

1st Quarterly Report
September 30,
2023



ITTEHAD CHEMICALS LIMITED

Building a Better Tomorrow



ITTEHAD CHEMICALS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2023 (UN-AUDITED)

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Corporate Information

BOARD OF DIRECTORS	Mr. Muhammad Siddique Khatri Mr. Abdul Sattar Khatri Mr. Waqas Siddiq Khatri Mr. Ahmed Mustafa Mrs. Farhana Abdul Sattar Khatri Mr. Pervez Ismail Mr. Ali Asrar Hossain Aga	Chairman Director/CEO Director Director Director Director Director	Non-Executive Director Executive Director Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director
AUDIT COMMITTEE	Mr. Pervez Ismail Mr. Ahmed Mustafa Mr. Ali Asrar Hossain Aga	Chairman Member Member	
HR & REMUNERATION COMMITTEE	Mr. Ali Asrar Hossain Aga Mr. Ahmed Mustafa Mr. Waqas Siddiq Khatri	Chairman Member Member	
RISK MANAGEMENT COMMITTEE	Mr. Pervez Ismail Mr. Abdul Sattar Khatri Mr. Waqas Siddiq Khatri	Chairman Member 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 , E-mail: info@ittehadchemicals.com		
FACTORY/PLANT	G.T. Road, Kala Shah Kaku, District Sheikhpura. Ph: 042 - 37950222 - 25, Fax: 042 - 37950206		
SHARES REGISTRAR	M/s. Hameed Majeed Associates (Pvt) Limited 1 st Floor, H.M. House, 7 Bank Square The Mall, Lahore. Tel: 042 - 37235081 - 82		
BANKERS	<u>Banks - Conventional Side</u> Askari Bank Limited Allied Bank Limited Faysal Bank Limited Habib Metro Bank Limited MCB Bank Limited National Bank of Pakistan JS Bank Limited Pak Libya Holding Co. (Pvt.) Ltd. Pak Brunei Inv. Company Ltd. The Bank of Punjab United Bank Limited Samba Bank Limited Soneri Bank Limited Pak China Investment Co. Limited	<u>Banks - Islamic Window Operations</u> Al-Baraka Bank (Pakistan) Limited The Bank of Punjab (Taqwa Islamic Banking) Dubai Islamic Bank (Pak) Limited Bank Alfalah Limited - Islamic-Banking MCB Islamic Bank Limited	
AUDITORS	M/s. BDO Ebrahim & Co., Chartered Accountants, 2 nd Floor, Block- C, Lakson Square Building No.1, Sarwar Shaheed Road, Karachi. Ph: 021 - 35683189, 35683498, Fax : 021 - 35684239		
LEGAL ADVISOR	Cornelius, Lane & Mufti Advocates & Solicitors Nawa-e-Waqt House 4 - Shahrah-e-Fatima Jinnah Lahore-54000		

DIRECTORS' REPORT

The Directors take pleasure in presenting the un-audited condensed interim financial statements of the Company for the first quarter ended September 30, 2023

Despite the difficult economic situation, the company successfully maintained its growth momentum and posted net sales revenue of Rupees 6,630 Million denoting an increase of 18% over the corresponding period of last year (2022: Rupees 5,612 Million). The cost of sales stood at Rupees 5,184 Million (2022: Rupees 5,030 Million) bringing gross profit to Rupees 1,446 Million (2022: Rupees 581 Million). The gross profit margin improved to 22% during the period under review from 10% vis-à-vis corresponding period of last year. The bottom line showed a net profit after tax amounting to Rupees 487 Million (2022: Rupees 137 Million) which yielded earning(s) per share Rupees 4.87 (2022: Rupees 1.37 per share).

Moving forward, the Management is consistently reviewing and exploring various avenues and opportunities, both within and outside the company with the ultimate objective to maximize shareholders' wealth in the long run. As described in earlier report, the company is undertaking CAPEX for multiple projects like establishment of Biomass Power Plant, addition of an electrolyzer, the installation of a flaker plant, and an expansion in the Calcium Chloride Plant. This will eventually improve the operational performance and profitability of the Company. The Board in its meeting held on 25th October, 2023 has decided to incorporate a wholly owned subsidiary to take up Power Generation Project. In this regard, a Notice of Extra Ordinary General Meeting is being forwarded to all stakeholders. The wholly owned subsidiary i.e. M/s Ittehad Salt Processing (Pvt.) Limited is effectively moving to acquire Mining Lease from the concerned Government Department.

The Country's overall economy reflected a lackluster performance during the quarter under review. At present inflationary pressure, high interest rates, Pak rupee fluctuation and unprecedented increase in power tariffs have increased challenges to the industry. In order to combat the current economic situation and all the above challenges, management will continue its focus on improving its operational performance, developing competitive marketing strategies, reducing costs and improving efficiencies.

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
October 25, 2023

Muhammad Siddique Khatri
Chairman



Abdul Sattar Khatri
Chief Executive Officer

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2023ء کو اختتام پذیر ہونے والی پہلی سہ ماہی کے غیر بڑھتا ہوا بین المدتی مختصر مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مشکل معاشی صورت حال کے باوجود، کمپنی نے کامیابی کے ساتھ اپنی ترقی کی رفتار کو برقرار رکھا اور کمپنی کی فروخت گزشتہ سال کے اسی عرصہ کے مقابلے میں 18% اضافے کے ساتھ 6,630 ملین روپے (2022: 5,612 ملین روپے) رہی۔ فروخت کی لاگت 5,184 ملین روپے (2022: 5,030 ملین روپے) رہی جس سے کمپنی کا خام منافع 1,446 ملین (2022: 581 ملین روپے) بنتا ہے۔ زیر جائزہ مدت کے دوران خام منافع کا تناسب گزشتہ سال کے اسی عرصے کے مقابلے میں 10% فیصد سے بڑھ کر 22% فیصد ہو گیا۔ ٹیکس کی ادائیگی کے بعد گوشوارے کی آخری سطر مبلغ 487 ملین روپے (2022: 137 ملین روپے) کا منافع ظاہر کرتی ہے جس کے نتیجے میں فی حصص 4.87 روپے (2022: 1.37 روپے فی حصص) کا منافع ہوا۔

آگے بڑھتے ہوئے، انتظامیہ کمپنی کے اندر اور باہر مختلف راستوں اور مواقع کا مسلسل جائزہ لے رہی ہے اور تلاش کر رہی ہے جس کا حتمی مقصد طویل مدت میں شیئر ہولڈرز کی دولت کو زیادہ سے زیادہ کرنا ہے۔ جیسا کہ پچھلی رپورٹ میں بیان کیا گیا ہے، کمپنی بائو ماس پاور پلانٹ کے قیام، الیکٹرو لائیزر کی شمولیت، ایک فلیکر پلانٹ کی تنصیب، اور کیلشیم کلورائیڈ پلانٹ میں توسیع جیسے متعدد منصوبوں کے لئے CAPEX کر رہی ہے۔ اس سے بالآخر کمپنی کی آپریشنل کارکردگی اور منافع میں بہتری آئے گی بورڈ نے 25 اکتوبر 2023ء کو ہونے والے اپنے اجلاس میں پاور جزیشن پراجیکٹ کے لیے مکمل ملکیتی ماتحت ادارے کو شامل کرنے کا فیصلہ کیا ہے۔ اس سلسلے میں غیر معمولی اجلاس عام کانوٹس تمام اسٹیک ہولڈرز کو ارسال کیا جا رہا ہے۔ مکمل ملکیتی ماتحت ادارہ یعنی اتحاد سالٹ پروسیسنگ (پرائیوٹ) لمیٹڈ متعلقہ سرکاری محکمے سے مائننگ لیز حاصل کرنے کے لئے مؤثر طریقے سے آگے بڑھ رہا ہے۔

ملک کی مجموعی معیشت زیر غور سہ ماہی کے دوران سست روی کی عکاسی کرتی ہے۔ اس وقت افراط زر کے دباؤ، بلند شرح سود، پاکستانی روپے کی قدر میں اتار چڑھاؤ اور بجلی کے نرخوں میں غیر معمولی اضافے نے صنعت کے لیے چیلنجز میں اضافہ کر دیا ہے۔ موجودہ معاشی صورتحال اور مذکورہ بالا تمام چیلنجز کا مقابلہ کرنے کے لئے، انتظامیہ اپنی آپریشنل کارکردگی کو بہتر بنانے، مسابقتی مارکیٹنگ کی حکمت عملی تیار کرنے، اخراجات کو کم کرنے اور کارکردگی کو بہتر بنانے پر اپنی توجہ جاری رکھے گی۔

بورڈ قابل قدر ممبران، سپلائرز، صارفین، بینکوں اور سرکاری محکموں کے اعتماد، مسلسل حمایت اور سرپرستی پر ان کا شکریہ ادا کرتا ہے اور کمپنی کے تمام ملازمین کو ان کے تعاون، لگن اور سخت محنت پر شکریہ ادا کرنا چاہتا ہے۔

منجانب بورڈ



محمد صدیق کھتری
چیئرمین



عبدالستار کھتری
چیف ایگزیکٹو آفیسر

لاہور

25 اکتوبر 2023ء

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2023

	Note	September 30, 2023 (Un-audited) ----- (Rupees in thousand)-----	June 30, 2023 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	6,211,060	6,322,977
Capital work in progress	8	1,151,514	908,192
		<u>7,362,574</u>	<u>7,231,169</u>
Intangible assets		743	883
Investment properties		562,500	562,500
Long term investments		2,500	2,500
Long term deposits		247,552	66,375
		<u>8,175,869</u>	<u>7,863,427</u>
CURRENT ASSETS			
Stores, spares and loose tools		696,243	533,525
Stock in trade		4,105,003	2,197,162
Trade debts		2,173,853	1,939,538
Loans and advances		311,768	172,452
Trade deposits and short term prepayments		23,414	37,990
Tax refunds due from Government		765,306	723,163
Short Term Investments		-	300,000
Cash and bank balances		349,520	923,733
		<u>8,425,107</u>	<u>6,827,563</u>
TOTAL ASSETS		<u><u>16,600,976</u></u>	<u><u>14,690,990</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	9.1	<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up capital	9.2	1,000,000	1,000,000
Share premium		177,000	177,000
Merger Reserve		(6,445)	(6,445)
Unappropriated profit		4,627,726	4,141,170
Surplus on revaluation of fixed assets		1,392,042	1,392,042
		<u>7,190,323</u>	<u>6,703,767</u>
NON CURRENT LIABILITIES			
Long term financing	10	852,260	938,485
Long term diminishing musharaka	11	103,061	190,561
Deferred liabilities		610,845	571,317
Deferred grant		72,194	72,194
		<u>1,638,360</u>	<u>1,772,557</u>
CURRENT LIABILITIES			
Trade and other payables		4,866,980	3,737,996
Unclaimed dividend		3,080	4,012
Mark-up accrued		144,892	76,317
Short term borrowings		1,697,600	1,314,051
Taxation - net		207,709	268,032
Current portion of long term liabilities		852,032	814,258
		<u>7,772,293</u>	<u>6,214,666</u>
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>16,600,976</u></u>	<u><u>14,690,990</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,	
		2023	2022
		----- (Rupees in thousand) -----	
Revenue from contracts with customers		6,629,933	5,611,569
Cost of sales	13	(5,183,588)	(5,030,183)
Gross profit		1,446,345	581,386
Selling and distribution expenses		(270,427)	(300,105)
General and administrative expenses		(82,028)	(66,240)
Other operating expenses		(66,734)	(11,568)
Other operating income		24,084	82,862
		(395,105)	(295,051)
Operating profit		1,051,240	286,335
Financial charges		(169,387)	(136,965)
Profit before taxation		881,853	149,370
Taxation		(395,297)	(12,440)
Profit after taxation		486,556	136,930
Earnings per share - basic and diluted (Rupee)	14	4.87	1.37

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,	
	2023	2022
Note	----- (Rupees in thousand) -----	
Profit for the period	486,556	136,930
Other comprehensive income	-	-
Total comprehensive income for the period	<u>486,556</u>	<u>136,930</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,	
	2023	2022
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	881,853	149,370
Adjustments for items not involving movement of funds:		
Depreciation	150,869	150,665
Amortization of intangible assets	139	139
Provision for gratuity	8,984	6,007
Loss / (Gain) on sale of fixed assets	(760)	(325)
Loss / (gain) on foreign exchange	(4,853)	(74,272)
Provision for obsolete stores	4,500	4,500
Financial charges	169,387	136,965
Net cash flow before working capital changes	1,210,119	373,049
Decrease / (increase) in current assets		
Stores, spares and loose tools	(167,218)	(21,623)
Stock in trade	(1,907,841)	(451,249)
Trade debts	(229,462)	(228,955)
Loans and advances	(139,316)	162,802
Trade deposits and short term prepayments	14,576	(4,498)
Tax refunds due from the Government	(131,143)	(76,740)
	(2,560,404)	(620,263)
Increase / (decrease) in current liabilities		
Trade and other payables	1,128,981	228,858
Cash generated from operations	(221,304)	(18,356)
Income taxes paid	(336,076)	(222,723)
Gratuity paid	-	(1,492)
Financial charges paid	(105,611)	(111,642)
Net cash inflow from operating activities	(662,991)	(354,213)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets-net	(19,901)	(28,433)
Additions to capital work in progress	(257,883)	(220,391)
Proceeds from sale of operating fixed assets	1,070	350
Short Term Investments	300,000	-
Long term deposits	(181,177)	-
Net cash (outflow) from investing activities	(157,891)	(248,474)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	41,500	30,808
Repayment of long term financing	(88,300)	(60,695)
Repayment of long term diminishing musharaka	(87,500)	(87,500)
Repayment of lease liabilities	(1,648)	(2,021)
Dividend Paid	(932)	-
Short term borrowings	383,549	634,376
Net cash inflow / (outflow) from financing activities	246,669	514,968
Net increase in cash and cash equivalents	(574,213)	(87,719)
Cash and cash equivalents at the beginning of the period	923,733	194,542
Cash and cash equivalents at the end of the period	349,520	106,823

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Share capital	Surplus on revaluation of fixed assets	Balance arising upon merger	Share premium	Unappropriated profit	Total
----- (Rupees in thousand) -----						
Balance as at July 01, 2022	1,000,000	1,392,042	(6,445)	177,000	2,618,421	5,181,018
Total Comprehensive income for the period	-	-	-	-	136,930	136,930
Balance as at September 30, 2022	1,000,000	1,392,042	(6,445)	177,000	2,755,351	5,317,948
Transitions with Owners :						
Interim cash dividend 2023: Re. 3 per share					(300,000)	(300,000)
	-	-	-	-	(300,000)	(300,000)
Total Comprehensive income for the period						
Profit for the period	-	-	-	-	1,689,266	1,689,266
Remeasurement of defined benefit liability - net	-	-	-	-	(3,447)	(3,447)
	-	-	-	-	1,685,819	1,685,819
Balance as at June 30, 2023	1,000,000	1,392,042	(6,445)	177,000	4,141,170	6,703,767
Total Comprehensive income for the period	-	-	-	-	486,556	486,556
Balance as at September 30, 2023	1,000,000	1,392,042	(6,445)	177,000	4,627,726	7,190,323

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND OPERATIONS

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

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

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 3, 2019, as company limited by shares. 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 Ahmed Mustafa.

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

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

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

These condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2023 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative balance sheet presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended September 30, 2022.

3.2 Accounting Convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits which are measured at present value, freehold land and investment property which are measured at fair value.

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

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are the same as those of the preceding published annual financial statements for the year ended June 30, 2023.

5 TAXATION

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

6 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
		----- (Rupees in thousand)-----	
7	PROPERTY PLANT & EQUIPMENT	Note	
	Operating Fixed Assets	7.1	6,210,290
	Right to Use Assets	7.2	1,540
			<u>6,211,060</u>
			<u>6,322,977</u>
7.1	Operating Fixed Assets		
	Opening book value (NBV)		6,321,437
	Additions / (adjustment) at cost during the period / year	7.1.1	39,262
			<u>6,360,699</u>
	Disposals at NBV during the period / year	7.1.2	(310)
	Depreciation charged during the period / year		(150,099)
			<u>(150,409)</u>
	Closing net book value (NBV)		<u>6,210,290</u>
			<u>6,289,161</u>
			<u>6,940,716</u>
			<u>(3,410)</u>
			<u>(615,869)</u>
			<u>(619,279)</u>
			<u>6,321,437</u>
7.1.1	Details of additions / (adjustment) at cost during the period / year are as follows:		
	Building	-	149,556
	Plant and machinery	24,882	436,426
	Other equipment	-	79
	Furniture and fixtures	-	480
	Office and other equipment	410	6,283
	Vehicles	13,970	58,731
		<u>39,262</u>	<u>651,555</u>
7.1.2	Details of disposals (at NBV) during the period / year are as follows:		
	Furniture and fixtures	-	(387)
	Office and other equipemnt	-	(1,299)
	Vehicles	(310)	(1,724)
		<u>(310)</u>	<u>(3,410)</u>
7.2	Right to Use Assets		
	Opening book value (NBV)		1,540
	Disposals at NBV during the period / year		-
	Depreciation charged during the period / year		(770)
	Closing net book value (NBV)		<u>770</u>
			<u>8,947</u>
			<u>(3,111)</u>
			<u>(4,296)</u>
			<u>1,540</u>
8	CAPITAL WORK IN PROGRESS		
	Building		26,622
	Plant and machinery		1,029,253
	Advances		95,639
			<u>1,151,514</u>
			<u>20,295</u>
			<u>839,646</u>
			<u>48,251</u>
			<u>908,192</u>

9	SHARE CAPITAL	Note	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
			----- (Rupees in thousand)-----	
9.1	Authorized share capital			
	175,000,000 (June 30, 2023: 100,000,000) ordinary shares of Rs. 10/- each		1,750,000	1,750,000
	25,000,000 (June 30, 2023: 25,000,000) preference shares of Rs. 10/- each		250,000	250,000
			<u>2,000,000</u>	<u>2,000,000</u>
9.2	Issued, subscribed and paid up share capital			
	27,100,000 (June 30, 2023: 27,100,000) ordinary shares fully paid in cash		271,000	271,000
	24,900,000 (June 30, 2023: 24,900,000) issued for consideration other than cash		249,000	249,000
	48,000,000 (June 30, 2023: 48,000,000) fully paid bonus shares		480,000	480,000
			<u>1,000,000</u>	<u>1,000,000</u>
10	LONG TERM FINANCING			
	From banking companies and financial institutions- secured			
	Balance as at July 01		1,306,037	921,842
	Obtained during the period / year		41,500	746,660
	Shown as deferred grant - net		-	(77,986)
	Repayments made during the period / year		(88,300)	(284,479)
			<u>1,259,237</u>	<u>1,306,037</u>
	Current portion shown under current liabilities		(406,977)	(367,552)
			<u>852,260</u>	<u>938,485</u>
11	LONG TERM DIMINISHING MUSHARAKA			
	From banking companies and financial institutions- secured			
	Balance as at July 01		577,566	964,571
	Obtained during the period / year		-	-
	Repayments made during the period / year		(87,500)	(387,005)
			<u>490,066</u>	<u>577,566</u>
	Current portion shown under current liabilities		(387,005)	(387,005)
			<u>103,061</u>	<u>190,561</u>

12 CONTINGENCIES AND COMMITMENTS**12.1 Contingent liabilities**

- a) Letters of guarantee outstanding as at September 30, 2023 were Rs. 461.507 million (June 30, 2023: Rs. 476.076 million).
- b) Other contingencies are not materially different from those as disclosed in preceding annual financial statements for the year ended June 30, 2023.

12.2 Commitments

Commitments as on September 30, 2023 were as follows:

- a) Against letters of credit amounting to Rs. 835.045 million (June 30, 2023: Rs. 3,123.055 million).
- b) Against purchase of land amounting to Rs. 87.639 million (June 30, 2023: Rs. 145.639 million).

(Un-audited)
Quarter ended September 30,
2023 **2022**
(Rupees in thousand)

13 COST OF SALES

Raw materials consumed	3,301,822	2,860,934
Other overheads		
Stores, spares and consumables	91,808	52,976
Packing materials consumed	83,773	51,321
Salaries, wages and other benefits	222,239	180,112
Fuel and power	1,990,808	2,214,653
Repair and maintenance	20,285	13,266
Rent, rates and taxes	468	3,147
Insurance	4,296	4,366
Depreciation	144,241	145,716
Vehicle running expenses	7,303	6,434
Telephone, telex and postage	257	239
Printing and stationery	16	96
Provision for obsolete stores	4,500	4,500
Other expenses	2,446	1,101
	2,572,440	2,677,927
Opening work in process	75,529	53,901
Closing work in process	(73,906)	(65,461)
	1,623	(11,560)
Cost of goods manufactured	5,875,885	5,527,301
Cost of stores traded	-	7,178
Opening stock of finished goods	1,073,329	667,255
Closing stock of finished goods	(1,765,626)	(1,171,551)
	(692,297)	(504,296)
	5,183,588	5,030,183

14 EARNINGS PER SHARE - BASIC AND DILUTED	(Un-audited) Quarter ended September 30,	
	2023	2022
	(Rupees in thousand)	
Profit after taxation - (Rupees in thousand)	486,556	136,930
Weighted average number of ordinary shares - (In thousand)	100,000	100,000
Earnings per share - basic and diluted - (Rupees)	4.87	1.37

15 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Company	Nature of transaction		
Other related party	Marketing services charges	31,238	25,430
Other related party	Purchase of Vehicle	3,053	-
Retirement benefit plans	Contribution to staff retirement benefit plans	188	167
Key management personnel	Remuneration and other benefits	28,257	25,844

15.1 Balance of Chemi Multifabrics Limited (other related party) stands at Rs.126.496 million (June 30,2023 Rs. 105.429 million).

16 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 25, 2023 by the Board of Directors of the Company.

17 NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on October 25, 2023 has not recommended any cash dividend (June 30, 2023: 12.5% i.e Rs. 1.25 per share).

18 GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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ITTEHAD CHEMICALS LIMITED

(CONSOLIDATED)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2023

(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 company "Ittehad Salt Processing (Pvt.) Limited" (the "ISPPL") for the first quarter ended September 30, 2023.

Ittehad Salt Processing (Pvt.) Limited was incorporated under the Companies Act, 2017 in Pakistan as a company limited by shares on December 3, 2019. The registered office of the Company is situated in Lahore, Punjab. The main objective of the wholly owned subsidiary is to explore opportunities available in the Rock Salt Mining subject to fulfillment of prerequisites under the applicable laws. The wholly owned subsidiary has already acquired the exploration license from Punjab Mines and Minerals Department for an area of 1,356.07 acres situated near Dhok Jabba /Lafi District Chakwal and is effectively moving to acquire Mining Lease from the concerned Government Department.

The Consolidated Financial Statements showed Earnings per share Rs. 4.87 (2022: Rs. 1.37 per share) for the period ended September 30, 2023.

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 Minerals and Mines Department.

On behalf of the Board



Lahore
October 25, 2023

Muhammad Siddique Khatri
Chairman



Abdul Sattar Khatri
Chief Executive Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2023**

		September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	----- (Rupees in thousand)-----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	6,211,060	6,322,977
Capital work in progress	8	1,151,514	908,192
		<u>7,362,574</u>	<u>7,231,169</u>
Intangible assets		995	1,135
Investment properties		562,500	562,500
Long term deposits		249,052	67,875
		<u>8,175,121</u>	<u>7,862,679</u>
CURRENT ASSETS			
Stores, spares and loose tools		696,243	533,525
Stock in trade		4,105,003	2,197,162
Trade debts		2,173,853	1,939,538
Loans and advances		311,768	172,452
Trade deposits and short term prepayments		23,414	37,990
Tax refunds due from Government		765,306	723,163
Short Term Investments		-	300,000
Cash and bank balances		350,985	925,198
		<u>8,426,572</u>	<u>6,829,028</u>
		<u>16,601,693</u>	<u>14,691,707</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	9.1	<u>2,000,000</u>	<u>2,000,000</u>
Issued, subscribed and paid up capital	9.2	1,000,000	1,000,000
Share premium		177,000	177,000
Merger Reserve		(6,445)	(6,445)
Unappropriated profit		4,627,383	4,140,827
Surplus on revaluation of fixed assets		1,392,042	1,392,042
		<u>7,189,980</u>	<u>6,703,424</u>
NON CURRENT LIABILITIES			
Long term financing	10	852,260	938,485
Long term diminishing musharaka	11	103,061	190,561
Deferred liabilities		610,845	571,317
Deferred grant		72,194	72,194
		<u>1,638,360</u>	<u>1,772,557</u>
CURRENT LIABILITIES			
Trade and other payables		4,867,030	3,738,046
Short term Loan		1,010	1,010
Unclaimed dividend		3,080	4,012
Mark-up accrued		144,892	76,317
Short term borrowings		1,697,600	1,314,051
Taxation - net		207,709	268,032
Current portion of long term liabilities		852,032	814,258
		<u>7,773,353</u>	<u>6,215,726</u>
CONTINGENCIES AND COMMITMENTS			
	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>16,601,693</u>	<u>14,691,707</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,	
		2023	2022
		(Rupees in thousand)	
Sales - net		6,629,933	5,611,569
Cost of sales	13	(5,183,588)	(5,030,183)
Gross profit		1,446,345	581,386
Selling and distribution expenses		(270,427)	(300,105)
General and administrative expenses		(82,028)	(66,240)
Other operating expenses		(66,734)	(11,568)
Other operating income		24,084	82,862
		(395,105)	(295,051)
Operating profit		1,051,240	286,335
Financial charges		(169,387)	(136,965)
Profit before taxation		881,853	149,370
Taxation		(395,297)	(12,440)
Profit after taxation		486,556	136,930
Earnings per share - basic and diluted (Rupee)	14	4.87	1.37

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Note	Quarter ended September 30,	
		2023	2022
		(Rupees in thousand)	
Profit for the period		486,556	136,930
Other comprehensive income		-	-
Total comprehensive income for the period		<u>486,556</u>	<u>136,930</u>

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Quarter ended September 30,	
	2023	2022
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	881,853	149,370
Adjustments for items not involving movement of funds:		
Depreciation	150,869	150,665
Amortization of intangible assets	139	139
Provision for gratuity	8,984	6,007
Loss / (Gain) on sale of fixed assets	(760)	(325)
Loss / (gain) on foreign exchange	(4,853)	(74,272)
Provision for obsolete stores	4,500	4,500
Financial charges	169,387	136,965
Net cash flow before working capital changes	<u>1,210,119</u>	<u>373,049</u>
Decrease / (increase) in current assets		
Stores, spares and loose tools	(167,218)	(21,623)
Stock in trade	(1,907,841)	(451,249)
Trade debts	(229,462)	(228,955)
Loans and advances	(139,316)	162,802
Trade deposits and short term prepayments	14,576	(4,498)
Tax refunds due from the Government	(131,143)	(76,740)
	<u>(2,560,404)</u>	<u>(620,263)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	1,128,981	228,858
Cash generated from operations	<u>(221,304)</u>	<u>(18,356)</u>
Income taxes paid	(336,076)	(222,723)
Gratuity paid	-	(1,492)
Financial charges paid	(105,611)	(111,642)
Net cash inflow from operating activities	<u>(662,991)</u>	<u>(354,213)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets-net	(19,901)	(28,433)
Additions to capital work in progress	(257,883)	(220,391)
Proceeds from sale of operating fixed assets	1,070	350
	<u>300,000</u>	
Long term deposits	(181,177)	-
Net cash (outflow) from investing activities	<u>(157,891)</u>	<u>(248,474)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	41,500	30,808
Repayment of long term financing	(88,300)	(60,695)
Repayment of long term diminishing musharaka	(87,500)	(87,500)
Repayment of lease liabilities	(1,648)	(2,021)
Dividend Paid	(932)	-
Short term borrowings	383,549	634,376
Net cash inflow / (outflow) from financing activities	<u>246,669</u>	<u>514,968</u>
Net increase in cash and cash equivalents	<u>(574,213)</u>	<u>(87,719)</u>
Cash and cash equivalents at the beginning of the period	<u>925,198</u>	<u>196,151</u>
Cash and cash equivalents at the end of the period	<u><u>350,985</u></u>	<u><u>108,432</u></u>

The annexed notes from 1 to 18 form an integral part of these financial statements^{ts}



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023**

	Share capital	Surplus on revaluation of fixed assets	Balance arising upon merger	Share premium money	Unappropriated profit	Total
----- (Rupees in thousand) -----						
Balance as at July 01, 2022	1,000,000	1,392,042	(6,445)	177,000	2,618,302	5,180,899
Total Comprehensive income for the period	-	-	-	-	136,930	136,930
Balance as at September 30, 2022	1,000,000	1,392,042	(6,445)	177,000	2,755,232	5,317,829
Transitions with Owners :						
Interim cash dividend 2023: Re. 3 per share			-		(300,000)	(300,000)
	-	-	-	-	(300,000)	(300,000)
Total Comprehensive income for the period						
Profit for the period	-	-	-	-	1,689,042	1,689,042
Remeasurement of defined benefit liability - net	-	-	-	-	(3,447)	(3,447)
	-	-	-	-	1,685,595	1,685,595
Balance as at June 30, 2023	1,000,000	1,392,042	(6,445)	177,000	4,140,827	6,703,424
Total Comprehensive income for the period	-	-	-	-	486,556	486,556
Balance as at September 30, 2023	1,000,000	1,392,042	(6,445)	177,000	4,627,383	7,189,980

The annexed notes from 1 to 18 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS - (UNAUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1 LEGAL STATUS AND OPERATIONS

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

1.1 STATUS OF PARENT COMPANY

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

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

1.2 STATUS OF SUBSIDIARY COMPANY

Ittehad Salt Processing (Private) Limited, is a (private) Limited Company (100% wholly owned) incorporated in Pakistan under the Companies Act, 2017 on December 3, 2019, as company limited by shares. The Company is engaged in the business of exploring, operating, and working on mines and quarries.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

2.1 The registered office of the holding 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	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 The registered office of the Company is situated at 31-A, Tech Society, Canal Bank, 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 comprise of :

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

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

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

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

These 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, 2023 which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative balance sheet presented in these consolidated condensed interim financial statements have been extracted from the annual audited financial statements of the group for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended September 30, 2022.

3.2 Accounting Convention

These consolidated condensed interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits which are measured at present value, freehold land and investment property which are measured at fair value.

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

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are the same as those of the preceding published annual financial statements for the year ended June 30, 2023.

5 TAXATION

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

6 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

	Note	September 30, 2023 (Unaudited)	June 30, 2023 (Audited)
----- (Rupees in thousand)-----			
7 PROPERTY PLANT & EQUIPMENT			
Operating Fixed Assets	7.1	6,210,290	6,321,437
Right to Use Assets	7.2	770	1,540
		<u>6,211,060</u>	<u>6,322,977</u>
7.1 Operating Fixed Assets			
Opening book value (NBV)		6,321,437	6,289,161
Additions / (adjustment) at cost during the period / year	7.1.1	39,262	651,555
		<u>6,360,699</u>	<u>6,940,716</u>
Disposals at NBV during the period / year	7.1.2	(310)	(3,410)
Depreciation charged during the period / year		(150,099)	(615,869)
		<u>(150,409)</u>	<u>(619,279)</u>
Closing net book value (NBV)		<u>6,210,290</u>	<u>6,321,437</u>
7.1.1 Details of additions / (adjustment) at cost during the period / year are as follows:			
Building		-	149,556
Plant and machinery		24,882	436,426
Other equipment		-	79
Furniture and fixtures		-	480
Office and other equipment		410	6,283
Vehicles		13,970	58,731
		<u>39,262</u>	<u>651,555</u>

	(Un-audited) September 30, 2023 (Rupees in thousand)	(Audited) June 30, 2023
7.1.2	Details of disposals (at NBV) during the period / year are as follows:	
Furniture and fixtures	-	(387)
Office and other equipemt	-	(1,299)
Vehicles	(310)	(1,724)
	<u>(310)</u>	<u>(3,410)</u>
7.2	Right to Use Assets	
Opening book value (NBV)	1,540	8,947
Disposals at NBV during the period / year	-	(3,111)
Depreciation charged during the period / year	(770)	(4,296)
Closing net book value (NBV)	<u>770</u>	<u>1,540</u>
8	CAPITAL WORK IN PROGRESS	
Building	26,622	20,295
Plant and machinery	1,029,253	839,646
Advances	95,639	48,251
	<u>1,151,514</u>	<u>908,192</u>
9	SHARE CAPITAL	
9.1	Authorized share capital	
175,000,000 (June 30, 2023:100,000,000) ordinary shares of Rs. 10/- each	1,750,000	1,750,000
25,000,000 (June 30, 2023: 25,000,000) preference shares of Rs. 10/- each	250,000	250,000
	<u>2,000,000</u>	<u>2,000,000</u>
9.2	Issued, subscribed and paid up share capital	
27,100,000 (June 30, 2023: 27,100,000) ordinary shares fully paid in cash	271,000	271,000
24,900,000 (June 30, 2023: 24,900,000) issued for consideration other than cash	249,000	249,000
48,000,000 (June 30, 2023: 48,000,000) fully paid bonus shares	480,000	480,000
	<u>1,000,000</u>	<u>1,000,000</u>

	(Un-audited) September 30, 2023 (Rupees in thousand)	(Audited) June 30, 2023
10 LONG TERM FINANCING		
From banking companies and financial institutions- secured		
Balance as at July 01	1,306,037	921,842
Obtained during the period / year	41,500	746,660
Shown as deferred grant	-	(77,986)
Repayments made during the period / year	(88,300)	(284,479)
	1,259,237	1,306,037
Current portion shown under current liabilities	(406,977)	(367,552)
	852,260	938,485
11 LONG TERM DIMINISHING MUSHARAKA		
From banking companies and financial institutions- secured		
Balance as at July 01	577,566	964,571
Obtained during the period / year	-	-
Repayments made during the period / year	(87,500)	(387,005)
	490,066	577,566
Current portion shown under current liabilities	(387,005)	(387,005)
	103,061	190,561
12 CONTINGENCIES AND COMMITMENTS		

12.1 Contingent liabilities

- a) Letters of guarantee outstanding as at September 30, 2023 were Rs. 461.507 million (June 30, 2023: Rs. 476.076 million).
- b) Other contingencies are not materially different from those as disclosed in preceding annual financial statements for the year ended June 30, 2023.

12.2 Commitments

Commitments as on September 30, 2023 were as follows:

- a) Against letters of credit amounting to Rs. 835.045 million (June 30, 2023: Rs. 3,123.055 million).
- b) Against purchase of land amounting to Rs. 87.639 million (June 30, 2023: Rs. 145.639 million).

15 TRANSACTIONS WITH RELATED PARTIES

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

Relationship with the Company	Nature of transaction	(Un-audited)	
		Quarter ended September 30, 2023	2022
(Rupees in thousand)			
Other related party	Marketing services charges	31,238	25,430
Other related party	Purchase of Vehicle	3,053	
Retirement benefit plans	Contribution to staff retirement benefit plans	188	167
Key management personnel	Remuneration and other benefits	28,257	25,844

- 15.1** Balance of Chemi Multifabrics Limited (other related party) stands at Rs.126.496 million (June 30,2023 Rs. 105.429 million).

16 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 25, 2023 by the Board of Directors of the Company.

17 NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on October 25, 2023 has not recommended any cash dividend (June 30, 2023: 12.5% i.e Rs. 1.25 per share).

18 GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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