal input (sales tax) tax adjustment amounting to Rs. 28.725 million. Detailed reply was filed by the Group. In response to which ACIR issued assessment order and created demand amounting to Rs. 19.724 million along with penalty amounting to Rs. 0.986 million. The Group being aggrieved filed appeal before CIR (A). The CIR(A) has remanded back additions of Rs. 6,004.3 million and reduced the remaining demand to Rs. 2.020 million. The Group has challenged the demand of Rs. 1.334 million in ATIR. The Group expects a favourable outcome of the proceedings.
- e) Show cause notices for the Tax Years 2021 and 2023 were issued to the Group by Additional Commissioner Punjab Revenue Authority contending short deduction of Punjab Sales Tax against services acquired during the period under discussion. The Group has challenged the above notices in Lahore High Court and the Honourable Court granted stay against the proceedings. However, the Additional Commissioner Punjab Revenue Authority proceeded to issue an antidated order for the Tax Year 2021 wherein a tax liability of Rs. 72 million has been raised in frivolous manner. The Group has filed an appeal before Commissioner Appeals, Punjab Revenue Authority. The Group expects a favorable outcome of the case.

- f) The Deputy Commissioner Inland Revenue, while adjudicating disallowed the claim of input tax against purchase of mild steel products that were utilized in fabrication and repair of machinery. The Group contested the claim before Commissioner Inland Revenue (Appeals) who has also decided the case in favour of the department. Being aggrieved, the Group has filed a reference before Honourable Lahore High Court Lahore which is still pending for adjudication. However, if the case is decided against the Group, it may result in maximum tax payable of Rs. 0.9 million (2024: Rs. 0.9 million).

- g) The taxation authorities have amended the deemed assessment for Tax Year 2006 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001. The Group challenged the same before Commissioner Inland Revenue (Appeals) who partially set aside and partially decided against the Group. The Group has filed an appeal before Appellate Tribunal Inland Revenue against the said order. The ATIR remanded the case back to the Additional Commissioner Inland Revenue (ADCIR). In remand back proceeding ADCIR decided the case partially in favour of the Group. The Group has filed an appeal before Commissioner Inland Revenue (Appeals) CIR (A) against the remaining portion. The CIR(A) has decided the case in favour of the Group. Thereafter the CIR has filed appeal before ATIR. The Group considers the appeal of CIR as for sake only and therefore expects a favourable outcome of the proceedings. However, if the case is decided against the Group, it may result in tax payable of Rs. 4.080 million (June 30, 2024: Rs. 4.080 million).

**31.2 Commitments**

Commitments as on June 30, 2025 were as follows:

Against letters of credit amounting to Rs.1,449.507 million (2024: Rs. 1,479.252 million).  
Commitment against plant and machinery amounting to Rs. 175 million (2024: Nil).

**32 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Set out below is the disaggregation of the Group's revenue from contracts with customers.

	Note	2025 ---- Rupees in thousand ----	2024
<b>Major products and services</b>			
Manufacturing		32,473,198	28,327,769
Trading		650,770	-
Toll manufacturing		-	177,898
		<u>33,123,968</u>	<u>28,505,667</u>
Less:			
Sales tax		4,687,858	3,813,946
Trade discount		265,153	129,290
Commission to selling agents		313,867	247,843
		<u>5,266,878</u>	<u>4,191,079</u>
		<u>27,857,090</u>	<u>24,314,588</u>
Local sales		25,670,428	22,686,229
Export sales		2,186,662	1,628,359
		<u>27,857,090</u>	<u>24,314,588</u>



**Geographical region:**

	Note	2025 ---- Rupees in thousand ----	2024
Pakistan		25,670,428	22,686,229
Afghanistan		319,144	398,166
Azerbaijan		112,242	2,450
United Arab Emirates		953,128	1,169,142
United States of America		2,655	-
Uzbekistan		-	41,861
South Africa		742,408	-
Belgium		23,502	16,740
Oman		33,583	-
		<u>27,857,090</u>	<u>24,314,588</u>

**Timing of transfer of goods**

Goods transferred to customers at a point in time		<u>27,857,090</u>	<u>24,314,588</u>
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**Contract balances**

Trade receivables	12	<u>3,279,983</u>	<u>3,015,773</u>
Contract liabilities		<u>224,816</u>	<u>250,984</u>

**33 COST OF SALES**

Raw materials consumed			
Opening stock		935,585	1,018,173
Purchases		<u>11,828,810</u>	<u>9,540,972</u>
		12,764,395	10,559,145
Closing stock	11	<u>(1,394,346)</u>	<u>(935,585)</u>
		11,370,908	9,623,560
Stores, spares and consumables		505,798	476,683
Packing materials consumed		262,552	246,896
Salaries, wages and other benefits	33.1	1,024,236	888,314
Fuel and power		8,171,349	7,585,172
Repair and maintenance		73,827	76,460
Rent, rates and taxes		19,159	9,407
Insurance		19,488	18,935
Depreciation	6.6	743,173	663,207
Vehicle running expense		29,263	28,659
Telephone, telex and postage		1,344	1,106
Printing and stationery		123	80
Provision for slow moving stores and spares	10.2	17,988	18,000
Other expense		9,330	9,385
		<u>22,248,538</u>	<u>19,645,864</u>
Work in process			
Opening		82,822	75,529
Closing	11	<u>(87,682)</u>	<u>(82,822)</u>
		(4,860)	(7,293)
Cost of goods manufactured		<u>22,243,678</u>	<u>19,638,571</u>
Cost of stock traded		563,152	-
Finished goods			
Opening		1,208,685	1,073,329
Closing	11	<u>(1,149,509)</u>	<u>(1,208,685)</u>
		59,176	(135,356)
		<u>22,866,006</u>	<u>19,503,215</u>

**33.1** This amount includes Rs. 47.671 million (2024: Rs. 45.813 million) and Rs. 0.864 million (2024: Rs. .855 million) in respect of gratuity and provident fund respectively.

**34 SELLING AND DISTRIBUTION EXPENSES**

	Note	2025 ---- Rupees in thousand ----	2024
Salaries and other benefits	34.1	64,847	55,081
Travelling and conveyance		3,866	4,711
Vehicle running expense		7,591	7,848
Advertisement		1,417	368
Telephone, telex and postage		1,173	1,005
Marketing service charges	34.2	128,331	114,745
Freight		1,391,899	1,142,662
Rent, rates and taxes		5,838	4,349
Printing and stationery		392	3,927
Fee and subscription		479	294
Fuel and power		5,378	5,250
Repair and maintenance		1,280	873
Insurance		10,615	9,285
Depreciation	6.6	2,931	1,724
		<u>1,626,037</u>	<u>1,352,122</u>

**34.1** This amount includes Rs. 4.044 million (2024: Rs. 2.947 million) in respect of gratuity.

**34.2** This represents marketing expense charged by Chemi multifabrics Limited on the basis of 0.5% of local sales.

**35 GENERAL AND ADMINISTRATIVE EXPENSES**

Salaries and other benefits	35.1	207,596	187,660
Traveling and conveyance		26,211	27,537
Vehicle running expense		22,354	20,382
Telephone, telex and postage		5,416	4,750
Rent, rates and taxes		16,921	9,141
Printing and stationery		1,842	1,620
Fee and subscription		19,705	14,075
Legal and professional charges		18,300	11,498
Fuel and power		11,554	11,585
Allowance for expected credit loss		21,014	1,456
Amortization		326	557
Repair and maintenance		7,474	4,822
Depreciation	6.6	21,604	23,456
Bad debts written off		171	4,948
Donations	35.2	39,760	30,542
Other expense		6,303	5,866
		<u>426,551</u>	<u>359,895</u>

**35.1** This amount includes Rs. 7.343 million (2024: Rs. 5.255 million) in respect of gratuity.

**35.2 Donations**

The Group has paid donations to following donees exceeding Rs. 1.00 million.

		2025	2024
	Note	— Rupees in thousand —	
Taryaq Welfare Organization		4,316	9,000
Al Khidmat Foundation		1,000	1,000
Zubaida Associates		1,211	923
Dastkari School KSK		-	2,635
Kiran Foundation	35.2.1	1,200	1,000
Baituslam Welfare Trust		500	850
Indus Hospital		1,500	1,500
Musalaman Cutchi Khatri Jamat		-	1,000
Rizq Trust		1,757	-
Jinnah Model School		2,684	-
		<u>14,168</u>	<u>17,908</u>

**35.2.1** Interest of the directors or their spouses in the donations made during the year is as follows:

Donation amounting to Rs. 1.20 million (2024: Rs. 1.00 million) paid to Kiran Foundation (Ex. Kiran Ibtadai School). Ms. Sabina Khatri w/o Mr. Muhammad Siddique Khatri, Chairman of the Group is the patron of the school and Mr. Waqas Siddiq Khatri, an executive director of the Group, is also the member of the Board of Trustees.

**35.2.2** Donations other than mentioned above were not made to any donee in which any director of the Group or his spouse had any interest at any time during the year.**36 OTHER OPERATING EXPENSE**

Auditors' remuneration			
Audit fee		1,675	1,325
Half yearly review fee		288	288
Tax and certification charges		103	50
Out of pocket expenses		349	147
		<u>2,415</u>	<u>1,810</u>
Loss on scrap of fixed assets		-	53,568
Workers' Profit Participation Fund	26.5	119,548	121,549
Workers' Welfare Fund	26.6	47,589	50,870
		<u>169,552</u>	<u>227,797</u>

**37 OTHER INCOME**

Income from financial assets:			
Gain on foreign exchange		5,906	3,799
Return on saving accounts		209	1,825
Return on TDRs - Shariah		874	2,993
		<u>6,989</u>	<u>8,617</u>
Income from non- financial assets:			
Gain on sale of fixed assets		10,074	4,696
Sale of scrap		22,836	43,361
Government grants		40,991	59,407
		<u>73,901</u>	<u>107,464</u>
		<u>80,890</u>	<u>116,081</u>

**38 FINANCE COST**

Mark-up / interest on:

	Note	2025	2024
		— Rupees in thousand —	
Long term financing - Conventional		151,028	236,768
Long term diminishing musharaka - Shariah		15,760	95,393
Interest on lease finance		-	1,233
Short term borrowings - Conventional		233,572	191,794
Short term borrowings - Shariah		199,660	174,672
Worker's Profit Participation Fund		13,200	13,868
		<u>613,220</u>	<u>713,728</u>
Bank charges and commission		20,705	17,113
		<u>633,925</u>	<u>730,841</u>

**39 TAXATION**

Levy	39.1	8,493	16,284
Current tax	39.2 and 39.3		
- Normal		686,333	588,920
- Export		16,010	-
- prior year		(4,123)	(10,316)
		<u>698,220</u>	<u>578,604</u>
Super tax	39.4	243,465	203,955
Deferred tax		(24,164)	185,015
		<u>926,014</u>	<u>983,858</u>

**39.1** This represents final taxes paid under Under Section 154A of Income Tax Ordinance, 2001 representing levy in terms of requirements of IFRIC 21/IAS 37.

**39.2** Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the consolidated statement of profit or loss is as follows:

Current tax liability for the year as per applicable tax laws	950,178	798,843
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(941,685)	(782,559)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(8,493)	(16,284)
Difference	<u>-</u>	<u>-</u>

**39.3** The aggregate of final tax and current income tax for the year, amounting to Rs. 950.178 (2024 798.843 million represents tax liability of the Group for the year calculated under the relevant provisions of the Income Tax Ordinance, 2001.

**39.4** This represents super tax @ 10% on the taxable income for the tax year 2025 imposed through Finance Act 2022.



**39.5** Numerical reconciliation between the average effective tax rate and the applicable tax rate is as follows:

	Note	2025 —Rupees in thousand—	2024
<b>39.5.1 Relationship between tax expense and accounting profit</b>			
Accounting profit		2,215,909	2,369,299
Applicable tax rate 29% ( 2024: 29%)		29%	29%
Tax at the applicable rate of 29% ( 2024: 29%)		642,614	687,097
Tax effect of inadmissible expenses/ losses		319,901	281,258
Tax effect of admissible expenses		(257,095)	(350,881)
Income taxed at different rates		8,493	(10,537)
Prior years adjustment		(4,123)	(10,316)
Tax effect of losses and other allowances		(3,077)	(2,461)
Effect of super tax		243,465	204,683
Effect of temporary difference		(24,164)	185,015
Tax charge for the year		926,014	983,858

**39.6** The rate of tax has been fixed at 29% for Tax Year 2025 and onwards by taxation authorities.

#### 40 DEFINED CONTRIBUTION PLANS

**40.1** The Group has contributory provident fund scheme for benefit of all its permanent employees, who had not opted Voluntarily Separation Scheme / Golden Hand Shake Scheme announced at the time of privatization of the Group in 1995, under the title of “Ittehad Chemicals Limited - Employees Contributory Provident Fund”. The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Group.

The Trustees have intimated that the size of the Fund at year end was Rs. 9.389 million (2024: Rs. 9.720 million).

Based on the un-audited financial information of the provident fund as at June 30, 2025 investments out of the Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

The cost / fair value of the investments was Rs.9.389 million at that date. The category wise break up of investment as per section 218 of the Companies Act, 2017 is given below:

	Rupees in thousand	Percentage
<b>2025</b>		
Deposit in scheduled banks	9,389	100%
<b>2024</b>		
Deposit in scheduled banks	8,154	100%

#### 41 EARNINGS PER SHARE - BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Group, which is based on following:

Profit after taxation	1,289,895	1,385,441
Weighted average number of ordinary shares in thousand	100,000	100,000
Earnings per share - (Rupees)	12.90	13.85

#### 42 RECONCILIATION OF MOVEMENT OF LIABILITIES AND EQUITY TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities and equity		
	Financing / Lease	Dividend	Total
	----- Rupees in thousand -----		
Balance as at July 1, 2024	3,567,773	5,932	3,573,705
Borrowings from Banking Companies (short and long) - net	2,093,861	-	2,093,861
Repayments of long term diminishing musharaka	(190,561)	-	(190,561)
Dividend on ordinary shares	-	350,000	350,000
Payment of dividend	-	(352,337)	(352,337)
Balance as at June 30, 2025	5,471,073	3,595	5,474,668

	Note	2025 ---- Rupees in thousand ----	2024
<b>43 CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		2,215,909	2,369,299
Adjustments for items not involving movement of funds:			
Depreciation	6.6	767,708	688,387
Amortization of intangible assets	7	326	557
Provision for defined benefit liability	24	59,058	49,888
Loss / (gain) on sale of fixed assets	6.8	(10,074)	48,872
Gain on revaluation of investment property	8.1	-	(112,500)
Foreign exchange gain	36	(5,906)	(3,799)
Allowance for expected credit loss	12	21,014	1,456
Bad debt written off	35	171	4,948
Deferred grant amortization	37	(40,991)	(59,407)
Provision for obsolete stores and spares	10	17,988	18,000
Finance cost	38	633,925	730,841
Net cash flow before working capital changes		3,659,128	3,736,542

#### 44 TRANSACTIONS WITH RELATED PARTIES INCLUDING ASSOCIATED UNDERTAKINGS

The related parties comprise of related group companies, local associated companies, staff retirement funds, directors, associate persons and key management personnel. Transactions with related parties and remuneration and benefits to key management personnel under the terms of their employment are as follows except for those which are specifically disclosed elsewhere:

**44.1 Transactions with related parties**

		2025	2024
		---- Rupees in thousand ----	
Relation with the Group	Nature of transaction		
Other related party			
Chemi Multifabrics Limited	Marketing service charges	127,313	114,731
Associated			
Ittehad Developers	Loan - received	130,000	100,000
	Loan - repaid	230,000	-
Staff retirement fund	Contribution to staff retirement	864	855
Directors and employees	Remuneration to directors and key management personnel	123,451	134,578

**44.2 Basis of relationship with the Group**

Name of related party	Relationship	Basis of Association	%
Chemi Viscofiber Limited	Other related party	Shareholding	7.91%
Chemi Multifabrics Limited	Other related party	Relatives of director	-
Ittehad Developers	Associated undertaking	Common Directorship	-

**44.3 Year end balance**

Chemi Multifabrics Limited (Payable)	73,007	25,814
Ittehad Developers	-	100,000

**44.4** The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (Note 49)". There are no transactions with key management personnel other than under their terms of employment except otherwise stated.

**44.5** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The Group considers all members of its management team, including the Chief Executive Officer and the Directors to be key management personnel.

**45 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****Financial risk management**

The Group has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly.

**45.1 Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fail completely to perform as contracted and arise principally from trade debts, loans and advances, trade deposits, other receivables and bank balances. The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

	2025	2024
	---- Rupees in thousand ---	
Long term deposits	66,436	64,644
Trade debts - net of expected credit loss	3,279,983	3,015,773
Loans, advances and other receivables - net of provision	9,653	11,049
Trade deposits	2,246	8,727
Short term investment	12,200	12,200
Bank balances	449,544	287,541
	<u>3,820,062</u>	<u>3,399,934</u>

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Credit terms are approved by the approval committee. Where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period of 30 to 90 days to reduce the credit risk.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Group believes that it is not exposed to major concentration of credit risk.

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

Export	47,192	324,191
Domestic	3,232,791	2,691,582
	<u>3,279,983</u>	<u>3,015,773</u>

Foreign trade receivables by geographical split is as follows:

Country	Sales			Trade debts	
	LC	Others	Total	Outstanding balance	
	Rupees in thousand			2025	2024
Afghanistan	-	319,144	319,144	559	1,046
Azerbaijan	-	112,242	112,242	-	42
United Arab Emirates	-	953,128	953,128	46,630	323,079
Belgium	-	23,502	23,502	-	24
Oman	-	-	-	3	-
Total	-	1,408,016	1,408,016	<u>47,192</u>	<u>324,191</u>



The maximum exposure to credit risk for trade debts at the reporting date by type of customer is as follows:

	2025	2024
	— Rupees in thousand —	
Dealers	1,013,882	915,217
End-user customers	2,266,101	2,100,556
	<u>3,279,983</u>	<u>3,015,773</u>
The aging of trade receivable at the reporting date is:		
Not past due	2,256,785	1,987,451
Past due 1-30 days	595,045	729,854
Past due 30-150 days	386,282	268,692
Past due more than 150 days	41,871	29,776
	<u>3,279,983</u>	<u>3,015,773</u>

The Group's most significant customers, are dealers from whom the receivable was Rs. 1013.882 million (2024: Rs. 915.217 million) and foreign debtors amounting to Rs. 47.192 million (2024: Rs. 324.191 million) of the total carrying amount as at June 30, 2025.

Based on the past experience, consideration of financial position, past track records and recoveries, the Group believes that no impairment allowance is necessary in respect of trade debtors past due as some receivables have been recovered subsequent to the year end and for other receivables there are reasonable ground to believe that the amounts will be recovered in short course of time.

On the basis of expected credit loss an amount of Rs. 21.014 million (2024: Rs. 1.456 million) has been charged to the statement of profit or loss and upto statement of financial position an amount of Rs. 88.854 million (2024: Rs. 68.317 million) has been provided for as expected credit loss as fully explained on Note 12.1.

The Group's bank balances can be assessed with reference to external credit ratings as follows:

#### Cash and bank balances

The Group held cash and cash equivalents amounting to Rs. 450.121 million (2024: Rs. 289.057 million). These cash and cash equivalents are held with banks and financial institutions counterparties, which are rated A to AA+, based on PACRA ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected loss basis and reflects short term maturities of the exposure. The Group considers its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. 12 month probabilities of default are based on historical data supplied by PACRA rating agency for each credit rating. Loss given default (LGD) parameters generally reflect assumed recovery rates based on recovery rates assumed in Basel Guidelines for unsecured exposures.

	Rating Agency	Ratings Short Term	Long Term
Al-Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	A1+
Allied Bank Limited	PACRA	A1+	AAA
Askari Bank Limited	PACRA	A1+	AA+
Bank Al-falah Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Dubai Islamic Bank (Pakistan) Limited	JCR-VIS	A-1+	AA
Faysal Bank Limited	PACRA	A1+	AA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
JS Bank Limited	PACRA	A1+	AA
MCB Bank Limited	PACRA	A1+	AAA
MCB Islamic Bank Ltd (Istisna)	PACRA	A1	A+
Meezan Bank Limited	JCR-VIS	A-1+	AAA
National Bank of Pakistan	PACRA	A1+	AAA
SAMBA Bank	PACRA	A1	AA
The Bank of Punjab	PACRA	A1+	AA+
United Bank Limited	JCR-VIS	A-1+	AAA
Pak Brunie Investment Group Limited	JCR-VIS	A-1+	AA+
Pak Libya Holding Group (Private) Limited	PACRA	A1+	AA-
BankIslami Pakistan Limited	PACRA	A1+	AA-
The Bank of Khyber	PACRA	A+	AA-
Bank Al-Habib	PACRA	A1+	AAA

#### Advances, deposits and other receivables

Advances, deposits and other receivables mainly comprise of advances to employees against salaries and deposits with government entities. The Group has assessed, based on historical experience and available securities, that the expected credit loss associated with these financial assets is trivial and therefore no impairment charge has been accounted for.

#### 45.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible to 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.

The following are the contractual maturities of financial liabilities:

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	One to two years	Two to five years
	Rupees in thousand					
<b>2025</b>						
<b>Financial liabilities</b>						
Long term financing	909,616	1,119,921	275,517	260,915	334,843	248,646
Long term diminishing musharaka	-	-	-	-	-	-
Trade and other payables	3,026,055	3,026,055	3,026,055	-	-	-
Mark-up accrued	87,590	87,590	87,590	-	-	-
Short term borrowing	4,534,076	4,740,056	4,740,056	-	-	-
	<u>8,557,337</u>	<u>8,973,622</u>	<u>8,129,218</u>	<u>260,915</u>	<u>334,843</u>	<u>248,646</u>

	Carrying amount	Contractual cash flow	Six months or less	Six to twelve months	One to two years	Two to five years
	Rupees in thousand					
<b>2024</b>						
<b>Financial liabilities</b>						
Long term financing	1,014,392	1,337,121	287,918	282,221	705,407	61,575
Long term diminishing musharaka	190,561	217,570	160,942	56,628	-	-
Trade and other payables	3,028,246	3,028,246	3,028,246	-	-	-
Mark-up accrued	107,870	107,870	107,870	-	-	-
Short term borrowing	2,294,448	2,412,978	2,412,978	-	-	-
	<u>6,635,517</u>	<u>7,103,785</u>	<u>5,997,954</u>	<u>338,849</u>	<u>705,407</u>	<u>61,575</u>

#### 45.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Group is exposed to currency risk and interest rate risk only.

##### a) Currency risk

The Group is exposed to currency risk on trade debts, import of raw materials and stores and spares and export sales that are denominated in a currency other than the respective functional currency of the Group, primarily in U.S. dollar. The Group's exposure to foreign currency risk is as follows:

	Note	2025 Rupees in thousand	2024
Trade debts		47,192	324,191
Gross statement of financial position exposure		47,192	324,191
Outstanding letters of credit	31.2	(1,449,507)	(1,479,252)
Net exposure		<u>(1,402,315)</u>	<u>(1,155,061)</u>

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2025	2024	2025	2024
USD to PKR	281.20	282.95	283.60	278.80

#### Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US dollar with all other variables held constant, post tax profit for the year would have been lower by the amount shown below.

##### Effect on profit or loss

Loss	<u>4,719</u>	<u>32,419</u>
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The weakening of the PKR against US dollar would have had an equal but opposite impact on the post tax profits / loss.

##### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from long term loans and short term borrowings. These are benchmarked to variable rates which expose the Group to cash flow interest rate risk. At the reporting date the interest rate profile of the Group's interest - bearing financial instruments is as follows:

	Effective rates	Carrying amount 2025 Rupees in thousand	2024
<b>Financial liabilities</b>			
Variable rate instruments:			
Long term loans	14.84%	936,997	1,082,764
Long term diminishing musharaka	17.41%	-	190,561
Short term borrowings	13.28%	4,534,076	2,194,448
		<u>5,471,073</u>	<u>3,467,773</u>

Effective interest rates are mentioned in the respective notes to the consolidated financial statements.

#### Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

	Profit and loss 100 bp increase      100 bp decrease	
<b>As at June 30, 2025</b>		
Cash flow sensitivity - Variable rate financial liabilities	<u>(54,711)</u>	<u>54,711</u>
<b>As at June 30, 2024</b>		
Cash flow sensitivity - Variable rate financial liabilities	<u>(34,678)</u>	<u>34,678</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on (loss) / profit for the year and assets / liabilities of the Group.

#### 45.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group is not exposed to any price risk as there are no financial instruments at the reporting date that are sensitive to price fluctuations.

### 46 RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for establishment and over sight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee. The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.



#### 47 FAIR VALUE MEASUREMENT OF FINANCIAL AND NON FINANCIAL INSTRUMENT

The carrying values of all financial assets and liabilities reflected in the consolidated financial statements approximate their fair values except investment property and freehold land. 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 Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There were no financial instruments held by the Group which are measured at fair value as of June 30, 2025 and June 30, 2024.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

The Group has valued freehold land at fair value and classified under property, plant and equipment and investment property. The carrying value and level of fair value of these non - financial assets have been disclosed in the relevant note to the consolidated financial statements.

#### 48 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Amortised Cost ---- Rupees in thousand ---
<b>On- Statement of financial position</b>		
As at June 30, 2025		
<b>Financial assets</b>		
Long-term deposits	9	66,436
Trade debts - net of provisions	12	3,279,983
Loans, advances and other receivables	13	9,653
Trade deposits	14	2,246
Short term investment	17	12,200
Cash and bank balances	18	450,121
		<u>3,820,639</u>
<b>Financial liabilities</b>		
Long term financing	23	909,616
Long term diminishing musharaka	24	-
Gratuity	24	211,726
Trade and other payables	26	3,026,055
Mark-up accrued	28	87,590
Short-term borrowings	29	4,534,076
		<u>8,769,063</u>
<b>On- Statement of financial position</b>		
As at June 30, 2024		
<b>Financial Assets</b>		
Long-term deposits	9	64,644
Trade debts - net of provisions	12	3,015,773
Loans, advances and other receivables	13	22,968
Receivable from related parties		8,882
Trade deposits	14	8,727
Short term investment	17	12,200
Cash and bank balances	18	289,057
		<u>3,422,251</u>
<b>Financial liabilities</b>		
Long term financing	23	1,014,392
Long term diminishing musharaka	24	190,561
Gratuity	24	166,299
Trade and other payables	26	3,028,246
Mark-up accrued	28	107,870
Short-term borrowings	29	2,294,448
		<u>6,801,816</u>

**48.1** Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non performance by these counter parties on their obligations to the Group. Accordingly, the credit risk is minimal.

#### 49 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the consolidated financial statements for the year for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Group are as follows:

	Chief Executive		Directors		Executives	
	2025	2024	2025	2024	2025	2024
	Rupees in thousand					
Managerial remuneration	8,272	7,536	7,936	7,876	176,633	123,357
House rent allowance	3,722	3,391	3,571	3,544	79,485	55,510
Medical expenses	414	377	397	394	8,832	6,168
Bonus (performance)	1,551	1,488	1,488	1,551	33,507	15,917
	13,959	12,792	13,392	13,365	298,457	200,952
Number of persons	1	1	1	1	111	77

**49.1** The Group also provides the Chief Executive and some of the Directors and Executives with Group maintained cars and mobiles phones in accordance with their terms of employment.

**49.2** Aggregate amount charged in these unconsolidated financial statements in respect of Directors' fee for attending Board, Human Resource and Remuneration Committee, Audit Committee and Risk Management Committee meetings amounted to Rs. 2.97 million (2024: Rs. 2.15 million). The Directors fees for attending Board, Human Resource and Remuneration Committee, Audit Committee and Risk Management Committee meetings were paid as prescribed in Articles of Association.

**49.3** Remuneration to Non-Executive Director relates to amount paid to attend meetings.

#### 50 CAPACITY AND PRODUCTION

	Installed capacity (Tonnes)		Actual production (Tonnes)		Reason for shortfall
	2025	2024	2025	2024	
Caustic Soda Liquid	150,000	150,000	89,887	81,757	Production strategy based on actual demands.
Caustic Soda Flakes	10,000	10,000	6,204	5,054	
LABSA / SLES	70,000	70,000	30,368	31,087	
Liquid Chlorine	13,200	13,200	5,323	5,619	
Hydrochloric Acid	250,000	250,000	195,078	178,714	
Sodium Hypochlorite	49,500	49,500	38,690	33,032	
Zinc Sulphate	600	600	15	12	
Sodium Sulphate (anhydrous)	4,000	4,000	2,294	1,674	
Calcium Chloride Prills	30,000	30,000	18,369	20,395	
Humic Acid	120	120	-	-	

#### 51 NUMBER OF EMPLOYEES

Number of employees at June 30,

Average number of employees during the year

	2025	2024
Number of employees at June 30,	695	712
Average number of employees during the year	703	697

#### 52 CAPITAL RISK MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Group defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Group's approach to capital management during the year and the Group is not subject to externally imposed capital requirements.

The Group's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- (ii) to provide an adequate return to shareholders.

The Group manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

The proportion of debt to equity at the year end was:

	2025	2024
	Rupees in thousand	
Total Borrowings (Note 23, 29 and 30)	5,466,899	3,540,247
Less: Balances with banks (Note 18)	450,121	289,057
Net debt	5,016,778	3,251,190
Total equity	10,225,046	9,286,944
Total capital	15,241,824	12,538,134
Gearing ratio	0.33	0.26



**53 SHARIAH COMPLIANCE DISCLOSURE**

Following information has been disclosed with the reference to disclosure requirements of fourth schedule of the Companies Act, 2017 relating to all shares Islamic Index:

Description	Explanation	Note	2025	2024
			-Rupees in thousand -	-Rupees in thousand -
Loan and advance obtained	Interest bearing	29 & 30	1,187	1,102,531
Bank balance as at June 30,	Placed under			
	shariah permissible	18	204,261	105,915
Income on bank deposit		37	874	2,993
Mark up paid on Islamic mode of				
Financing			231,427	233,822

**Relationship with banks having Islamic windows**

Bank Name	Nature of transaction
Al- Baraka Bank (Pakistan) Limited	
Dubai Islamic Bank (Pakistan) Limited	
Bank Alfalah Limited - Islamic	Long term diminishing
Faysal Bank (Islamic) Limited	musharaka, short term
United Bank Limited (Ameen Islamic Banking)	borrowings and current
The Bank of Khyber	account
MCB Islamic Bank Limited	

Profit earned or interest paid on any conventional loan or advance has been disclosed in the relevant note to these consolidated financial statements.

**54 CORRESPONDING FIGURES**

These corresponding figures have been reclassified and rearranged where necessary to facilitate comparison, however there has been no significant reclassification.

**55 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE**

The Board of Directors of the Group in its meeting held on September 18, 2025 has recommended Rs. 2 i.e 20% (June 30, 2024: 15% of final dividend). However these consolidated financial statements do not reflect this appropriation.

**56 DATE OF AUTHORIZATION OF ISSUE**

These consolidated financial statements were authorized for issue on September 18, 2025 by the Board of Directors of the Group.

**57 GENERAL**

Figures have been rounded off to the nearest rupees in thousand unless stated otherwise.



Chief Executive



Director



Chief Financial Officer

## Pattern of Shareholding as at 30 June 2025

Number of Shareholders	Shareholding		Total Shares Held	Percentage of Total Capital
	From	To		
340	1 -	100	7,653	0.01
173	101 -	500	53,406	0.05
133	501 -	1000	102,733	0.10
226	1001 -	5000	566,277	0.57
68	5001 -	10000	495,323	0.50
29	10001 -	15000	356,302	0.36
13	15001 -	20000	234,546	0.23
10	20001 -	25000	224,886	0.22
8	25001 -	30000	211,162	0.21
4	30001 -	35000	131,935	0.13
3	35001 -	40000	114,000	0.11
1	40001 -	45000	41,322	0.04
6	45001 -	50000	292,773	0.29
2	50001 -	55000	104,840	0.10
3	55001 -	60000	178,062	0.18
1	60001 -	65000	63,000	0.06
2	65001 -	70000	131,255	0.13
3	70001 -	75000	220,638	0.22
1	75001 -	80000	75,964	0.08
4	80001 -	85000	330,828	0.33
1	90001 -	95000	94,451	0.09
3	95001 -	100000	296,000	0.30
3	100001 -	105000	304,736	0.30
2	145001 -	150000	295,537	0.30
1	155001 -	160000	158,886	0.16
1	160001 -	165000	160,929	0.16
1	175001 -	180000	175,952	0.18
1	180001 -	185000	181,559	0.18
2	185001 -	190000	371,782	0.37
1	195001 -	200000	198,736	0.20
1	205001 -	210000	210,000	0.21
2	210001 -	215000	424,500	0.42
1	260001 -	265000	261,766	0.26
1	265001 -	270000	269,038	0.27
2	295001 -	300000	600,000	0.60
1	315001 -	320000	317,251	0.32
1	335001 -	340000	336,481	0.34
1	365001 -	370000	369,500	0.37
1	385001 -	390000	390,000	0.39
1	395001 -	400000	396,572	0.40
1	440001 -	445000	442,026	0.44
1	505001 -	510000	509,994	0.51
1	515001 -	520000	516,880	0.52
1	555001 -	560000	556,944	0.56
1	680001 -	685000	680,552	0.68
1	690001 -	695000	694,442	0.69
1	695001 -	700000	697,823	0.70
1	720001 -	725000	724,997	0.72
1	730001 -	735000	733,750	0.73
1	780001 -	785000	784,381	0.78
2	800001 -	805000	1,608,378	1.61
1	805001 -	810000	810,000	0.81

Pattern of Shareholding  
as at 30 June 2025

Number of Shareholders	Shareholding From	To	Total Shares Held	Percentage of Total Capital
1	920001 -	925000	924,641	0.92
1	970001 -	975000	971,100	0.97
1	995001 -	1000000	1,000,000	1.00
1	1045001 -	1050000	1,050,000	1.05
1	1120001 -	1125000	1,120,047	1.12
1	1130001 -	1135000	1,133,887	1.13
2	1325001 -	1330000	2,656,934	2.66
1	1370001 -	1375000	1,371,924	1.37
1	1420001 -	1425000	1,422,030	1.42
1	1500001 -	1505000	1,500,596	1.50
1	1540001 -	1545000	1,540,773	1.54
1	1565001 -	1570000	1,567,220	1.57
2	1775001 -	1780000	3,554,434	3.55
1	1780001 -	1785000	1,784,778	1.78
1	1865001 -	1870000	1,867,545	1.87
1	2320001 -	2325000	2,323,000	2.32
1	2405001 -	2410000	2,407,000	2.41
1	2475001 -	2480000	2,476,182	2.48
1	2610001 -	2615000	2,614,412	2.61
1	2615001 -	2620000	2,618,417	2.62
1	2900001 -	2905000	2,902,367	2.90
1	3095001 -	3100000	3,100,000	3.10
1	3735001 -	3740000	3,738,552	3.74
1	3795001 -	3800000	3,795,642	3.80
1	3800001 -	3805000	3,801,329	3.80
1	4035001 -	4040000	4,035,766	4.04
1	4220001 -	4225000	4,223,047	4.22
1	6535001 -	6540000	6,535,877	6.54
1	13450001 -	13455000	13,451,752	13.45
1,102			100,000,000	100.00

Pattern of Shareholding  
as at 30 June 2025

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officer and their spouse and minor children	21,397,241	21.3972%
Associated Companies, undertakings and related parties	0	0.0000%
NIT and ICP	0	0.0000%
Banks Development Financial Institutions, Non Banking Financial Institutions	0	0.0000%
Insurance Companies	63,000	0.0630%
Modarabas and Mutual Funds	3,050,383	3.0504%
Shareholders holding 10% or more (Already included in above Categories)	13,451,752	13.4518%
General Public		
a- Local	74,601,203	74.6012%
b- Foreign	-	0.0000%
Others (to be specified)		
1 - Joint Stock Companies	111,704	0.1117%
2 - Pension Funds	533,651	0.5337%
3 - Foreign Companies	0	0.0000%
4 - Others	242,818	0.2428%
<b>Grand Total</b>	<b>100,000,000</b>	<b>100.0000%</b>
Shareholders holding 10% or more	13,451,752	13.4518%



## Pattern of Shareholding

### as at 30 June 2025

#### Additional Information

Categories of Shareholders

Sr. No.	Name	No. of Shares Held	Percentage
<b>Directors, Chief Executive Officer, and their spouse and minor children</b>			
1	MR. MUHAMMAD SIDDIQ KHATRI	13,451,752	13.4518
2	MR. ABDUL SATTAR KHATRI	1,779,220	1.7792
3	MR. WAQAS SIDDIQ KHATRI	733,750	0.7338
4	MRS. FARHANA ABDUL SATTAR KHATRI	1,120,047	1.1200
5	MR. AHMED MUSTAFA	3,801,329	3.8013
6	MR. PERVEZ ISMAIL	649	0.0006
7	MR. ALI ASRAR HOSSAIN AGA	500	0.0005
8	MRS. SABINA MEHTAB KHATRI	509,994	0.5100
<b>Associated Companies, undertakings and related parties</b>		-	-
<b>NIT and ICP</b>		-	-
<b>Banks Development Financial Institutions, Non Banking Financial Institutions</b>		-	-
<b>Insurance Companies</b>			
1	IGI GENERAL INSURANCE LIMITED	63,000	0.0630
<b>Modarabas and Mutual Funds</b>			
1	CDC - TRUSTEE MEEZAN ISLAMIC FUND	83,451	0.0835
2	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY	442,026	0.4420
3	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	369,500	0.3695
4	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	75,964	0.0760
5	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	212,900	0.2129
6	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	84,481	0.0845
7	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1,500,596	1.5006
8	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	96,000	0.0960
9	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	185,465	0.1855
<b>Share holders holding 10% or more (Already included in above categories)</b>			
1	MR. MUHAMMAD SIDDIQ KHATRI	13,451,752	13.4518
<b>General Public</b>			
a.	Local	74,601,203	74.6012
b.	Foreign	-	0.0000
<b>Joint Stock Companies</b>			
1	ALI ASGHAR TEXTILE MILLS LIMITED	4,800	0.0048
2	NETWORTH SECURITIES LTD	15,000	0.0150
3	K & I GLOBAL CAPITAL (PRIVATE) LIMITED	1,000	0.0010
4	INTERMARKET SECURITIES LTD(FORMERLY EFG HERMES PAK/LTD.) MF	5,000	0.0050
5	ASDA SECURITIES (PVT.) LTD.	17,709	0.0177
6	MULTILINE SECURITIES LIMITED - MF	25,000	0.0250
7	MAPLE LEAF CAPITAL LIMITED	1	0.0000
8	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	6,707	0.0067
9	SOFCOM (PRIVATE) LIMITED	451	0.0005
10	VALIKA TRADING HOUSE (PRIVATE) LIMITED	1,180	0.0012
11	NH SECURITIES (PVT) LIMITED.	3,997	0.0040
12	NATIONAL FERTILIZER CORPORATION OF PAKISTAN (PVT) LTD.	30,859	0.0309

## Pattern of Shareholding

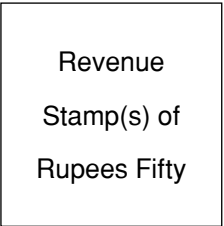
### as at 30 June 2025

Sr. No.	Name	No. of Shares Held	Percentage
<b>Pension Funds</b>			
1	TRUSTEE-ANPL MANAGEMENT STAFF PENSION FUND	4,800	0.0048
2	CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY	211,600	0.2116
3	CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	317,251	0.3173
<b>Others</b>			
1	TRUSTEE-FIRST DAWOOD INV. BANK LTD. & OTHER EMPOLY	5,000	0.0050
2	ENGRO CORPORATION LTD MPT EMPLOYEES DEFINED CONTRIBUTION GF	7,100	0.0071
3	LIZAZ PROPERTIES (PRIVATE) LIMITED	1	0.0000
4	B.R.R. GUARDIAN LIMITED	100,000	0.1000
5	NOVARTIS PHARMA PAKISTAN LIMITED SENIOR PROVIDENT	22,900	0.0229
6	ENGRO CORPORATION LIMITED PROVIDENT FUND	22,600	0.0226
7	SIZA (PVT.) LIMITED	366	0.0004
8	TRUSTEE PAKISTAN PETROLEUM NON-EXECUTIVE STAFF GRATUITY FUND	11,700	0.0117
9	TRUSTEE PAKISTAN PETROLEUM JUNIOR PROVIDENT FUND	6,000	0.0060
10	TRUSTEE PAK. PETROLEUM EXEC. STAFF PEN. FUND DC CO	8,000	0.0080
11	V2F SOLUTIONS (SMC-PRIVATE) LIMITED	671	0.0007
12	ISPI CORPORATION (PRIVATE) LIMITED	25,300	0.0253
13	HONDA SOUTH (PRIVATE) LIMITED	7,000	0.0070
14	VALIKA PROPERTIES (PVT) LTD	1,180	0.0012
15	TRUSTEES OF UBL FUND MNGRS LTD AND ASSOCIATED COYS E.G. FUND	3,500	0.0035
16	THE TIMES PRESS (PRIVATE) LIMITED	5,100	0.0051
17	TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FUND	7,200	0.0072
18	TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	4,300	0.0043
19	TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	4,900	0.0049
<b>Grand Total:</b>		100,000,000	100.0000

# Proxy Form

I/We \_\_\_\_\_ of \_\_\_\_\_ being member of **ITTEHAD CHEMICALS LIMITED** and holder of \_\_\_\_\_ Ordinary Shares as per Registered Folio / CDC Participant ID. No & CDC Account No. \_\_\_\_\_ hereby appoint Mr./Mrs./Miss. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her Mr./Mrs./Miss. \_\_\_\_\_ of \_\_\_\_\_ who is also a member of the **ITTEHAD CHEMICALS LIMITED** vide Registered Folio / CDC Participant I.D. No. \_\_\_\_\_ as my proxy to vote for me and on my behalf at the 34<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, October 28, 2025 at 11.00 a.m at the registered office and any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.



Signature  
( As registered with the company )

**WITNESS: 1**  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
CNIC or \_\_\_\_\_  
Passport # \_\_\_\_\_

**WITNESS: 2**  
Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
CNIC or \_\_\_\_\_  
Passport # \_\_\_\_\_

- NOTES:**
- This proxy form, duly completed and signed, must be received at the Registered Office of the company not less than 48 hours before the time of holding the Meeting.
  - No person shall act as Proxy unless he/she himself/herself is a Shareholder of the Company except that a company may appoint a person as its representative who is not a shareholder.

# پراکسی فارم

AFFIX  
CORRECT  
POSTAGE

**Registered / Head Office:**  
 39-Empress Road, Lahore-Pakistan.  
 Tel: +92 42 3630 6586-88  
 Fax: +92 42 3636 5697

میں / ہم ----- بحیثیت ممبر اتحاد کیمیکلز

لمیٹڈ اور حامل ----- عمومی حصص برطبق رجسٹرڈ فولیو / سی ڈی سی پارٹیسپیٹ شناختی نمبر اور سی ڈی سی اکاؤنٹ

نمبر ----- بذریعہ تحریر یا بذریعہ مکتوب / محترمہ ----- کو یا ان کی غیر

حاضری کی صورت میں محترم / محترمہ ----- کو جو بحوالہ رجسٹرڈ فولیو / سی ڈی سی پارٹیسپیٹ

شناختی نمبر ----- اتحاد کیمیکلز لمیٹڈ کے / کی ممبر بھی ہیں، اپنا پراکسی مقرر

کرتا / کرتی / کرتے ہیں تاکہ وہ میرے / ہمارے لئے اور میری / ہماری طرف سے کمپنی کے 34 ویں سالانہ اجلاس عام میں ووٹ ڈال

سکیں جو 28 اکتوبر 2025ء بروز منگل کو صبح 11:00 بجے رجسٹرڈ آفس میں یا اس کے کسی بھی التوا کی صورت میں منعقد ہوگا۔

پچاس روپے کے رسیدی ٹکٹس	تاریخ دستخط: -----
-------------------------	--------------------

دستخط

(جو کمپنی کے پاس رجسٹرڈ ہیں)

<b>گواہ نمبر 2</b> دستخط ----- نام ----- پتہ ----- قومی شناختی کارڈ یا پاسپورٹ نمبر -----	<b>گواہ نمبر 1</b> دستخط ----- نام ----- پتہ ----- قومی شناختی کارڈ یا پاسپورٹ نمبر -----
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نوٹ:

- ☆ یہ پراکسی فارم، باقاعدہ پر شدہ اور دستخط شدہ حالت میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً پہنچ جانا چاہئے۔
- ☆ کوئی شخص بطور پراکسی کام نہیں کرے گا اگر وہ خود کمپنی کا شیئر ہولڈر نہ ہو سوائے اس کے کہ کوئی کمپنی کسی ایسے شخص کو اپنا نمائندہ مقرر کر دے جو شیئر ہولڈر نہ ہو۔





## شیئر ہولڈنگ کی فہرست

30 جون 2025ء تک شیئر ہولڈنگ کی فہرست منسلک ہے۔


## مستقبل کا نقطہ نظر

مشکل معاشی حالات میں بھی آؤٹ لک مثبت نظر آتا ہے اور توقع ہے کہ جاری منصوبوں سے کمپنی کی آمدنی بڑھانے کی صلاحیت کو مزید مدد ملے گی اور آپریشنل استعداد کار میں بہتری آئے گی۔ اتحاد کیمیکلز لمیٹڈ (آئی سی لیل) کو فوربس ایشیا نے ”بیسٹ انڈر اے بلین (یو ایس ڈالر)“ کمپنیوں میں سے ایک کے طور پر تسلیم کیا ہے۔ یہ پہچان کمپنی کی مضبوط کارکردگی اور ترقی کو اجاگر کرتی ہے۔ کمپنی، اپنی مکمل ملکیتی ذیلی کمپنی میسرز آئی سی لیل پاور (پرائیویٹ) لمیٹڈ کے ذریعے اپنے بائیو ماس پاور پلانٹ کو مکمل کرنے کے لیے پُر عزم ہے جو طویل مدتی منافع میں معاون ثابت ہوگا۔ اس اقدام کو سپورٹ کرنے کے لیے بورڈ نے اسٹریٹجک سرمایہ کاری کو 10 ارب روپے تک بڑھا دیا ہے۔ مزید برآں بورڈ نے ایک نئے کاسٹک سوڈا فلیکس پلانٹ کے قیام کی بھی منظوری دی ہے۔ اس پروجیکٹ کے لیے لیٹر آف کریڈٹ پہلے ہی قائم کیا جا چکا ہے۔ توقع ہے کہ پلانٹ مالی سال 2025-26ء کے آخر تک شروع ہو جائے گا۔ کمپنی نے محکمہ کان کنی اور معدنیات کے فیصلے کے خلاف مناسب فورم میں اپیل دائر کی ہے جس میں محکمہ نے محکمہ جنگلات کی طرف سے این او سی جاری نہ کرنے کی وجہ سے کمپنی کی مکمل ملکیتی ذیلی کمپنی میسرز اتحاد سالٹ پروسیسنگ (پرائیویٹ) لمیٹڈ (”آئی ایس پی پی لیل“) کو مائننگ لیز دینے سے انکار کر دیا تھا۔ آئی سی لیل کی توجہ آپریشنل استعداد کار کو بہتر بنانے، لاگت کو کنٹرول کرنے اور نئی ویلیو ایڈڈ مصنوعات متعارف کرانے پر مرکوز ہے۔ انتظامیہ مستقبل کی ترقی اور تمام اسٹیک ہولڈرز کو صحت مند منافع کے بارے میں پُر امید ہے۔

## اظہارِ تشکر

بورڈ قابلِ قدر حصص داران، صارفین، سپلائرز، بینکوں اور سرکاری محکموں کی جانب سے ان کے اعتماد، مسلسل تعاون اور سرپرستی پر شکر گزار ہے اور کمپنی کے تمام ملازمین کا ان کے تعاون، لگن اور محنت کے لیے شکریہ ادا کرتا ہے۔

منجانب بورڈ



محمد صدیق کھتری

چیئر مین



عبدالستار کھتری

چیف اگزیکٹو آفیسر

لاہور

18 ستمبر 2025ء

- مقامی بھرتیاں: کمیونٹی کی ترقی کو اپنے بنیادی طریقوں میں شامل کرنے کے لئے، آئی سی لیل مقامی ملازمتوں کو ترجیح دیتا ہے، اس کی 60% افرادی قوت لاہور سے اور 40% کالا شاہ کاکو سے ہے، جہاں اس کی مینوفیکچرنگ سہولت واقع ہے۔ سینئر مینجمنٹ کو مقامی کمیونٹی سے بھی بھرتی کیا جاتا ہے، اس بات کو یقینی بناتے ہوئے کہ قیادت علاقائی ضروریات کے مطابق ہم آہنگ ہو۔
- کسٹمر ریلیشنز: آئی سی لیل شفافیت اور اخلاقی کاروباری طریقوں کے لیے پُر عزم ہے۔ یہ قومی اور بین الاقوامی معیارات پر عمل کرتے ہوئے ذمہ دار مارکیٹنگ اور مصنوعات کی درست لیبلنگ کو یقینی بناتا ہے۔ صارفین کی صحت اور حفاظت اس کے آپریشنل فلسفے کا مرکز ہے، اور کمپنی اپنے صنعتی کلائینٹس کے ساتھ باقاعدہ، دستاویزی تعاملات کو برقرار رکھتی ہے۔
- کاروباری، سماجی ذمہ داری: ایک باضابطہ سی ایس آر پالیسی کے ذریعے، آئی سی لیل سول سوسائٹی تنظیموں اور این جی اوز کو سالانہ معقول تعاون فراہم کرتا ہے۔ مثال کے طور پر، 2024ء اور 2025ء میں، تعاون بالترتیب 30.54 ملین روپے اور 39.76 ملین روپے تھا، جو سماجی ترقی کے لیے مستقل عزم کا مظاہرہ کرتی

## انتظامیہ اور نگرانی

- آئی سی لیل خطرات کے انتظام اور شفاف کاروائیوں کو یقینی بنانے کے لیے مضبوط گورننس اور ریگولیٹری تعمیل کو برقرار رکھتا ہے۔
- رسک مینجمنٹ: کمپنی کا رسک کے لیے ایک جامع نقطہ نظر ہے، جس میں ایک وقف رسک مینجمنٹ کمیٹی ہے جو رسک رجسٹر کی نگرانی کرتی ہے۔ ممکنہ ٹیکس، ریگولیٹری اور ساکھ کے خطرات سے نمٹنے کے لیے اس رجسٹر کا باقاعدگی سے جائزہ لیا جاتا ہے اور اسے اپ ڈیٹ کیا جاتا ہے۔ تعمیل کی تصدیق کے لیے بیرونی آؤٹ کیے جاتے ہیں۔
- ٹیکنالوجی اور اختراع: آئی سی لیل جدت کو دیانتداری کے ساتھ ملا کر کام کرنے میں یقین رکھتا ہے۔ یہ عمل کو بہتر بنانے، وسائل کے تحفظ، اور اعلیٰ معیار، لاگت سے مؤثر حل تیار کرنے کے لیے قابل اطلاق تحقیق اور ترقی کا فائدہ اٹھاتا ہے۔ کمپنی بائیو ماس اور بہتر نظام کی تعمیر جیسے قابل تجدید توانائی کے اختیارات تلاش کر رہی ہے۔
- ڈیٹا پرائیویسی: آئی سی لیل کنٹرول رسائی، باقاعدہ آؤٹ، اور سسٹم اپ گریڈ کے ذریعے اسٹیک ہولڈرز کے ڈیٹا کی حفاظت کے لیے پُر عزم ہے۔ اعداد و شمار کی خلاف ورزیوں کی کوئی اطلاع نہیں ملی اور قابل اطلاق مقامی اور بین الاقوامی معیارات کی تعمیل کرتا ہے، محکمہ آؤٹ سالانہ آئی ٹی آؤٹ کرتا ہے۔

## بیرونی آڈیٹرز

موجودہ آڈیٹرز BDO ابراہیم لینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے، ریٹائر اور اہل ہونے کی بنا پر سال 2025-26ء کے لیے خود کو دوبارہ تعیناتی کے لیے پیش کیا ہے۔ آؤٹ کمیٹی کی سفارشات پر بورڈ آف ڈائریکٹرز نے BDO ابراہیم لینڈ کمپنی کی دوبارہ تعیناتی کے لیے آنے والے سالانہ اجلاس میں ممبرز کی اجازت کے بعد آئندہ سال کے لیے منظوری دے دی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی جانب سے کوالٹی کنٹرول ریویو کے تحت بیرونی آڈیٹرز کو تسلی بخش درجہ بندی دی گئی ہے۔

## آئی سی لیل اور کمیونٹی

آئی سی لیل کا اپنی کمیونٹی کے ساتھ ایک منفرد اور اندرونی تعلق ہے۔ اپنے کارکنوں اور مقامی لوگوں کی فلاح و بہبود کے لئے مندرجہ ذیل منصوبے قائم کیے گئے ہیں۔

## کارکنوں کے لیے کھیلوں کی سرگرمیاں

ایک صحت مند ماحول اور سماجی سرگرمیاں پیدا کرنے کے لئے، کرکٹ اور بیڈمنٹن کی متعلقہ ٹیموں، جن میں آئی سی لیل کارکن شامل ہیں، کو کمپنی کی طرف سے انتظام کردہ پورے ٹورنامنٹ کی فنڈنگ کے ساتھ منتخب کیا گیا ہے۔

## مقامی لوگوں کے لئے مفت ادویات

مقامی رہائشیوں کی سہولت کے لئے کمپنی کے ڈاکٹر مقامی رہائشی علاقوں کا دورہ کرتے ہیں اور مفت ادویات اور طبی چیک اپ فراہم کرتے ہیں۔

## لڑکیوں کے لئے سلائی اسکول

مقامی لڑکیوں کے لئے دو سلائی اسکول چل رہے ہیں جن میں سے ہر اسکول میں بیس لڑکیاں رجسٹرڈ ہیں۔ سلائی اور سلائی سکھانے کے لیے دو خواتین اساتذہ کی خدمات حاصل کی جاتی ہیں، جبکہ تیسرا اسکول قریبی علاقے میں قائم کیا جا رہا ہے۔

## مقامی اسکولوں کی اپ گریڈیشن / تزئین و آرائش

مقامی اسکولوں کے معیار کو بلند کرنے کے لئے اپ گریڈیشن اور تزئین و آرائش کا منصوبہ بنایا گیا ہے۔ کچھ مقامی اسکولوں کو سائنس لیبارٹری کی ضرورت ہے اور کچھ اسکولوں کو کمپیوٹر کی ضرورت ہے۔ اس کے علاوہ، زیادہ تر اسکولوں کو اپنی عمارتوں کی تزئین و آرائش کی ضرورت ہے۔

## شادی کا تحفہ (جاری)

ملازمین کو ان کی بیٹیوں کی شادی کے وقت مدد کرنے کے لئے مالی مدد فراہم کی جاتی ہے۔ یہ اسکیم جاری ہے اور سپروائزر کیڈر سے نیچے کے ملازمین اس سے فائدہ اٹھاتے ہیں۔

## استحکام کی حکمت عملی-ماحولیات، سماجی اور انتظامیہ (ای ایس جی) کے اقدامات

آئی سی لیل کی استحکام کی حکمت عملی ماحولیاتی نگرانی، سماجی ذمہ داری، اور مضبوط حکمرانی پر مرکوز ہے۔

## ماحولیاتی نگہداشت

آئی سی لیل کلیدی شعبوں میں پیش رفت کی نگرانی کے لیے کلیدی کارکردگی کے اشارے (کے پی آئی) کے ساتھ اپنی مضبوط صحت، حفاظت اور ماحولیات (ایچ ایس ای) پالیسی کے ذریعے ماحولیاتی ذمہ داری کو ترجیح دیتا ہے۔

- توانائی کی سلامتی اور عملیاتی کارکردگی: آئی سی لیل توانائی کے استعمال کو بہتر بنانے پر توجہ مرکوز کر رہا ہے، جس میں عمل کی بہتری اور ڈیجیٹلائزیشن شامل ہیں۔ اقدامات میں توانائی کی عدم استحکام کو کم کرنے اور پائیدار ترقی کی حمایت کے لئے حقیقی وقت میں عمل کی اصلاح اور خودکار نظام شامل ہیں۔

- اخراج میں کمی: کمپنی کا قومی اہداف کے مطابق اخراج کو کم کرنے کا مضبوط عزم ہے۔ 2016ء میں مرکزی سیل ٹیکنالوجی کا مرحلہ بند ہونا ایک اہم کامیابی تھی۔ بائو ماس پاور پلانٹ کا منصوبہ اسی حکمت عملی کا ایک اور اہم حصہ ہے۔ پاکستانی اور بین الاقوامی معیارات (مثلاً GHG، PEQS) پروٹوکول کارپوریٹ اسٹینڈرڈ) کی تعمیل کو یقینی بنانے کے لئے ہوا اور گرین ہاؤس گیس (GHG) کے اخراج کی باقاعدگی سے نگرانی کی جاتی ہے۔

- پانی کی دیکھ بھال اور فضلہ کا انتظام: آئی سی لیل پانی کے انتظام کو ایک بنیادی فرض سمجھتا ہے، جس میں استعمال کی نگرانی، فضلہ کی صفائی، اور ری سائیکلنگ کو زیادہ سے زیادہ کرنے پر توجہ دی گئی ہے۔ کمپنی خاص طور پر زیر زمین پانی کا استعمال کرتی ہے اور خطرناک فضلہ کی پیداوار نہیں کرتی، جو مؤثر عمل اور ذمہ دار انتظام کے عزم کو ظاہر کرتا ہے۔

- ماحولیاتی تعمیل: کمپنی نئے منصوبوں کے لیے باقاعدہ ماحولیاتی اثرات کی تشخیص (ای ای آئی اے) کرتی ہے اور پاکستان ماحولیاتی تحفظ ایکٹ (پی ای پی اے) کی مسلسل پابندی کو یقینی بنانے کے لیے آڈٹ سمیت اندرونی گورننس میکانزم قائم کیا ہے۔ عدم تعمیل کے لیے کوئی خاص جرمانہ یا غیر مالیاتی پابندیاں عائد نہیں کی گئی ہیں۔

## سماجی ذمہ داری

آئی سی لیل کی سماجی پائیداری کی جڑیں اس کے لوگوں اور برادریوں میں ہیں، جو اخلاقیات، احترام اور جواب دہی کی اقدار سے رہنمائی حاصل کرتی ہیں۔

- افرادی قوت: کمپنی کا جامع پیشہ ورانہ صحت اور حفاظت کے انتظام کا نظام (او ایچ ایس ایم ایس) تمام ملازمین، ٹھیکیداروں اور زائرین کے لیے ایک محفوظ ماحول کو یقینی بناتا ہے۔ آئی سی لیل قابلیت کے اعتبار سے تنخواہوں میں برابری کو فروغ دیتا ہے اور اندرونی و بیرونی تربیتی پروگراموں کے ذریعے مسلسل سیکھنے کی ثقافت کو فروغ دیتا ہے۔ کمپنی ملازمین اور ان کے خاندانوں کو فلاحی پروگراموں جیسے شادی کے تحائف اور بائی سائیکل اسکیم کے ساتھ بھی مدد فراہم کرتی ہے۔

- یونٹی کی شمولیت: آئی سی لیل مالی کامیابی اور مثبت سماجی اثرات پر توجہ مرکوز کرتے ہوئے ”ڈبل باٹم لائن“ نقطہ نظر کے ساتھ کام کرتا ہے۔ یہ کمیونٹی کی فلاح و بہبود میں سرمایہ کاری کرتا ہے، جس میں بہتر صحت عامہ کے اقدامات (مثلاً، مفت طبی کیمپ، خون کے عطیات، اور ہینڈ پمپ کی تنصیبات) شامل ہیں۔ کمپنی سلائی اسکول چلا کر اور مقامی تعلیمی انفراسٹرکچر میں حصہ ڈال کر خواتین کو بااختیار بنانے اور ان کی تعلیم میں بھی مدد کرتی ہے۔



## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے بارے میں بیانات مندرجہ ذیل ہیں:

- مالیاتی گوشوارے اور تیار کیے گئے نوٹس کمپنیز ایکٹ 2017ء کے عین مطابق تیار کیے گئے ہیں۔ یہ گوشوارے کمپنی کے معاملات کی شفاف حالت اسکے آپریشن کے نتائج، کیش فلو اور سرمایہ میں تبدیلیوں کو ظاہر کرتے ہیں۔
- کمپنی کے اکاؤنٹس کی باقاعدہ کتب بنائی گئیں ہیں۔
- مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مد نظر رکھا گیا ہے اور اکاؤنٹنگ کے اندازے مناسب اور دانشمندانہ فیصلوں پر کیے گئے ہیں۔
- مالی گوشواروں کی تیاری میں انٹرنیشنل مالیاتی رپورٹنگ معیار جو کہ پاکستان میں بھی لاگو ہے کی پیروی کی جاتی ہے اور وہاں سے کسی بھی قسم کی کمی پیشی کی صورت میں مناسب طور پر وضاحت کی جاتی ہے۔
- انٹرئل کنٹرول کا بہترین نظام ہے اور مناسب انداز میں لاگو اور مانیٹر کیا جاتا ہے۔
- کمپنی کی صلاحیت کو جاری رکھنے کے حوالے سے کسی بھی قسم کے شک و شبہات نہیں ہیں۔
- گزشتہ چھ سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار منسلک کیے گئے ہیں۔
- ٹیکس اور لیویز کے بقایا جات کے متعلق معلومات اکاؤنٹس کے نوٹس میں دی گئی ہیں۔
- پروویڈنٹ فنڈ کی سرمایہ کاری کی قیمت 30 جون 2025ء کے مطابق اکاؤنٹس کی بنیاد پر مالی بیانات کے متعلقہ نوٹ میں دی گئی ہے۔
- ضابطہ میں بیان شدہ تمام معلومات سٹاک ایکسچینج اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو بروقت فراہم کی گئی ہیں۔
- متعلقہ پارٹی ٹرانزیکشن کے حوالے سے تمام ضروریات کے مطابق کمپنی نے عملدرآمد کیا ہے۔

## صحت، تحفظ اور ماحولیات

ہم اپنے ملازمین کے لئے ایک محفوظ اور صحت مند کام کے ماحول کو یقینی بنانے کے لئے وقف ہیں۔ ہم حادثات کی ممکنہ وجوہات کو ختم کرنے، ماحولیاتی آلودگی کی روک تھام، فضلے کو کم سے کم کرنے، توانائی کے تحفظ، حفاظتی آگاہی کو فروغ دینے، باقاعدگی سے تربیت کا انعقاد، ہنگامی تیاری کو بڑھانے، اور ماحولیاتی اثرات کا انتظام کرنے کے لئے فعال طور پر کام کرتے ہیں جو آس پاس کی برادریوں اور وسیع تر ماحول دونوں کو متاثر کر سکتے ہیں۔ کمپنی تمام قابل اطلاق قوانین اور حکومتی ضوابط کے ساتھ ساتھ اپنے اندرونی معیارات کی تعمیل کرتی ہے۔ کمپنی کو پیشہ ورانہ ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم آئی ایس او 45001:2018، کوالٹی مینجمنٹ سسٹم (کیو ایم ایس) آئی ایس او 9001:2015، انوائرنمنٹل مینجمنٹ سسٹم (ای ایم ایس) آئی ایس او 14001:2015، گلوبل انٹر سرٹیفیکیشنز (جی آئی سی) حلال فوڈ مینجمنٹ سسٹم پی ایس 3733:2019 پی 2- ایکٹ ایس-الویز سرٹیفیکیشن اینڈ ٹریننگ سروسز (پرائیویٹ) لمیٹڈ اور گرین ہاؤس گیسز (GHG) تصدیق ISO 14064-1:2018 بذریعہ TÜV آسٹریا بیورو آف انسپشن اینڈ سرٹیفیکیشن (پرائیویٹ) لمیٹڈ کے ذریعہ سند دی گئی ہے۔

ڈائریکٹر کا نام	اجلاسوں میں شرکت کی تعداد			
	بورڈ آف ڈائریکٹر	آڈٹ کمیٹی	ایچ آر اینڈ آر کمیٹی	رسک مینجمنٹ کمیٹی
جناب محمد صدیق کھتری	6	N/A	N/A	N/A
جناب عبدالستار کھتری	6	N/A	N/A	3
جناب وقاص صدیق کھتری	6	N/A	1	3
محترمہ فرحانہ عبدالستار کھتری	6	N/A	N/A	N/A
جناب احمد مصطفیٰ	6	5	1	N/A
جناب پرویز اسماعیل	6	5	N/A	3
جناب علی اسرار حسین آغا	6	5	1	N/A

بورڈ کمیٹیوں کے ممبران کے نام ”کارپوریٹ انفارمیشن“ کے عنوان کے تحت بھی ظاہر کیے جاتے ہیں جو کہ CCG کی شق نمبر 34 کے تحت ضروری ہے۔

## ڈائریکٹرز کا معاوضہ

کمپنی نان اگزیکیوٹو ڈائریکٹرز / آزاد ڈائریکٹرز کو کسی قسم کا معاوضہ ادا نہیں کرتی۔ تاہم بورڈ نے آزاد اور نان اگزیکیوٹو ڈائریکٹرز کے لیے بورڈ اور اُس کی کمیٹیوں کی ہر میٹنگ میں شامل ہونے کی فیس 60,000 روپے اور بورڈ / کمیٹیوں کے چیئرمین کے لیے 70,000 روپے مقرر کیے ہیں۔ اس کے ساتھ ساتھ میٹنگ کے علاوہ ہونے والے سفری اور دیگر اخراجات صرف نان اگزیکیوٹو اور آزاد ڈائریکٹرز کو ادا کیے جاتے ہیں۔

## ضابطہ اخلاق / Code of Conduct

دیانت داری کی ثقافت ہماری کمپنی کا سنگ بنیاد ہے، جس میں ہر ملازم کو، ہر سطح پر اور تمام مقامات پر، اعلیٰ ترین اخلاقی اور قانونی اصولوں کو مجسم کرنے کی ضرورت ہوتی ہے۔ اس اجتماعی عزم کی حمایت کرنے کے لیے، ہم نے اپنے ضابطہ اخلاق میں ان توقعات کو باقاعدہ مرتب کیا ہے۔ یہ دستاویز پورے ادارے میں تقسیم کی گئی ہے اور کمپنی کی ویب سائٹ پر جائزے کے لیے بھی دستیاب ہے۔

## کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے ضابطہ کی تعمیل

اتحاد کیمیکلز لمیٹڈ میں ہم کارپوریٹ گورننس اور ریگولیٹری تعمیل پر زور دیتے ہیں۔ بورڈ کی طرف سے کارپوریٹ گورننس کے کوڈ کے بہترین طریقوں کی تعمیل کو ہمیشہ یقینی بنایا جاتا ہے۔ اسی حوالے سے ایک بیان بھی منسلک کیا گیا ہے۔

## مالی جھلکیاں

30 جون 2024ء اور 2025ء کو ختم ہونے والے سال کے لیے تقابلی مالیاتی نتائج مندرجہ ذیل ہیں۔

	2024ء	"000" روپے	2025ء
مجموعی فروخت	24,314,588		27,857,090
مجموعی منافع	4,811,373		4,991,084
آپریٹنگ منافع	2,987,950		2,857,735
ٹیکس سے پہلے منافع	2,353,326		2,215,327
ٹیکس کے بعد منافع	1,385,752		1,297,806
فی حصص کمائی - (روپے)	13.86		12.98

## منافع اور تخصیص

	2024ء	"000" روپے	2025ء
کل آمدنی برائے سال	1,428,369		1,296,013
بشمول آگے لایا گیا غیر تخصیص منافع	4,141,170		5,244,539
تخصیص کے لیے دستیاب منافع	5,569,539		6,540,552
مالی سال 2023-24ء کیلئے حتمی نقد منافع 15% کی شرح سے ادا کیا گیا۔			-
(2022-23: 12.5%)	(125,000)		(150,000)
مالی سال 2024-25ء کیلئے عبوری نقد منافع 20% کی شرح سے ادا کیا گیا۔			-
(2023-24: 20%)	(200,000)		(200,000)
تخصیص کے لیے دستیاب منافع	5,244,539		6,190,552

## نقد منافع

بورڈ آف ڈائریکٹرز 30 جون 2025ء کو ختم ہونے والے مالی سال کیلئے 2 روپے فی حصص یعنی 20% حتمی نقد منافع کی تجویز دیتے ہوئے خوشی محسوس کر رہے ہیں، جو پہلے سے جاری کردہ 2 روپے فی حصص یعنی 20% کے عبوری نقد منافع کے علاوہ ہے۔ حتمی نقد منافع 28 اکتوبر 2025ء کو ہونے والے سالانہ اجلاس عام میں حصص داران کی منظوری سے مشروط ہے۔

## جینڈر پے گیپ اسٹیٹمنٹ

اتحاد کیمیکلز لمیٹڈ ایک مساوی مواقع فراہم کرنے والا ادارہ ہے اور تنظیم میں خواتین کی شرکت کو فروغ دینے کے لیے اقدامات کرنے کے لیے پرعزم ہے۔ 30 جون 2025ء کو ختم ہونے والے سال کے لیے صنفی تنخواہ کے فرق کا حساب درج ذیل ہے:

(i)	اوسط صنفی تنخواہ کا فرق	-20%
(ii)	درمیانی صنفی تنخواہ کا فرق	-25%
(iii)	کوئی اور ڈیٹا	Nil

## VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (سابقہ JCR-VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ)

29 اپریل 2025ء کے اعلامیے کے مطابق، VIS کریڈٹ ریٹنگ کمپنی لمیٹڈ (VIS) نے کمپنی کی درجہ بندی 'A-/A-2' (سنگل A مائنس/A-2) پر برقرار رکھا ہے۔ 'A' مائنس کی درمیانی سے طویل مدتی درجہ بندی مناسب تحفظ کے عوامل کے ساتھ اچھے کریڈٹ معیار کی نشاندہی کرتی ہے۔ خطرے کے عوامل معیشت میں ممکنہ تبدیلیوں کے ساتھ مختلف ہو سکتے ہیں۔ 'A-2' کی قلیل مدتی درجہ بندی درست لیکویڈیٹی عوامل کے ساتھ قلیل مدتی ذمہ داریوں کی بروقت ادائیگی کے اچھے امکان کی نشاندہی کرتی ہے۔ تفویض کردہ درجہ بندی پر آؤٹ لک کو مستحکم سے مثبت میں تبدیل کر دیا گیا ہے۔

## کارپوریٹ بریفنگ سیشن (سی بی ایس)

زیر جائزہ سال کے دوران، کمپنی نے 18 جون 2025ء کو اپنے رجسٹرڈ آفس میں سی بی ایس کا انعقاد کیا، جس میں ویڈیو لنک کے ذریعے بھی شرکت کی سہولت فراہم کی گئی۔ یہ اجلاس کمپنی کی حکمت عملی، مالی صورتحال، کارروائیوں اور کارکردگی کو اجاگر کرنے کے لیے طلب کیا گیا تھا۔ بورڈ تمام اسٹیک ہولڈرز کے ساتھ مضبوط تعلقات برقرار رکھنے کی اہمیت کو تسلیم کرتا ہے۔ کارپوریٹ بریفنگز انٹرایکٹو فورمز کے طور پر کام کرتی ہیں، جو انتظامیہ کو کمپنی کی مجموعی کارکردگی اور مستقبل کے نقطہ نظر کو اسٹیک ہولڈرز تک پہنچانے کا موقع فراہم کرتی ہیں۔

## بورڈ اور اس کی کمیٹیوں کا اجلاس اور حاضری

لسٹڈ کمپنیز کے کوڈ آف کارپوریٹ گورننس کی شق 34(2)(i,ii,iii) کے مطابق بورڈ اور اس کی کمیٹیوں کی تشکیل اس سالانہ رپورٹ کے ساتھ منسلک سٹیٹمنٹ آف کمپلائنس میں دی گئی ہے۔ سال کے دوران، چھ (06) بورڈ کے اجلاس، پانچ (05) آڈٹ کمیٹی اجلاس، ایک (01) HR&R کمیٹی اجلاس اور تین (03) ریسک مینجمنٹ کمیٹی کے اجلاس منعقد ہوئے۔ بورڈ اور اس کی کمیٹیوں کے اجلاس میں حاضری درج ذیل ہے:

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز سالانہ رپورٹ بمعہ 30 جون 2025ء کو ختم ہونے والے مالی سال کے پڑتال شدہ مالی گوشوارے اور ان پر آڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### معیشیت کا جائزہ

پاکستان کی معیشیت میں استحکام کے حوصلہ افزا آثار دکھائی دے رہے ہیں۔ اہم اشارے، جیسے کرنٹ اکاؤنٹ سرپلس، زرمبادلہ کے بہتر ذخائر اور اعتدال پسند افراط زر ایک محتاط لیکن مثبت بحالی کی طرف اشارہ کرتے ہیں۔ اس کے باوجود، تمام شعبوں میں کارکردگی غیر مساوی رہی اور ترقی بھی توقعات سے کم ہوئی۔ فنانشنگ اور سیاسی غیر یقینی صورتحال کے درمیان اب توجہ ساختی اصلاحات کی کامیابی اور میکرو اکنامک استحکام کو برقرار رکھنے پر مرکوز ہے۔ استحکام کے مثبت آثار کے باوجود پاکستان کی معیشیت خطرے سے باہر نہیں ہے۔ بجٹ کا ایک بڑا حصہ قرض کی ادائیگی کے لیے مقرر کیا گیا ہے، جس کے نتیجے میں ترقی اور سماجی خرچ کے لیے مالی گنجائش محدود رہ جاتی ہے۔ ٹیکس، حکومت کے زیر ملکیتی اداروں، اور توانائی کے شعبے جیسے علاقوں میں طویل مدتی ڈھانچے کی اصلاحات کا کامیاب نفاذ پائیدار ترقی کے لیے ناگزیر ہے۔ اگرچہ افراط زر میں کمی آئی ہے، ممکنہ ملکی اور بین الاقوامی جھکے اس رجحان کو پلٹ سکتے ہیں۔ مستقل اقتصادی پالیسی سازی اور سرمایہ کاروں کے اعتماد کے لیے ایک مستحکم سیاسی ماحول ضروری ہے۔ حالیہ سیلاب پاکستان کے لیے بھی ایک بڑا اور بڑھتا ہوا چیلنج ہے، جس کی وجہ سے شدید انسانی بحران، اہم معاشی نقصانات اور موسمیاتی تبدیلی کا طویل مدتی خطرہ ہے۔ چیلنجوں کے باوجود، کمپنی مضبوط بیلنس شیٹ، متنوع پروڈکٹ پورٹ فولیو اور نظم و ضبط والے سرمائے کی تقسیم کی مدد سے موافقت اور ترقی کے لیے اچھی پوزیشن میں ہے۔ ترقی کے اسٹریٹجک اقدامات جاری ہیں۔ انتظامیہ ایک پیچیدہ اور ترقی پذیر معاشی ماحول میں تمام اسٹیک ہولڈرز کے لیے طویل مدتی قدر کی تخلیق کو محفوظ بنانے کے لیے پُر عزم ہے۔

### مالی کارکردگی

زیرجائزہ سال کے دوران، کمپنی کی خالص فروخت آمدنی 27,857 ملین روپے (2024: 24,315 ملین روپے) رہی۔ فروخت کی لاگت 22,866 ملین روپے (2024: 19,503 ملین روپے) رہی جس سے خام منافع 4,991 ملین روپے (2024: 4,811 ملین روپے) تک پہنچ گیا۔ سالانہ خام منافع کا مارجن 18 فیصد (2024: 20 فیصد) رہا۔ مجموعی مارجن بڑھتی ہوئی ان پٹ لاگت سے متاثر ہوا۔ ٹیکس کی ادائیگی کے بعد گوشوارے کی آخری سطر مبلغ 1,298 ملین روپے (2024: 1,386 ملین روپے) کا خالص منافع دکھاتی ہے جس سے فی حصص 12.98 روپے (2024: 13.86 روپے فی حصص) آمدنی ہوئی۔

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