ITTEHAD CHEMICALS LIMITED

TOWARDS A GREENER TOMORROW

HALF YEARLY REPORT DECEMBER 31, 2025

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. Ahmed Mustafa	Member	
	Mr. Ali Asrar Hossain Aga	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. Abdul Sattar Khatri	Member	
	Mr. Waqas Siddiq Khatri	Member	
CHIEF FINANCIAL OFFICER	Mr. Muhammad Asif Khan		
COMPANY SECRETARY	Mr. Abdul Mansoor Khan		

REGISTERED OFFICE/HEAD OFFICE

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Website: www.ittehadchemicals.com, E-mail: info@ittehadchemicals.com

FACTORY/PLANT

G.T. Road, Kala Shah Kaku, District Sheikhupura.
Ph: 042 - 37950222 - 25, Fax: 042 - 37950206

SHARES REGISTRAR

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

BANKERS

Banks - Conventional Side

Allied Bank Limited
Askari Bank
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

ITTEHAD CHEMICALS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

(UN-AUDITED)

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ITTEHAD CHEMICALS LIMITED

(UNCONSOLIDATED)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

(UNAUDITED)

DIRECTORS' REPORT

The Directors of your Company take pleasure in presenting the standalone and consolidated un-audited condensed interim financial statements of the Company for the half year ended December 31, 2025 together with the Auditor's Review Report thereon.

During the period under review, the Company posted net sales revenue of Rupees 15,858 Million (2024: Rupees 13,143 Million) denoting an increase of 21% from the corresponding period of last year. The cost of sales was Rupees 13,293 Million (2024: Rupees 10,660 Million) bringing gross profit to Rupees 2,565 Million (2024: Rupees 2,483 Million). The gross profit margin was 16.17% vis-à-vis 18.89% of the corresponding period of last year. The Company's operational performance has improved in 2nd quarter as compared to 1st quarter of ongoing Financial Year. The bottom line showed a net profit after tax of Rupees 775 Million (2024: Rupees 614 Million) which yielded earnings per share of Rupees 7.75 (2024: Rupees 6.14 per share).

Moving forward, as previously communicated, the Company is prudently undertaking capital expenditure (CAPEX) initiatives across multiple strategic projects, positioning itself to enter a phase of accelerated and sustainable growth. These investments are aligned with the Company's long-term growth strategy and are expected to significantly enhance operational capacity, efficiency and overall profitability. The work on Biomass Power Plant establishment, being executed through the Company's wholly owned subsidiary i.e. M/s ICL Power (Pvt.) Limited, is well underway in accordance with the approved timelines and is expected to be operational during Financial Year 2026-27. The Board of Directors has sold Company's land measuring approximately 56 Kanals out of 66 Kanals, situated at Mouza Hassanabad, Barki Road, Lahore, Pakistan, as approved by shareholders in EOGM held on February 19, 2025. Details of transaction are available in relevant notes of the accounts. The sale of remaining 10 Kanals is in progress. The proceeds from the sale will be utilized to meet some of the equity portion of upcoming Biomass Power Plant Project of its wholly owned subsidiary.

In parallel, work on the Caustic Soda Flaker Plant is also advancing as planned which will further support the product portfolio and enhance value-added manufacturing capabilities. The project is likely to be commissioned by the end of FY 2025-26. The management is also considering investment in an associated Company / related party to the extent of (maximum) Rupees One Billion (Rupees 1,000,000,000) from time to time to seek opportunities in the business of providing services / supplies of Biomass collection, processing, storage, delivery and ancillary matters. An extra-ordinary general meeting will be held on March 27, 2026 to seek shareholders' approval for Investment in associated Company and election of directors.

Pakistan's economy has stabilized compared to its recent crisis period, with GDP growth, inflation easing, improved foreign exchange reserves and a narrowed fiscal deficit supported by IMF-backed reforms. The current account showed improvement and a relatively stable monetary policy stance has been adopted by the State Bank of Pakistan. However, growth remains modest, public debt is still high, private investment and FDI are weak.

The Management of your company is taking all suitable measures to plan and manage the challenges it is foreseeing in the future and continues to actively explore new markets, business opportunities and expansion avenues in addition to executing current projects and remains confident and optimistic regarding the Company's future prospects, supported by strategic investments and operational enhancements.

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

On behalf of the Board

Lahore	Muhammad Siddique Khatri	Abdul Sattar Khatri
February 17, 2026	Chairman	Chief Executive Officer

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2025ء کو اختتام پذیر ہونے والے نصف مالی سال کے غیر مربوط غیر پڑتال شدہ بین المدتی مختصر مالی گوشواروں کو آڈیٹرز کی جائزہ رپورٹ کے ساتھ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے دوران، کمپنی کی فروخت گزشتہ سال کے اسی عرصہ کے مقابلے میں 21% فیصد اضافے کے ساتھ 15,858 ملین روپے (13,143:2024 ملین روپے) رہی۔ فروخت کی لاگت 13,293 ملین روپے (10,660:2024 ملین روپے) رہی جس سے 2,565 ملین روپے (2,483:2024 ملین روپے) خام منافع حاصل ہوا۔ خام منافع کا تناسب گزشتہ سال کے اسی عرصے کے 18.89 فیصد کے مقابلے میں 16.17 فیصد رہا۔ رواں مالی سال کی پہلی سہ ماہی کے مقابلے میں دوسری سہ ماہی میں کمپنی کی آپریشنل کارکردگی میں بہتری آئی ہے۔ ٹیکس کی ادائیگی کے بعد گوشوارے کی آخری سطر مبلغ 775 ملین روپے (614:2024 ملین روپے) کا منافع ظاہر کرتی ہے جس کے نتیجے میں فی حصص 7.75 روپے (6.14:2024 روپے فی حصص) کی آمدنی ہوئی۔

آگے بڑھتے ہوئے، جیسا کہ پہلے بتایا گیا ہے، کمپنی سمجھداری کے ساتھ متعدد اسٹریٹجک منصوبوں میں کیپٹل اخراجات (کیپیکس) کے اقدامات کر رہی ہے، اور خود کو تیز رفتار اور پائیدار ترقی کے مرحلے میں داخل ہونے کی پوزیشن میں ہے۔ یہ سرمایہ کاری کمپنی کی طویل مدتی ترقی کی حکمت عملی کے مطابق ہے اور توقع ہے کہ اس سے آپریشنل صلاحیت، کارکردگی اور مجموعی منافع میں نمایاں اضافہ ہوگا۔ بائیوماس پاور پلانٹ کے قیام کا کام، جو کمپنی کی مکمل ملکیتی ذیلی کمپنی یعنی M/s ICL Power (Pvt.) Limited کے ذریعے انجام دیا جا رہا ہے، منظور شدہ شیڈول کے مطابق اچھی طرح جاری ہے اور توقع کی جا رہی ہے کہ یہ مالی سال 27-2026 کے دوران کام کرنا شروع کر دے گا۔ بورڈ آف ڈائریکٹرز نے کمپنی کی 66 کنال میں سے تقریباً 56 کنال اراضی فروخت کر دی ہے، جو کہ موضع حسن آباد، برکی روڈ، لاہور، پاکستان میں واقع ہے، جیسا کہ 19 فروری 2025 کو منعقدہ EOGM میں شیئر ہولڈرز کی منظوری دی گئی تھی۔ لین دین کی تفصیلات اکاؤنٹس کے متعلقہ نوٹس میں دستیاب ہیں۔ باقی 10 کنال کی فروخت ابھی جاری ہے۔ فروخت سے حاصل ہونے والی آمدنی کو اس کی مکمل ملکیت والی ذیلی کمپنی کے آنے والے بائیوماس پاور پلانٹ پروجیکٹ کے کچھ ایکویٹی حصے کو پورا کرنے کے لیے استعمال کیا جائے گا۔

اسی دوران، کاسٹک سوڈا فلیکر پلانٹ پر کام بھی منصوبے کے مطابق جاری ہے، جو مصنوعات کے پورٹ فولیو کی مزید معاونت کرے گا اور ویلیو ایڈیڈ مینوفیکچرنگ کی صلاحیتوں کو بڑھائے گا۔ ممکنہ طور پر یہ منصوبہ مالی سال 26-2025 کے آخر تک شروع کر دیا جائے گا۔ انتظامیہ بائیوماس کلیکشن، پروسیسنگ، اسٹوریج، ڈیلیوری اور معاون امور کی خدمات / سپلائی فراہم کرنے کے کاروبار میں مواقع تلاش کرنے کے لیے وقتاً فوقتاً (زیادہ سے زیادہ) ایک ارب روپے (1,000,000,000 روپے) کی حد تک کسی وابستہ کمپنی / متعلقہ فریق میں سرمایہ کاری پر بھی غور کر رہی ہے۔ 27 مارچ 2026ء کو ایک غیر معمولی عام اجلاس منعقد کیا جائے گا جس میں متعلقہ کمپنی میں سرمایہ کاری اور ڈائریکٹرز کے انتخاب کے لیے شیئر ہولڈرز کی منظوری لی جائے گی۔

پاکستان کی معیشت حالیہ بحران کے مقابلے میں مستحکم ہوئی ہے، جس میں جی ڈی پی کی شرح نمو، مہنگائی میں کمی، بہتر بیرونی زرمبادلہ کے ذخائر اور آئی ایم ایف کی معاونت یافتہ اصلاحات کی مدد سے کم شدہ مالیاتی خسارہ شامل ہے۔ موجودہ اکاؤنٹ میں بہتری دیکھنے کو ملی اور اسٹیٹ بینک آف پاکستان نے نسبتاً مستحکم مالیاتی پالیسی اختیار کی ہے۔ تاہم، نمو ابھی بھی معتدل ہے، عوامی قرضہ اب بھی زیادہ ہے، نجی سرمایہ کاری اور براہ راست غیر ملکی سرمایہ کاری کمزور ہیں۔

بورڈ قابل قدر حصص داران، سپلائرز، صارفین، بینکوں اور سرکاری محکموں کی جانب سے ان کے اعتماد، مسلسل تعاون اور سرپرستی پر شکر گزار ہے اور کمپنی کے تمام ملازمین کو ان کے تعاون، لگن اور محنت کے لیے شکریہ ادا کرتا ہے۔

عبدالستار کھتری	محمد صدیق کھتری	لاہور
چیف ایگزیکٹو آفیسر	چیئرمین	17 فروری 2026ء

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INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF ITTEHAD CHEMICALS LIMITED

Report on review of unconsolidated condensed interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **ITTEHAD CHEMICALS LIMITED** (the "Company") as at December 31, 2025 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017 only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three months period ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditors' review report is Sajjad Hussain Gill.

LAHORE

DATED: February 20, 2026

UDIN: RR2025100871LwDjxyRY

BDO Ebrahim & Co

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6.1	8,297,160	8,311,619
Capital work in progress	6.2	351,281	327,556
		8,648,441	8,639,175
Investment property		-	675,000
Long term investments	7	1,862,500	1,698,414
Long term deposits		64,934	64,799
		10,575,875	11,077,388
CURRENT ASSETS			
Stores, spares and loose tools	8	950,653	698,318
Stock in trade	9	3,331,560	2,679,874
Trade debts	10	3,173,166	3,279,983
Loans, advances and other receivables	11	301,644	242,629
Trade deposits and short term prepayments		549,855	545,701
Tax refunds due from the Government		722,102	831,301
Taxation - net		149,178	277,704
Short term investments		-	12,200
Cash and bank balances		870,881	447,408
		10,049,039	9,015,118
Assets held for sale	12	675,000	-
TOTAL ASSETS		21,299,914	20,092,506
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	13.1	2,000,000	2,000,000
Issued, subscribed and paid up share capital	13.2	1,000,000	1,000,000
Capital reserves :			
Share premium		177,000	177,000
Merger reserve		(6,445)	(6,445)
Surplus on revaluation of freehold land		2,872,504	2,872,504
Loan from directors		100,000	-
Revenue reserves - Unappropriated profit		6,765,066	6,190,552
		10,908,125	10,233,611
NON CURRENT LIABILITIES			
Long term financing	14	426,546	487,704
Deferred liabilities		823,297	819,495
Deferred grant	15	2,863	4,174
		1,252,706	1,311,373
CURRENT LIABILITIES			
Trade and other payables	16	4,045,294	3,252,326
Contract liabilities	17	381,141	224,816
Unclaimed dividend		3,685	3,595
Mark-up accrued		103,257	87,590
Short term borrowings	18	4,153,671	4,534,076
Current portion of long term liabilities	19	452,035	445,119
		9,139,083	8,547,522
TOTAL EQUITY AND LIABILITIES		21,299,914	20,092,506
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

		Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	Note	---------- (Rupees in thousand) ----------			
Revenue from contracts with customers	21	15,857,636	13,143,258	7,991,689	6,549,804
Cost of sales	22	(13,292,556)	(10,659,970)	(6,625,297)	(5,259,101)
Gross profit		2,565,080	2,483,288	1,366,392	1,290,703
Selling and distribution expense		(769,914)	(822,254)	(408,796)	(398,851)
General and administrative expense		(205,138)	(190,195)	(101,561)	(97,921)
Other operating income		91,478	49,488	52,832	33,691
Other operating expense		(111,171)	(82,849)	(53,570)	(43,717)
		(994,745)	(1,045,810)	(511,095)	(506,798)
Operating profit		1,570,335	1,437,478	855,297	783,905
Financial charges		(306,858)	(352,176)	(165,143)	(197,595)
Profit before income tax and levy		1,263,477	1,085,302	690,154	586,310
Levy		-	(6,094)	-	(5,738)
Profit before income tax		1,263,477	1,079,208	690,154	580,572
Taxation		(488,963)	(464,812)	(263,206)	(228,248)
Profit after taxation		774,514	614,396	426,948	352,324
Earnings per share - basic and diluted (Rupees)	23	7.75	6.14	4.27	3.52

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	---------- (Rupees in thousand) ----------			
Profit after taxation for the period	774,514	614,396	426,948	352,324
Other comprehensive income				
Items that will not be reclassified subsequently to statement of profit or loss	-	-	-	-
Items that may be reclassified subsequently to statement of profit or loss	-	-	-	-
Total comprehensive income for the period	774,514	614,396	426,948	352,324

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended December 31, 2025	Half year ended December 31, 2024
		(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax and levy		1,263,477	1,085,302
Adjustments for items not involving movement of funds:			
Depreciation	6.1	354,931	370,525
Provision for gratuity		31,433	29,524
Amortisation of intangible assets		-	163
Loss/(gain) on sale of fixed assets		10,501	(10,074)
Loss/(gain) on foreign exchange		-	(592)
Deferred grant amortization		(12,929)	(23,638)
Provision for obsolete stores and spares	8.2	18,000	-
Financial charges		306,858	352,176
Net cash flow before working capital changes		1,972,271	1,803,386
Decrease / (increase) in current assets			
Stores and spares	8	(270,335)	(2,870)
Stock in trade	9	(651,686)	(593,557)
Trade debts	10	106,817	399,202
Loans and advances	11	(59,015)	102,399
Trade deposits and short term prepayments		(4,154)	8,183
Tax refunds due from the Government		113,050	(14,022)
		(765,323)	(100,665)
Increase / (decrease) in current liabilities			
Trade and other payables	16	792,968	48,450
Contract liabilities		156,325	-
		949,293	48,450
Cash generated from operations		2,156,241	1,751,171
Income taxes paid		(386,566)	(629,814)
Gratuity paid		(5,353)	(5,392)
Financial charges paid		(288,355)	(341,854)
Net cash generated from operating activities		1,475,967	774,111
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to operating fixed assets - net		(11,541)	(24,121)
Additions to capital work in progress		(357,254)	(409,363)
Proceeds from sale of operating fixed assets		4,190	11,851
Long term investments	7	(164,086)	(487,000)
Short term investment - net		12,200	-
Long term deposits		(135)	(1,655)
Net cash used in investing activities		(516,626)	(910,288)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term financing		165,978	150,000
Repayment of long term financing		(221,531)	(192,352)
Repayment of long term diminishing musharaka		-	(139,030)
Dividend paid		(199,910)	(146,852)
Loan from directors		100,000	-
Short term borrowings - net		(380,405)	688,670
Net cash (used in) / generated from financing activities		(535,868)	360,436
Net increase in cash and cash equivalents		423,473	224,259
Cash and cash equivalents at the beginning of the period		447,408	287,556
Cash and cash equivalents at the end of the period		870,881	511,815

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid-up share capital	Loan from directors	Reserves				Total
			Capital			Revenue reserves	
			Surplus on revaluation of fixed assets	Balance arising upon merger	Share premium	Unappropriated profit	
	----------(Rupees in thousand)----------						
Balance as at July 01, 2024 (audited)	1,000,000	-	2,872,504	(6,445)	177,000	5,244,539	9,287,598
Transaction with owners:							
Final cash dividend on ordinary shares @ Rs. 1.5 per share	-	-	-	-	-	(150,000)	(150,000)
Total comprehensive income	-	-	-	-	-	614,396	614,396
Balance as at December 31, 2024 (unaudited)	1,000,000	-	2,872,504	(6,445)	177,000	5,708,935	9,751,994
Balance as at July 01, 2025 (audited)	1,000,000	-	2,872,504	(6,445)	177,000	6,190,552	10,233,611
Transaction with owners:							
Final cash dividend on ordinary shares @ Rs. 2 per share	-	-	-	-	-	(200,000)	(200,000)
Loan from directors	-	100,000	-	-	-	-	100,000
Total comprehensive income	-	-	-	-	-	774,514	774,514
Balance as at December 31, 2025 (unaudited)	1,000,000	100,000	2,872,504	(6,445)	177,000	6,765,066	10,908,125

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 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 privatized on July 03, 1995. The Company is engaged in the business of manufacturing and selling caustic soda and other allied chemicals.

The 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. The subsidiary company is engaged in the business of exploring, operating, and working on mines and quarries. The registered office of subsidiary company is situated at 31-A, Tech Society, Canal Bank, Lahore. The Chief Executive of subsidiary company is Mr. Ahmed Mustafa.

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

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act , 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements are unaudited but subject to the limited scope review by the auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

These unconsolidated condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2025 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2025, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the unaudited unconsolidated condensed interim financial statements for the half year ended December 31, 2024.

3.2 Basis of measurement

These condensed interim financial statements do not include all the information and the disclosures required in the annual financial statements, and should be read in conjunction with annual audited financial statements of the Company for the year ended June 30, 2025.

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the unconsolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2025.

Provision in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation in these unconsolidated condensed interim financial statements are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

5 MATERIAL ACOUNTING POLICY INFORMATION

5.1 The accounting policies adopted and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2025.

5.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

5.2.1 Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

5.2.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 01, 2026. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	8,297,160	8,311,619
Capital work in progress	6.2	351,281	327,556
		8,648,441	8,639,175
6.1 Operating fixed assets			
Opening net book value (NBV)		8,311,619	8,504,920
Additions/ revaluation / transfer (at cost)	6.1.1 & 6.1.2	355,163	576,123
		8,666,782	9,081,043
Disposals (at NBV) during the period / year	6.1.3	(14,691)	(1,781)
Depreciation charged during the period / year		(354,931)	(767,643)
		(369,622)	(769,424)
Closing net book value (NBV) at the end of the period / year		8,297,160	8,311,619

6.1.1 Details of additions / revaluation / transfer (at cost) during the period / year are as follows:

Building	36,942	22,819
Plant and machinery	310,225	455,848
Other equipment	438	6,654
Furniture and fixtures	527	1,044
Office and other equipment	3,323	17,663
Vehicles	3,708	72,095
	355,163	576,123

6.1.2 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 million (June 30 , 2025: Rs. 2,872 million). Had there been no revaluation, the net book value of the freehold land would have been Rs. 158.476 million (June 30, 2025: Rs. 158.476 million).

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
6.1.3 Details of disposals (at NBV) during the period / year are as follows:			
Building		(1,698)	-
Plant and machinery		(11,555)	-
Other equipment		(407)	-
Office and other equipment		(111)	-
Vehicles		(920)	(1,781)
		(14,691)	(1,781)

6.1.4 Freehold lands of the Company are located at Mudwala Khurd Sheikhupura with an area covering 74 kanals and 11 Marla, Kala Shah Kaku, Sheikhupura with an area of 886 Kanal - 2 Marla and at Khanpur Canal Sheikhupura with an area of 135 Kanal - 6 Marla. These include lands which have been held for establishment of factory.

6.2 Capital work in progress

Advances	1,639	155,840
Building	21,568	29,416
Plant and machinery	328,074	142,300
	351,281	327,556

7 LONG TERM INVESMTENTS

Investment in related parties - unquoted			
Chemi Viscofiber Limited	7.1	-	-
Ittehad Salt Processing (Private) Limited- at cost		2,500	2,500
ICL Power (Private) Limited	7.2	1,860,000	1,695,914
		1,862,500	1,698,414

7.1 Chemi Viscofiber Limited

5,625,000 (2024: 5,625,000) fully paid ordinary shares		-	56,250
Less: Provision for diminution of investment	7.1.1	-	(56,250)
		-	-

		Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
			(Rupees in thousand)	
7.1.1	Opening provison for diminution of investment		56,250	56,250
	Written off during the period		(56,250)	-
			-	56,250
7.2	**ICL Power (Private) Limited**			
	Investment at cost		1,860,000	1,000,000
	Advance against issuance of shares		-	695,914
			1,860,000	1,695,914
8	**STORES, SPARES AND LOOSE TOOLS**			
	Stores:			
	in hand		102,294	88,368
	in transit		23,346	2,174
			125,640	90,542
	Spares:			
	in hand		724,000	616,314
	in transit		155,001	27,450
			879,001	643,764
			1,004,641	734,306
	Less: Provision for obsolete stores and spares	8.2	(53,988)	(35,988)
			950,653	698,318

8.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase.

8.2 Movement of provision for obsolete stores and spares

	Opening balance	35,988	18,000
	Provision during the period / year	18,000	17,988
		53,988	35,988
9	**STOCK IN TRADE**		
	Raw materials:		
	in hand	1,267,255	1,295,614
	in transit	599,237	97,873
		1,866,492	1,393,487
	Packing materials - in hand	42,468	49,196
	Work in process	22 58,114	87,682
	Finished goods	9.1 1,364,486	1,149,509
		9.2 3,331,560	2,679,874

9.1 Aggregate stocks with the cost of Rs. 320.581 million (June 30, 2025: Rs. 106.873 million) are being valued at net reliazable value of Rs. 257.265 million (June 30, 2025: Rs. 106.873 million).

9.2 Stock-in-trade up to a maximum amount of Rs. 3,331.560 million (June 30, 2025: 2,679.874 million) are under hypothecation of commercial banks as security for short term borrowings.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
10 TRADE DEBTS			
Unsecured - Considered good			
Foreign		81,274	47,192
Local		3,180,746	3,321,645
		3,262,020	3,368,837
Less: Allowance for expected credit loss	10.1	(88,854)	(88,854)
		3,173,166	3,279,983

10.1 During the period, the impact of expected credit loss is insignificant.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
11 LOANS ADVANCES AND OTHER RECEIVABLES			
Advances - Considered good			
To employees against salaries	11.1	19,657	9,044
To employees against expenses		750	261
Advance against gratuity		11,919	11,919
		32,326	21,224
Advance to supplies and services (Unsecured)			
Considered good		222,707	218,482
Considered doubtful		1,374	1,374
		224,081	219,856
Against import		9,514	2,314
		265,921	243,394
Accrued interest receivable		-	609
Receivable from related party	11.2	37,097	-
Less: Expected credit loss against advances		(1,374)	(1,374)
		301,644	242,629

11.1 This includes advance to employees against salaries in accordance with the terms of their employment.

11.2 This represents accrued interest receivable on advance given to ICL Power (Private) Limited against issuance of shares.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	

12 ASSETS HELD FOR SALE

Investment property	12.1	675,000	-

12.1 The shareholders approved to sell two investment properties of the Company located at Mouza Hassanabad, Barki Road Lahore, measuring approximately 42 and 24 kanals. On December 30, 2025, the Company has entered into sale agreement of 56 kanals against which advance has also received as disclosed in Note 17.1.

13 SHARE CAPITAL

13.1 Authorized share capital

175,000,000 (June 30, 2025: 175,000,000) ordinary shares of Rs. 10/- each	1,750,000	1,750,000
25,000,000 (June 30, 2025: 25,000,000) preference shares of Rs. 10/- each	250,000	250,000
	2,000,000	2,000,000

13.2 Issued, subscribed and paid up share capital

27,100,000 (June 30, 2025: 27,100,000) ordinary shares of Rs. 10/- each fully paid in cash	271,000	271,000
24,900,000 (June 30, 2025: 24,900,000) ordinary shares of Rs. 10/- each issued for consideration other than cash	249,000	249,000
48,000,000 (June 30, 2025: 32,700,000) fully paid bonus shares of Rs. 10/- each	480,000	480,000
	1,000,000	1,000,000

14 LONG TERM FINANCING

From banking companies and financial institutions - secured		
Balance as at December 31, 2025	866,992	909,616
Current portion presented under current liabilities	(440,446)	(421,912)
	426,546	487,704

15 DEFERRED GRANT

Deferred grant		14,452	27,381
Current portion presented under current liability	15.1	(11,589)	(23,207)
		2,863	4,174

15.1 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.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
16 TRADE AND OTHER PAYABLES			
Trade creditors		1,055,725	696,474
Accrued liabilities		1,477,314	1,070,032
Due to related party	16.1	100,223	73,007
Cost of supply	16.2	634,962	561,919
GIDC payable	16.3	620,458	620,458
Security deposits		50,372	50,372
Retention money		4,828	4,828
Income tax deducted at source		745	5,048
Workers' Profit Participation Fund		73,496	122,599
Workers Welfare Fund		27,171	47,589
		4,045,294	3,252,326

16.1 This represents a balance due to Chemi Multifabrics Limited, other related party, amounting to Rs. 100.223 million (June 30, 2025: Rs. 73.007 million).

16.2 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. 634.962 million on prudence basis since February, 2018.

16.3 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 (June 30, 2025: 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 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.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
17 CONTRACT LIABILITIES			
Advances from customers	17.1	381,141	224,816

17.1 This includes advance consideration received against the sale of investment properties amounting to Rs. 200 million.

18 SHORT TERM BORROWINGS			
Secured			
From banking companies and financial institutions		4,153,671	4,534,076
19 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	14	440,446	421,912
Deferred grant	15	11,589	23,207
		452,035	445,119

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingent liabilities

a) Letters of guarantee outstanding as at December 31, 2025 were Rs. 523.900 million (June 30, 2025: Rs. 552.440 million).

b) The amended assessment order u/s 122(5A) of the Income Tax Ordinance, 2001 for Tax Year 2006 passed by the learned Additional Commissioner Inland Revenue against the Company was decided in favor of the Company by Commissioner Inland Revenue (Appeals). However, the said order was challenged by the Commissioner before Appellate Tribunal Inland Revenue (ATIR), which has been decided by the learned ATIR in favor of the Company.

c) The company has provided corporate guarantee aggregating to Rs. 5,400 million (June 30, 2025: Rs. Nill) to the banks against finance facilities availed by ICL Power (Pvt) Limited.

d) Other contingencies are not materially different from those as disclosed in preceding annual financial statements for the year ended June 30, 2025.

20.2 Commitments

Commitments as on December 31, 2025 were as follows: Against letters of credit amounting to Rs.1,612.912 million (June 30, 2025: Rs. 1,449.507 million).

21 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	(Unaudited) Half year ended December 31, 2025	(Unaudited) Half year ended December 31, 2024	(Unaudited) Quarter ended December 31, 2025	(Unaudited) Quarter ended December 31, 2024
		(Rupees in thousand)			
Major products and services					
Manufacturing		18,918,798	15,308,018	9,535,133	7,522,304
Trading		-	343,540	-	286,092
Toll Manufacturing		12,746	4,329	-	-
		18,931,544	15,655,887	9,535,133	7,808,396
Less: Sales tax		2,766,736	2,222,461	1,379,404	1,094,280
Less: Trade discount		141,423	133,786	79,820	81,269
Less: Commission		165,749	156,382	84,220	83,043
		3,073,908	2,512,629	1,543,444	1,258,592
		15,857,636	13,143,258	7,991,689	6,549,804
21.1 Local sales		15,166,432	12,131,901	7,559,195	5,969,055
Export sales		691,204	1,011,357	432,494	580,749
		15,857,636	13,143,258	7,991,689	6,549,804

22 COST OF SALES

Raw materials consumed	7,528,852	5,420,198	3,481,401	2,566,399
Other overheads:				
Salaries wages and benefit	598,018	518,385	296,496	261,203
Stores, spares and consumed	209,490	241,694	109,817	132,295
Packing materials consumed	126,922	123,900	66,017	72,180
Fuel and power	4,566,889	3,977,011	2,330,225	2,107,593
Repair and maintenance	46,476	34,239	22,954	16,531
Rent, rates and taxes	12,337	8,916	6,763	4,976
Insurance	8,040	10,584	2,722	5,596
Vehicle running expenses	14,437	14,993	7,807	7,031
Telephone, telex and postage	563	628	293	371
Printing and stationery	28	46	16	24
Depreciation	342,515	359,778	176,679	183,393
Provision for slow moving stores and spares	18,000	-	9,000	(4,500)
Other expenses	5,398	4,075	709	2,438
	5,949,113	5,294,249	3,029,498	2,789,131
Opening work in process	87,682	82,822	59,510	80,342
Closing work in process	(58,114)	(89,118)	(58,114)	(89,118)
	29,568	(6,296)	1,396	(8,776)
Cost of goods manufactured	13,507,533	10,708,151	6,512,295	5,346,754
Cost of stores traded	-	254,206	-	217,326
Opening stock of finished goods	1,149,509	1,208,684	1,477,488	1,206,092
Closing stock of finished goods 9	(1,364,486)	(1,511,071)	(1,364,486)	(1,511,071)
	(214,977)	(302,387)	113,002	(304,979)
	13,292,556	10,659,970	6,625,297	5,259,101

23 EARNINGS PER SHARE - BASIC AND DILUTED

	---------- (Unaudited) ----------			
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2025	2024	2025	2024
There is no dilutive effect on the basic earnings per share of the Company, which is based on:				
Profit after taxation - (Rs. in thousand)	774,514	614,396	426,948	352,324
Weighted average number of ordinary shares - (in thousand)	100,000	100,000	100,000	100,000
Earnings per share - basic and diluted - (Rs.)	7.75	6.14	4.27	3.52

24 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, associated companies, staff retirement funds, directors 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:

		(Unaudited)			
		Half year ended December 31,		Quarter ended December 31,	
		2025	2024	2025	2024
		(Rupees in thousand)			
Transaction with:					
Relationship with the Company	**Nature of Transactions**				
Other related party					
Chemi Multifabrics Limited	Marketing service charges	76,659	61,406	38,219	26,327
Subsidiary company					
ICL Power (Private) Limited	Investment made	164,086	-	-	-
	Loan given	327,681	487,000	59,000	247,000
	Loan repaid	(327,681)	-	-	-
	Interest charged	37,097	-	-	-
Associated company					
Ittehad Developers	Loan received	-	130,000	-	-
Directors					
Muhammad Siddique Khatri	Interest free loan	20,000	-	20,000	-
Abdul Sattar Khatri	Interest free loan	20,000	-	20,000	-
Waqas Siddique Khatri	Interest free loan	20,000	-	20,000	-
Farhana Abdul Sattar Khatri	Interest free loan	20,000	-	20,000	-
Ahmed Mustafa	Interest free loan	20,000	-	20,000	-
Retirement benefit plans					
Contribution to staff retirement benefit plans		480	439	239	185
Key management personnel					
Remuneration and other benefits		56,175	50,248	27,879	28,528

Basis of Relationship with the Company

Name of related party	Relationship	Basis of Association
Chemi Multifabrics Limited	Other related party	Relatives of director
ICL Power (Private) Limited	Subsidiary	Wholly owned subsidiary
Ittehad Developers	Associated company	Common Directorship

24.1 As per the agreement, the loan from directors is interest free and payable at the discretion of the Company.

24.2 The balances with related parties have been disclosed in the relevant notes to the unconsolidated condensed interim financial statements.

25 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	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
Loan and advance obtained	Interest bearing	706,147	1,187
Bank balance	Placed under shariah permissible	164,952	204,261

	---- (Unaudited) ---- Half year ended 2025	2024
	(Rupees in thousand)	
Income on bank deposit	404	874
Mark up paid on Islamic mode of Financing	132,397	100,558

Relationship with banks having Islamic windows

Bank Name	Nature of transaction
Al- Baraka Bank (Pakistan) Limited	Long term diminishing musharaka, short term borrowings and current account
Dubai Islamic Bank (Pakistan) Limited	
Bank Alfalah Limited - Islamic	
Bank Islami Pakistan Ltd	
Faysal Bank (Islamic) Limited	
United Bank Limited (Ameen Islamic Banking)	
The Bank of Khyber	
MCB Islamic Bank Limited	

26 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 17, 2026 by the Board of Directors of the Company.

27 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEETS DATE

The Board of Directors of the Company in its meeting held on February 17, 2026 has recommended interim cash dividend at 10% i.e Rs. 1 per share. These unconsolidated condensed interim financial statements do not reflect this appropriation.

28 GENERAL

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

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ITTEHAD CHEMICALS LIMITED

(CONSOLIDATED)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2025

(UNAUDITED)

DIRECTORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors take pleasure in presenting their report on the consolidated un-audited condensed interim 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 "IPPL") for the half year ended December 31, 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. This project is expected to enhance long-term profitability and reinforce operational sustainability.

The Consolidated Financial Statements showed Earnings per share Rs. 7.26 (2024: Rs. 6.14 per share) for the period ended December 31, 2025.

Adequate internal financial controls are in place and Management ensures complete and satisfactory implementation of the same. The Management is optimistic about future growth and healthy returns after obtaining the Mining license from Punjab Mines & Minerals Department and regulatory approvals for the Biomass Power Plant establishment.

On behalf of the Board

Lahore February 17, 2026	Muhammad Siddique Khatri Chairman	Abdul Sattar Khatri Chief Executive Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6.1	8,300,223	8,314,835
Capital work in progress	6.2	2,842,775	2,052,169
		11,142,998	10,367,004
Intangible assets		252	252
Investment property		-	675,000
Long term investments	7	-	-
Long term deposits		66,571	66,436
		11,209,821	11,108,692
CURRENT ASSETS			
Stores, spares and loose tools	8	950,653	698,318
Stock in trade	9	3,332,425	2,680,740
Trade debts	10	3,173,166	3,279,983
Loans, advances and other receivables	11	266,543	243,116
Trade deposits and short term prepayments		549,881	545,701
Tax refunds due from the Government		802,513	860,720
Taxation - net		149,192	277,704
Short term investments		-	12,200
Cash and bank balances		1,085,926	450,121
		10,310,299	9,048,603
Assets held for sale	12	675,000	-
TOTAL ASSETS		22,195,120	20,157,295
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	13.1	2,000,000	2,000,000
Issued, subscribed and paid up share capital	13.2	1,000,000	1,000,000
Capital reserves :			
Share premium		177,000	177,000
Merger reserve		(6,445)	(6,445)
Surplus on revaluation of freehold land		2,872,504	2,872,504
Loan from directors		100,000	-
Revenue reserves - Unappropriated profit		6,707,740	6,181,987
		10,850,799	10,225,046
NON CURRENT LIABILITIES			
Long term financing	14	1,320,476	487,704
Deferred liabilities		823,297	819,495
Deferred grant	15	2,863	4,174
		2,146,636	1,311,373
CURRENT LIABILITIES			
Trade and other payables	16	4,101,104	3,324,670
Contract liabilities	17	381,141	224,816
Short term loan		1,010	1,010
Unclaimed dividend		3,685	3,595
Mark-up accrued		105,039	87,590
Short term borrowings	18	4,153,671	4,534,076
Current portion of long term liabilities	19	452,035	445,119
		9,197,685	8,620,876
TOTAL EQUITY AND LIABILITIES		22,195,120	20,157,295
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended		Quarter ended	
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
		---------- (Rupees in thousand) ----------			
Revenue from contracts with customers	21	15,857,636	13,143,258	7,991,689	6,549,804
Cost of sales	22	(13,292,556)	(10,659,970)	(6,625,297)	(5,259,101)
Gross profit		2,565,080	2,483,288	1,366,392	1,290,703
Selling and distribution expense		(769,914)	(822,254)	(408,796)	(398,851)
General and administrative expense		(217,829)	(190,287)	(105,812)	(97,965)
Other operating income		55,871	49,488	17,225	33,691
Other operating expense		(111,581)	(82,849)	(53,801)	(43,717)
		(1,043,453)	(1,045,902)	(551,184)	(506,842)
Operating profit		1,521,627	1,437,386	815,208	783,861
Financial charges		(306,911)	(352,179)	(165,178)	(197,595)
Profit before income tax and levy		1,214,716	1,085,207	650,030	586,266
Levy		-	(6,094)	-	(5,738)
Profit before income tax		1,214,716	1,079,113	650,030	580,528
Taxation		(488,963)	(464,812)	(263,206)	(228,248)
Profit after taxation		725,753	614,301	386,824	352,280
Earnings per share - basic and diluted (Rupees)	23	7.26	6.14	3.87	3.52

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR DECEMBER 31, 2025

	Half year ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	---------- (Rupees in thousand) ----------			
Profit after taxation for the period	725,753	614,301	386,824	352,280
Other comprehensive income				
Items that will not be reclassified subsequently to statetment of profit or loss	-	-	-	-
Items that may be reclassified subsequently to statement of profit or loss	-	-	-	-
Total comprehensive income for the period	725,753	614,301	386,824	352,280

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE DIRECTOR CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Note	Half year ended December 31, 2025	Half year ended December 31, 2024
		(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax and levy		1,214,716	1,085,207
Adjustments for items not involving movement of funds:			
Depreciation	6.1	355,108	370,525
Provision for gratuity		31,433	29,524
Amortisation of intangible assets		-	163
Loss/(gain) on sale of fixed assets		10,501	(10,074)
Loss/(gain) on foreign exchange		-	(592)
Deferred grant amortization		(12,929)	(23,638)
Provision for obsolete stores and spares	8.2	18,000	-
Financial charges		306,911	352,179
Net cash flow before working capital changes		1,923,740	1,803,294
Decrease / (increase) in current assets			
Stores and spares	8	(270,335)	(2,870)
Stock in trade	9	(651,685)	(593,557)
Trade debts	10	106,817	399,203
Loans and advances	11	(23,427)	102,399
Trade deposits and short term prepayments		(4,180)	8,183
Tax refunds due from the Government		62,051	(14,022)
		(780,759)	(100,664)
Increase / (decrease) in current liabilities			
Trade and other payables	16	776,434	48,932
Contract liabilities		156,325	-
		932,759	48,932
Cash generated from operations		2,075,740	1,751,562
Income taxes paid		(386,573)	(629,814)
Gratuity paid		(5,353)	(5,392)
Financial charges paid		(286,626)	(341,857)
Net cash generated from operating activities		1,397,188	774,499
CASH FLOW FROM INVESTING ACTIVITIES			
Additions to operating fixed assets - net		(11,565)	(24,121)
Additions to capital work in progress		(1,124,135)	(896,580)
Proceeds from sale of operating fixed assets		4,190	11,851
Long term investments	7	-	-
Short term investment - net		12,200	-
Long term deposits		(135)	(1,792)
Net cash used in investing activities		(1,119,445)	(910,642)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from long term financing		1,059,908	150,000
Repayment of long term financing		(221,531)	(192,352)
Repayment of long term diminishing musharaka		-	(139,030)
Dividend paid		(199,910)	(146,852)
Loan from directors		100,000	-
Short term borrowings - net		(380,405)	688,670
Net cash (used in) / generated from financing activities		358,062	360,436
Net increase in cash and cash equivalents		635,805	224,293
Cash and cash equivalents at the beginning of the period		450,121	289,057
Cash and cash equivalents at the end of the period		1,085,926	513,350

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY- (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

	Issued, subscribed and paid-up share capital	Loan from directors	Reserves				Total
			Capital			Revenue reserves	
			Surplus on revaluation of fixed assets	Balance arising upon merger	Share premium	Unappropriated profit	
	----------(Rupees in thousand)----------						
Balance as at July 01, 2024 (audited)	1,000,000	-	2,872,504	(6,445)	177,000	5,243,885	9,286,944
Transaction with owners:							
Final cash dividend on ordinary shares @ Rs. 1.5 per share	-	-	-	-	-	(150,000)	(150,000)
Total comprehensive income	-	-	-	-	-	614,301	614,301
Balance as at December 31, 2024 (unaudited)	1,000,000	-	2,872,504	(6,445)	177,000	5,708,186	9,751,245
Balance as at July 01, 2025 (audited)	1,000,000	-	2,872,504	(6,445)	177,000	6,181,987	10,225,046
Transaction with owners:							
Final cash dividend on ordinary shares @ Rs. 2 per share	-	-	-	-	-	(200,000)	(200,000)
Loan from directors	-	100,000	-	-	-	-	100,000
Total comprehensive income	-	-	-	-	-	725,753	725,753
Balance as at December 31, 2025 (unaudited)	1,000,000	100,000	2,872,504	(6,445)	177,000	6,707,740	10,850,799

The annexed notes from 1 to 28 form an integral part of these unconsolidated condensed interim financial statements.

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2025

1 LEGAL STATUS AND NATURE OF BUSINESS

The group comprises of Ittehad Chemicals Limited (Parent/holding Company) (ICL), Ittehad Salt Processing (Private) Limited (Subsidiary Company) (ISPL) and ICL Power (Private) Limited (Subsidiary Company) (IPL). The Parent Company and the subsidiary companies are collectively referred to as "the Group".

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 Mr. 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 December 31, 2025 (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 Sheikhupura and regional offices are located as follows:

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

2.2 Subsidiary companies

The registered office of the Ittehad Salt Processing (Private) Limited 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 condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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

Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act , 2017; and

Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

These consolidated condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2025 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these consolidated condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2025, whereas the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity are extracted from the unaudited consolidated condensed interim financial statements for the half year ended December 31, 2024.

3.2 Basis of measurement

These consolidated condensed interim financial statements do not include all the information and the disclosures required in the annual financial statements, and should be read in conjunction with annual audited financial statements of the Company for the year ended June 30, 2025.

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated condensed interim financial statements, the significant judgments made by the management in applying accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of annual audited financial statements for the year ended June 30, 2025.

Provision in respect of Workers' Welfare Fund, Workers' Profit Participation Fund and taxation in these unconsolidated condensed interim financial statements are estimated based on management judgment and prevailing laws; these are subject to final adjustments in the annual audited financial statements.

5 MATERIAL ACOUNTING POLICY INFORMATION

5.1 The accounting policies adopted and methods of computation followed in the preparation of these unconsolidated condensed interim financial statements are same as those for the preceding annual financial statements for the year ended June 30, 2025.

5.2 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards

5.2.1 Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

5.2.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 01, 2026. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	8,300,223	8,314,835
Capital work in progress	6.2	2,842,775	2,052,169
		11,142,998	10,367,004
6.1 Operating fixed assets			
Opening net book value (NBV)		8,314,835	8,504,920
Additions/ revaluation / transfer (at cost)	6.1.1 & 6.1.2	355,187	579,404
		8,670,022	9,084,324
Disposals (at NBV) during the period / year	6.1.3	(14,691)	(1,781)
Depreciation charged during the period / year		(355,108)	(767,708)
		(369,799)	(769,489)
Closing net book value (NBV) at the end of the period / year		8,300,223	8,314,835

6.1.1 Details of additions / revaluation / transfer (at cost) during the period / year are as follows:

Building	36,942	22,819
Plant and machinery	310,225	458,961
Other equipment	438	6,654
Furniture and fixtures	527	1,044
Office and other equipment	3,347	17,831
Vehicles	3,708	72,095
	355,187	579,404

6.1.2 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 million (June 30 , 2025: Rs. 2,872 million). Had there been no revaluation, the net book value of the freehold land would have been Rs. 158.476 million (June 30, 2025: Rs. 158.476 million).

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	

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

Building	(1,698)	-
Plant and machinery	(11,555)	-
Other equipment	(407)	-
Office and other equipment	(111)	-
Vehicles	(920)	(1,781)
	(14,691)	(1,781)

6.1.4 Freehold lands of the Company are located at Mudwala Khurd Sheikhupura with an area covering 74 kanals and 11 Marla, Kala Shah Kaku, Sheikhupura with an area of 886 Kanal - 2 Marla and at Khanpur Canal Sheikhupura with an area of 135 Kanal - 6 Marla. These include lands which have been held for establishment of factory.

6.2 Capital work in progress

Advances	1,847,183	1,652,058
Building	324,629	171,255
Plant and machinery	607,914	199,428
Capital Stores	63,049	29,428
	2,842,775	2,052,169

7 LONG TERM INVESMTENTS

Investment in related parties - unquoted			
Chemi Viscofiber Limited	7.1	-	-
Ittehad Salt Processing (Private) Limited- at cost		-	-
ICL Power (Private) Limited	7.2	-	-
		-	-

7.1 Chemi Viscofiber Limited

5,625,000 (2024: 5,625,000) fully paid ordinary shares		-	-
Less: Provision for diminution of investment	7.1.1	-	-
		-	-

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
7.1.1 Opening provision for diminution of investment		-	-
Written off during the period		-	-
		-	-
7.2 ICL Power (Private) Limited			
Investment at cost		-	-
Advance against issuance of shares		-	-
		-	-
8 STORES, SPARES AND LOOSE TOOLS			
Stores:			
in hand		102,294	88,368
in transit		23,346	2,174
		125,640	90,542
Spares:			
in hand		724,000	616,314
in transit		155,001	27,450
		879,001	643,764
		1,004,641	734,306
Less: Provision for obsolete stores and spares	8.2	(53,988)	(35,988)
		950,653	698,318

8.1 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase.

8.2 Movement of provision for obsolete stores and spares

Opening balance		35,988	18,000
Provision during the period / year		18,000	17,988
		53,988	35,988
9 STOCK IN TRADE			
Raw materials:			
in hand		1,268,114	1,296,473
in transit	.	599,237	97,873
		1,867,351	1,394,346
Packing materials - in hand		42,474	49,203
Work in process	22	58,114	87,682
Finished goods	9.1	1,364,486	1,149,509
	9.2	3,332,425	2,680,740

9.1 Aggregate stocks with the cost of Rs. 320.581 million (June 30, 2025: Rs. 106.873 million) are being valued at net reliazable value of Rs. 257.265 million (June 30, 2025: Rs. 106.873 million).

9.2 Stock-in-trade up to a maximum amount of Rs. 3,331.560 million (June 30, 2025: 2,679.874 million) are under hypothecation of commercial banks as security for short term borrowings.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
10 TRADE DEBTS			
Unsecured - Considered good			
Foreign		81,274	47,192
Local		3,180,746	3,321,645
		3,262,020	3,368,837
Less: Allowance for expected credit loss	10.1	(88,854)	(88,854)
		3,173,166	3,279,983

10.1 During the period, the impact of expected credit loss is insignificant.

11 LOANS ADVANCES AND OTHER RECEIVABLES			
Advances - Considered good			
To employees against salaries	11.1	19,657	9,044
To employees against expenses		1,159	261
Advance against gratuity		11,919	11,919
		32,735	21,224
Advance to supplies and services (Unsecured)			
Considered good		222,707	218,969
Considered doubtful		1,374	1,374
		224,081	220,343
Against import		9,611	2,314
		266,427	243,881
Accrued interest receivable		1,490	609
Less: Expected credit loss against advances		(1,374)	(1,374)
		266,543	243,116

11.1 This includes advance to employees against salaries in accordance with the terms of their employment.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	

12 ASSETS HELD FOR SALE

Investment property	12.1	675,000	-

12.1 The shareholders approved to sell two investment properties of the Company located at Mouza Hassanabad, Barki Road Lahore, measuring approximately 42 and 24 kanals. On December 30, 2025, the Company has entered into sale agreement of 56 kanals against which advance has also received as disclosed in Note 17.1.

13 SHARE CAPITAL

13.1 Authorized share capital

175,000,000 (June 30, 2025: 175,000,000) ordinary shares of Rs. 10/- each	1,750,000	1,750,000
25,000,000 (June 30, 2025: 25,000,000) preference shares of Rs. 10/- each	250,000	250,000
	2,000,000	2,000,000

13.2 Issued, subscribed and paid up share capital

27,100,000 (June 30, 2025: 27,100,000) ordinary shares of Rs. 10/- each fully paid in cash	271,000	271,000
24,900,000 (June 30, 2025: 24,900,000) ordinary shares of Rs. 10/- each issued for consideration other than cash	249,000	249,000
48,000,000 (June 30, 2025: 32,700,000) fully paid bonus shares of Rs. 10/- each	480,000	480,000
	1,000,000	1,000,000

14 LONG TERM FINANCING

From banking companies and financial institutions - secured

Balance as at December 31, 2025	1,760,922	909,616
Current portion presented under current liabilities	(440,446)	(421,912)
	1,320,476	487,704

15 DEFERRED GRANT

Deferred grant		14,452	27,381
Current portion presented under current liability	15.1	(11,589)	(23,207)
		2,863	4,174

15.1 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.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
16 TRADE AND OTHER PAYABLES			
Trade creditors		1,085,217	764,011
Accrued liabilities		1,501,658	1,072,865
Due to related party	16.1	100,223	73,007
Cost of supply	16.2	634,962	561,919
GIDC payable	16.3	620,458	620,458
Security deposits		50,372	50,372
Retention money		6,802	6,802
Income tax deducted at source		745	5,048
Workers' Profit Participation Fund		73,496	122,599
Workers Welfare Fund		27,171	47,589
		4,101,104	3,324,670

16.1 This represents balance due to Chemi Multifabrics Limited, other related party, amounting to Rs. 100.223 million (June 30, 2025: Rs. 73.007 million).

16.2 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. 634.962 million on prudence basis since February, 2018.

16.3 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 (June 30, 2025: 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 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.

	Note	December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
17 CONTRACT LIABILITIES			
Advances from customers	17.1	381,141	224,816

17.1 This includes advance consideration received against the sale of investment properties amounting to Rs. 200 million.

18 SHORT TERM BORROWINGS			
Secured			
From banking companies and financial institutions		4,153,671	4,534,076
19 CURRENT PORTION OF LONG TERM LIABILITIES			
Long term financing	14	440,446	421,912
Deferred grant	15	11,589	23,207
		452,035	445,119

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingent liabilities

a) Letters of guarantee outstanding as at December 31, 2025 were Rs. 523.900 million (June 30, 2025: Rs. 552.440 million).

b) The amended assessment order u/s 122(5A) of the Income Tax Ordinance, 2001 for Tax Year 2006 passed by the learned Additional Commissioner Inland Revenue against the Company was decided in favor of the Company by Commissioner Inland Revenue (Appeals). However, the said order was challenged by the Commissioner before Appellate Tribunal Inland Revenue (ATIR), which has been decided by the learned ATIR in favor of the Company.

c) The company has provided corporate guarantee aggregating to Rs. 5,400 million (June 30, 2025: Rs. Nill) to the banks against finance facilities availed by ICL Power (Pvt) Limited.

d) Other contingencies are not materially different from those as disclosed in preceding annual financial statements for the year ended June 30, 2025.

20.2 Commitments

Commitments as on December 31, 2025 were as follows:

Against letters of credit amounting to Rs.1,961.017 million (June 30, 2025: Rs. 1,449.507 million).

21 REVENUE FROM CONTRACTS WITH CUSTOMERS

	Note	(Unaudited) Half year ended December 31, 2025	Half year ended December 31, 2024	Quarter ended December 31, 2025	Quarter ended December 31, 2024
		(Rupees in thousand)			
Major products and services					
Manufacturing		18,918,798	15,308,018	9,535,133	7,522,304
Trading		-	343,540	-	286,092
Toll Manufacturing		12,746	4,329	-	-
		18,931,544	15,655,887	9,535,133	7,808,396
Less: Sales tax		2,766,736	2,222,461	1,379,404	1,094,280
Less: Trade discount		141,423	133,786	79,820	81,269
Less: Commission		165,749	156,382	84,220	83,043
		3,073,908	2,512,629	1,543,444	1,258,592
		15,857,636	13,143,258	7,991,689	6,549,804
21.1 Local sales		15,166,432	12,131,901	7,559,195	5,969,055
Export sales		691,204	1,011,357	432,494	580,749
		15,857,636	13,143,258	7,991,689	6,549,804

22 COST OF SALES

	Note	Half year ended December 31, 2025	Half year ended December 31, 2024	Quarter ended December 31, 2025	Quarter ended December 31, 2024
Raw materials consumed		7,528,852	5,420,198	3,481,401	2,566,399
Other overheads:					
Salaries wages and benefit		598,018	518,385	296,496	261,203
Stores, spares and consumed		209,490	241,694	109,817	132,295
Packing materials consumed		126,922	123,900	66,017	72,180
Fuel and power		4,566,889	3,977,011	2,330,225	2,107,593
Repair and maintenance		46,476	34,239	22,954	16,531
Rent, rates and taxes		12,337	8,916	6,763	4,976
Insurance		8,040	10,584	2,722	5,596
Vehicle running expenses		14,437	14,993	7,807	7,031
Telephone, telex and postage		563	628	293	371
Printing and stationery		28	46	16	24
Depreciation		342,515	359,778	176,679	183,393
Provision for slow moving stores and spares		18,000	-	9,000	(4,500)
Other expenses		5,398	4,075	709	2,438
		5,949,113	5,294,249	3,029,498	2,789,131
Opening work in process		87,682	82,822	59,510	80,342
Closing work in process		(58,114)	(89,118)	(58,114)	(89,118)
		29,568	(6,296)	1,396	(8,776)
Cost of goods manufactured		13,507,533	10,708,151	6,512,295	5,346,754
Cost of stores traded		-	254,206	-	217,326
Opening stock of finished goods		1,149,509	1,208,684	1,477,488	1,206,092
Closing stock of finished goods	9	(1,364,486)	(1,511,071)	(1,364,486)	(1,511,071)
		(214,977)	(302,387)	113,002	(304,979)
		13,292,556	10,659,970	6,625,297	5,259,101

23 EARNINGS PER SHARE - BASIC AND DILUTED

	---------- (Unaudited) ----------			
	Half year ended		Quarter ended	
	December 31,		December 31,	
	2025	2024	2025	2024
There is no dilutive effect on the basic earnings per share of the Company, which is based on:				
Profit after taxation - (Rs. in thousand)	725,753	614,301	386,824	352,280
Weighted average number of ordinary shares - (in thousand)	100,000	100,000	100,000	100,000
Earnings per share - basic and diluted - (Rs.)	7.26	6.14	3.87	3.52

24 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of related group companies, associated companies, staff retirement funds, directors 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:

		(Unaudited)			
		Half year ended December 31,		Quarter ended December 31,	
		2025	2024	2025	2024
		(Rupees in thousand)			
Transaction with: Relationship with the Company	**Nature of Transactions**				
Other related party					
Chemi Multifabrics Limited	Marketing service charges	76,659	61,406	38,219	26,327
Subsidiary company					
ICL Power (Private) Limited	Investment made	164,086	-	-	-
	Loan given	327,681	487,000	59,000	247,000
	Loan repaid	(327,681)	-	-	-
	Interest charged	37,097	-	-	-
Associated company					
Ittehad Developers	Loan received	-	130,000	-	-
Directors					
Muhammad Siddique Khatri	Interest free loan	20,000	-	20,000	-
Abdul Sattar Khatri	Interest free loan	20,000	-	20,000	-
Waqas Siddique Khatri	Interest free loan	20,000	-	20,000	-
Farhana Abdul Sattar Khatri	Interest free loan	20,000	-	20,000	-
Ahmed Mustafa	Interest free loan	20,000	-	20,000	-
Retirement benefit plans					
Contribution to staff retirement benefit plans		480	439	239	185
Key management personnel					
Remuneration and other benefits		56,175	50,248	27,879	28,528

Basis of Relationship with the Company

Name of related party	Relationship	Basis of Association
Chemi Multifabrics Limited	Other related party	Relatives of director
ICL Power (Private) Limited	Subsidiary	Wholly owned subsidiary
Ittehad Developers	Associated company	Common Directorship

24.1 As per the agreement, the loan from directors is interest free and payable at the discretion of the Company.

24.2 The balances with related parties have been disclosed in the relevant notes to the unconsolidated condensed interim financial statements.

25 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:

		December 31, 2025 (Unaudited)	June 30, 2025 (Audited)
		(Rupees in thousand)	
Description	**Explanation**		
Loan and advance obtained	Interest bearing	706,147	1,187
Bank balance	Placed under shariah permissible	164,952	204,261

	----- (Unaudited) ----- Half year ended	
	2025	2024
	(Rupees in thousand)	
Income on bank deposit	404	874
Mark up paid on Islamic mode of Financing	132,397	100,558

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 Bank Islami Pakistan Ltd Faysal Bank (Islamic) Limited United Bank Limited (Ameen Islamic Banking) The Bank of Khyber MCB Islamic Bank Limited	Long term diminishing musharaka, short term borrowings and current account

26 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on February 17, 2026 by the Board of Directors of the Company.

27 NON-ADJUSTING EVENTS AFTER THE BALANCE SHEETS DATE

The Board of Directors of the Holding Company in its meeting held on February 17, 2026 has recommended interim cash dividend at 10% i.e Rs. 1 per share. These consolidated condensed interim financial statements do not reflect this appropriation.

28 GENERAL

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

CHIEF EXECUTIVE | DIRECTOR | CHIEF FINANCIAL OFFICER

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