



ITTEHAD CHEMICALS LIMITED

**For a Greener Tomorrow,
GROW RESPONSIBLY
TODAY**



2024
1st Quarterly Report
September 30,

ITTEHAD CHEMICALS LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTERLY REPORT SEPTEMBER 30, 2024 (UN-AUDITED)

Contents

- 3 Corporate Information
- 4 Directors' Report
- 6 Unconsolidated Condensed Interim Statement of Financial Position
- 7 Unconsolidated Condensed Interim Statement of Profit or Loss Account
- 8 Unconsolidated Condensed Interim Statement of Comprehensive Income
- 9 Unconsolidated Condensed Interim Statement of Cash Flows
- 10 Unconsolidated Condensed Interim Statement of Changes in Equity
- 11 Notes to the Condensed Interim Financial Statements
- 22 Directors' Report on the Consolidated Financial Statements
- 23 Consolidated Condensed Interim Statement of Financial Position
- 24 Consolidated Condensed Interim Statement of Profit or Loss Account
- 25 Consolidated Condensed Interim Statement of Comprehensive Income
- 26 Consolidated Condensed Interim Statement of Cash Flows
- 27 Consolidated Condensed Interim Statement of Changes in Equity
- 28 Notes to the Consolidated Condensed Interim Financial Statements

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 Sheikhupura. 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, 2024.

During the period under review, the Company posted net sales revenue of Rupees 6,593 Million (2023: Rupees 6,630 Million). The cost of sales stood at Rupees 5,401 Million (2023: Rupees 5,184 Million) bringing gross profit to Rupees 1,193 Million (2023: Rupees 1,446 Million). The gross profit margin dropped to 18% during the period under review from 22% vis-à-vis corresponding period of last year mainly owing to higher energy cost, stiff competition, inflationary pressure and increased freight charges. The bottom line showed a net profit after tax amounting to Rupees 262 Million (2023: Rupees 487 Million) which yielded earning(s) per share Rupees 2.62 (2023: Rupees 4.87 per share).

By the grace of Almighty Allah, Ittehad Chemicals Limited has been awarded by Forbes Asia as one of the companies on this year's best under a Billion list. As conveyed through earlier reports, the Company's wholly owned subsidiary i.e. M/s ICL Power (Pvt.) Limited has initiated work on Biomass power plant establishment and is in the process of completing requisite regulatory requirements. This strategic decision will make its contribution towards the Company's profitability in the long run. M/s Ittehad Salt Processing (Pvt.) Limited (a wholly owned subsidiary), remains committed to acquiring the Mining Lease, however; the process has been delayed due to prevailing Government policies.

Pakistan's economy has demonstrated encouraging progress in the first quarter of FY2025, as key economic indicators reflect notable improvement. Following a phase of decline, the Large-Scale Manufacturing (LSM) sector is now regaining its footing. Moreover, an accommodative monetary policy stance improved investor's confidence and the global market recovery will provide additional support to foster the sustainable industrial growth. The current account deficit has narrowed while the fiscal sector has shown resilience primarily due to prudent policy measures. This positive trend is anticipated to persist in the coming months.

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 29, 2024

Muhammad Siddique Khatri
Chairman



Abdul Sattar Khatri
Chief Executive Officer

ڈائریکٹر رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2024ء کو اختتام پذیر ہونے والی پہلی سہ ماہی کے غیر پڑتاہل شدہ بین المدتی مختصر مالی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

زیر جائزہ مدت کے دوران، کمپنی کی فروخت 6,593 ملین روپے (2023: 6,630 ملین روپے) رہی۔ فروخت کی لاگت 5,401 ملین روپے (2023: 5,184 ملین روپے) رہی جس سے کمپنی کا خام منافع 1,193 ملین (2023: 1,446 ملین روپے) رہا۔ بنیادی طور پر توانائی کی زیادہ لاگت، سخت مسابقت، افراط زر کے دباؤ اور فریٹ چارجز میں اضافے کی وجہ سے خام منافع کا تناسب گزشتہ سال کے اسی عرصے کے مقابلے میں 22% فیصد سے کم ہو کر 18% فیصد ہو گیا۔ ٹیکس کی ادائیگی کے بعد گوشوارے کی آخری سطر منافع 262 ملین روپے (2023: 487 ملین روپے) کا منافع ظاہر کرتی ہے جس کے نتیجے میں فی حصص 2.62 روپے (2023: 4.87 روپے فی حصص) کی آمدنی ہوئی۔

اللہ تعالیٰ کے فضل و کرم سے اتحاد ٹیکسٹائلز کو فوربز ایشیاء نے رواں سال کی بہترین انڈیا ایک بلین ایوارڈ کی فہرست میں شامل کیا ہے۔ جیسا کہ پچھلی رپورٹس کے ذریعے بتایا گیا ہے، کمپنی کی مکمل ملکیت والی ذیلی کمپنی یعنی میسرز آئی سی ایل پاور (پرائیویٹ) لمیٹڈ نے بائیو ماس پاور پلانٹ کے قیام پر کام شروع کر دیا ہے اور مطلوبہ ریگولیشنز کے تقاضوں کو پورا کرنے کے عمل میں ہے۔ یہ تزویراتی فیصلہ طویل مدت میں کمپنی کے منافع میں اپنا حصہ ڈالے گا۔ اتحاد سالٹ پروسیسنگ (پرائیویٹ) لمیٹڈ (ایک مکمل ملکیتی ماتحت ادارہ) کان کنی لیز حاصل کرنے کے لئے پرعزم ہے۔ موجودہ حکومتی پالیسیوں کی وجہ سے اس عمل میں تاخیر ہو رہی ہے۔

مالی سال 2025ء کی پہلی سہ ماہی میں پاکستان کی معیشت نے حوصلہ افزا پیش رفت کا مظاہرہ کیا ہے کیونکہ اہم معاشی اشارے قابل ذکر بہتری کی عکاسی کرتے ہیں۔ تنزلی کے ایک مرحلے کے بعد، بڑے پیمانے پر مینوفیکچرنگ (ایل ایس ایم) کا شعبہ اب اپنے قدم دوبارہ جمارا ہے۔ مزید برآں، ایک نرم مانیٹری پالیسی کے متوقف نے سرمایہ کاروں کے اعتماد کو بہتر بنایا ہے اور عالمی مارکیٹ کی بحالی پائیدار صنعتی ترقی کو فروغ دینے کے لئے اضافی مدد فراہم کرے گی۔ کرنٹ اکاؤنٹ خسارے میں کمی آئی ہے جبکہ مالیاتی شعبے نے بنیادی طور پر دانشمندانہ پالیسی اقدامات کی وجہ سے چلک کا مظاہرہ کیا ہے۔ توقع ہے کہ یہ مثبت رجحان آنے والے مہینوں میں بھی برقرار رہے گا۔

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

لاہور

29 اکتوبر 2024ء

عبدالستار کھتری

چیف ایگزیکٹو آفیسر

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	8,418,238	8,504,920
Capital work in progress	7	326,497	242,090
		8,744,735	8,747,010
Intangible assets		244	326
Investment properties		675,000	675,000
Long term investments		3,500	3,500
Long term Loans	8	248,882	8,882
Long term deposits		64,799	63,144
		9,737,160	9,497,862
CURRENT ASSETS			
Stores, spares and loose tools		861,101	661,237
Stock in trade		2,708,012	2,274,309
Trade debts		3,230,657	3,015,773
Loans, advances and other receivables		126,463	256,358
Trade deposits and short term prepayments		203,362	204,211
Tax refunds due from Government		500,063	723,993
Taxation - net		643,697	333,136
Short Term Investments		12,200	12,200
Cash and bank balances		376,911	287,556
		8,662,466	7,768,773
TOTAL ASSETS		18,399,626	17,266,635
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	9.1	2,000,000	2,000,000
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		5,506,611	5,244,539
Surplus on revaluation of fixed assets		2,872,504	2,872,504
		9,549,670	9,287,598
NON CURRENT LIABILITIES			
Long term financing	10	513,023	582,415
Long term diminishing musharaka	11	-	-
Deferred liabilities		817,126	799,378
Deferred grant		27,526	27,526
		1,357,675	1,409,319
CURRENT LIABILITIES			
Trade and other payables		4,010,232	3,247,100
Contract Liabilities		213,303	250,984
Unclaimed dividend		5,932	5,932
Mark-up accrued		128,266	107,870
Short term borrowings		2,591,997	2,294,448
Current portion of long term liabilities		542,551	663,384
		7,492,281	6,569,718
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		18,399,626	17,266,635

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


CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Note	Quarter ended September 30,	
		2024	2023
(Rupees in thousand)			
Revenue from contracts with customers		6,593,454	6,629,933
Cost of sales	13	(5,400,869)	(5,183,588)
Gross profit		1,192,585	1,446,345
Selling and distribution expenses		(423,403)	(270,427)
General and administrative expenses		(92,274)	(82,028)
Other operating expenses		(39,132)	(66,734)
Other operating income		15,797	24,084
		(539,012)	(395,105)
Operating profit		653,573	1,051,240
Financial charges		(154,581)	(169,387)
Profit before income tax and levy / final tax		498,992	881,853
Levy		(356)	(5,622)
Profit before income tax		498,636	876,231
Taxation			
Current		(231,204)	(359,132)
Deferred		(5,360)	(30,543)
		(236,564)	(389,675)
Profit after income tax		262,072	486,556
Earnings per share - basic and diluted (Rupee)	14	2.62	4.87

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter ended September 30,	
	2024	2023
	(Rupees in thousand)	
Profit for the period	262,072	486,556
Other comprehensive income	-	-
Total comprehensive income for the period	262,072	486,556

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter Ended September 30,	
	2024	2023
	———(Rupees in thousand)———	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	498,992	881,853
Adjustments for items not involving movement of funds:		
Depreciation	181,729	150,869
Amortization of intangible assets	81	139
Provision for gratuity	14,762	8,984
(Gain) on sale of fixed assets	(8,441)	(760)
(Gain) on foreign exchange	(1,360)	(4,853)
Provision for obsolete stores	4,500	4,500
Financial charges	154,581	169,387
Net cash flow before working capital changes	844,844	1,210,119
Decrease / (increase) in current assets		
Stores, spares and loose tools	(204,364)	(167,218)
Stock in trade	(433,703)	(1,907,841)
Trade debts	(213,524)	(229,462)
Loans and advances	129,895	(139,316)
Trade deposits and short term prepayments	849	14,576
Tax refunds due from the Government	104,137	(131,143)
	(616,710)	(2,560,404)
Increase in current liabilities		
Trade and other payables	725,450	1,128,981
Cash generated from operations	953,584	(221,304)
Income taxes paid	(422,328)	(336,076)
Gratuity paid	(2,374)	-
Financial charges paid	(134,184)	(105,611)
Net cash inflow / (outflow) from operating activities	394,698	(662,991)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets-net	(21,168)	(19,901)
Additions to capital work in progress	(159,479)	(257,883)
Proceeds from sale of operating fixed assets	9,635	1,070
Short Term Investments	-	300,000
Long term loans - Subsidiary	(240,000)	-
Long term deposits	(1,655)	(181,177)
Net cash (outflow) from investing activities	(412,667)	(157,891)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	-	41,500
Repayment of long term financing	(102,725)	(88,300)
Repayment of long term diminishing musharaka	(87,500)	(87,500)
Repayment of lease liabilities	-	(1,648)
Dividend Paid	-	(932)
Short term borrowings	297,549	383,549
Net cash inflow from financing activities	107,324	246,669
Net increase / (decrease) in cash and cash equivalents	89,355	(574,213)
Cash and cash equivalents at the beginning of the period	287,556	923,733
Cash and cash equivalents at the end of the period	376,911	349,520

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	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, 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
Transitions with Owners :						
Final cash dividend 2023 @ 1.25 per share	-	-	-	-	(125,000)	(125,000)
Interim cash dividend 2024: Re. 2 per share	-	-	-	-	(200,000)	(200,000)
	-	-	-	-	(325,000)	(325,000)
Total Comprehensive income for the period						
Profit for the period	-	-	-	-	899,196	899,196
Remeasurement of defined benefit liability - net	-	-	-	-	(481)	(481)
Revaluation Surplus for the year	-	1,523,560	-	-	-	1,523,560
Revaluation Surplus Transferred to revenue reserves	-	(43,098)	-	-	43,098	-
	-	1,480,462	-	-	941,813	2,422,275
Balance as at June 30, 2024	1,000,000	2,872,504	(6,445)	177,000	5,244,539	9,287,598
Total Comprehensive income for the period	-	-	-	-	262,072	262,072
Balance as at September 30, 2024	1,000,000	2,872,504	(6,445)	177,000	5,508,611	9,549,670

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1 LEGAL STATUS AND OPERATIONS

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.

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, 2024 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, 2024, 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, 2023.

3.2 Accounting Convention

These 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.

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 MATERIAL 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, 2024.

5 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, 2024.

		(Un-audited) September 30, 2024	(Audited) June 30, 2024
	Note	(Rupees in thousand)	
6 PROPERTY PLANT & EQUIPMENT			
Operating Fixed Assets	6.1	8,418,238	8,504,920
Right to Use Assets	6.2	-	-
		<u>8,418,238</u>	<u>8,504,920</u>
6.1 Operating Fixed Assets			
Opening book value (NBV)		8,504,920	6,321,437
Additions / revaluation / adjustment at cost during the period / year	6.1.1	96,240	3,010,763
		8,601,160	9,332,200
Disposals at NBV during the period / year	6.1.2	(1,193)	(140,433)
Depreciation charged during the period / year		(181,729)	(686,847)
		(182,922)	(827,280)
Closing net book value (NBV)		<u>8,418,238</u>	<u>8,504,920</u>

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
Note	(Rupees in thousand)	

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

	-	1,523,560
Land	5,713	27,141
Building	69,554	1,397,366
Plant and machinery	119	35,785
Other equipment	-	344
Furniture and fixtures	248	2,014
Office and other equipment	20,606	24,553
Vehicles	96,240	3,010,763
	<u>96,240</u>	<u>3,010,763</u>

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

Land	-	(85,475)
Building	-	(3)
Plant and machinery	-	(49,662)
Other equipment	-	(2,040)
Furniture and fixtures	-	(322)
Office and other equipment	-	(1,541)
Vehicles	(1,193)	(1,390)
	<u>(1,193)</u>	<u>(140,433)</u>

6.2 Right to Use Assets

Opening book value (NBV)	-	1,540
Depreciation charged during the period / year	-	(1,540)
Closing net book value (NBV)	-	-
	<u>-</u>	<u>-</u>

(Un-audited) (Audited)
September 30, June 30,
2024 2024
(Rupees in thousand)

7 CAPITAL WORK IN PROGRESS

Building	42,421	12,707
Plant and machinery	179,937	125,243
Advances	104,139	104,140
	<u>326,497</u>	<u>242,090</u>

8 LONG TERM LOAN

ICL Power (Private) Limited	<u>248,882</u>	<u>8,882</u>
-----------------------------	----------------	--------------

- 8.1 This is interest free loan given to ICL Power (Pvt) Ltd a wholly owned subsidiary company which is repayable on the discretion of subsidiary company.

9 SHARE CAPITAL

9.1 Authorized share capital

175,000,000 (June 30, 2024: 100,000,000) ordinary shares of Rs. 10/- each	1,750,000	1,750,000
25,000,000 (June 30, 2024: 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, 2024: 27,100,000) ordinary shares fully paid in cash	271,000	271,000
24,900,000 (June 30, 2024: 24,900,000) issued for consideration other than cash	249,000	249,000
48,000,000 (June 30, 2024: 48,000,000) fully paid bonus shares	480,000	480,000
	<u>1,000,000</u>	<u>1,000,000</u>

(Un-audited) (Audited)
September 30, June 30,
2024 2024
(Rupees in thousand)

10 LONG TERM FINANCING

From banking companies and financial institutions- secured		
Balance as at July 01	1,014,392	1,306,037
Obtained during the period / year	-	41,500
Shown as deferred grant - net	-	59,407
Repayments made during the period / year	<u>(102,725)</u>	<u>(392,552)</u>
	911,667	1,014,392
Current portion shown under current liabilities	<u>(398,644)</u>	<u>(431,977)</u>
	<u>513,023</u>	<u>582,415</u>

11 LONG TERM DIMINISHING MUSHARAKA

From banking companies and financial institutions- secured		
Balance as at July 01	190,561	577,566
Repayments made during the period / year	<u>(87,500)</u>	<u>(387,005)</u>
	103,061	190,561
Current portion shown under current liabilities	<u>(103,061)</u>	<u>(190,561)</u>
	<u>-</u>	<u>-</u>

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingent liabilities

- a) Letters of guarantee outstanding as at September 30, 2024 were Rs. 471.522 million (June 30, 2024: Rs. 471.522 million).
- b) Other contingencies are not materially different from those as disclosed in preceding annual financial statements for the year ended June 30, 2024.

12.2 Commitments

Commitments as on September 30, 2024 were as follows:

- a) Against letters of credit amounting to Rs. 1,989.636 million (June 30, 2024: Rs. 1,479.252 million).
- b) Against purchase of land amounting to Rs. 79.139 million (June 30, 2024: Rs. 79.139 million).

(Un-audited)
Quarter ended September
2024 **2023**
(Rupees in thousand)

13 COST OF SALES

Raw materials consumed	2,853,799	3,301,822
Other overheads		
Salaries, wages and other benefits	257,182	222,239
Stores, spares and consumables	109,399	91,808
Packing materials consumed	51,720	83,773
Fuel and power	1,869,418	1,990,808
Repair and maintenance	17,709	20,285
Rent, rates and taxes	3,940	468
Insurance	4,988	4,296
Vehicle running expenses	7,960	7,303
Telephone, telex and postage	257	257
Printing and stationery	22	16
Depreciation	176,385	144,241
Provision for obsolete stores	4,500	4,500
Other expenses	1,637	2,446
	2,505,117	2,572,440
Opening work in process	82,821	75,529
Closing work in process	(80,341)	(73,906)
	2,480	1,623
Cost of goods manufactured	5,361,396	5,875,885
Cost of stores traded	36,880	-
Opening stock of finished goods	1,208,684	1,073,329
Closing stock of finished goods	(1,206,091)	(1,765,626)
	2,593	(692,297)
	5,400,869	5,183,588

(Un-audited)
Quarter ended September
2024 **2023**
(Rupees in thousand)

14 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after income tax - (Rupees in thousand)	<u>262,072</u>	<u>486,556</u>
Weighted average number of ordinary shares - (In thousand)	<u>100,000</u>	<u>100,000</u>
Earnings per share - basic and diluted - (Rupees)	<u>2.62</u>	<u>4.87</u>

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 Nature of transaction the Company

Associated Company			
M/S Ittehad Developers	Loan Received	130,000	-
Subsidiary			
ICL Power (Private) Limited	Loan given	240,000	-
Other related party			
Chemi multifabrics Limited	Marketing services charges	31,178	31,238
Chemitex Industries Limited	Purchase of vehicle	-	3,053
Retirement benefit plans	Contribution to staff retirement benefit plans	220	188
Key management personnel	Remuneration and other benefits	27,277	28,257

	Note	(Un-audited) September 30, 2024 (Rupees in thousand)	(Audited) June 30, 2024
15.1 Period End balance Nature of outstanding balance			
Chemi multifabrics Ltd. Trade and other payables		53,591	114,731
M/S Ittehad Developers Short term borrowings		230,000	100,000
ICL Power (Pvt.) Ltd. Long term loans		248,882	8,882

16 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 29, 2024 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 29, 2024 has not recommended any cash dividend (June 30, 2024: 15% i.e. Rs. 1.50 per share).

18 GENERAL

- Figures have been rounded off to the nearest rupees in thousand unless stated otherwise.
- Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effect of which is as follows:

	From		To	Rupees
Reclassification of income tax expense to Levy	Taxation		Levy	5,622
Reclassification of receivable from related party to long term loans	Receivable from related party	8	Long term loan	8,882



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

This Page will be intentionally left blank.

ITTEHAD CHEMICALS LIMITED

(CONSOLIDATED)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE 1ST QUARTERLY REPORT SEPTEMBER 30, 2024

(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 first quarter ended September 30, 2024.

Ittehad Salt Processing (Pvt.) Limited was incorporated as a private limited company under the Companies Act, 2017, in Pakistan on December 3, 2019. The company's registered office is located in Lahore, Punjab. The primary objective of the wholly owned subsidiary is to explore opportunities in rock salt mining, subject to compliance with applicable legal requirements. The subsidiary has already secured an exploration license from the Punjab Mines and Minerals Department, covering an area of 1,356.07 acres near Dhok Jabba/Lafi District in Chakwal, and is actively pursuing a mining lease from the relevant government authorities.

ICL Power (Private) Limited ("IPPL") was incorporated in Pakistan as a company limited by shares on January 2, 2024, under the Companies Act, 2017. The company's registered office is located in Lahore, Punjab. As a wholly owned subsidiary, its primary purpose is to engage in various activities related to electricity, including the generation, purchase, import, transformation, conversion, distribution, supply, export, and general trade of electrical power, both within Pakistan and internationally, subject to applicable laws. IPPL is currently in the process of establishing a Biomass Power Plant. Additionally, the subsidiary has entered into an agreement with a supplier for the purchase of partial plant and equipment for a 37.2 MW Biomass power plant.

The Consolidated Financial Statements showed Earnings per share Rs. 2.62 (2023: Rs. 4.87 per share) for the period ended September 30, 2024. 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



Muhammad Siddique Khatri
Chairman



Abdul Sattar Khatri
Chief Executive Officer

Lahore
October 29, 2024

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024**

		September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
		———— (Rupees in thousand) ————	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	8,418,238	8,504,920
Capital work in progress	7	475,657	251,750
		<u>8,893,895</u>	<u>8,756,670</u>
Intangible assets		496	578
Investment properties		675,000	675,000
Long term investments		-	-
Long term deposits		66,299	64,644
		<u>9,635,690</u>	<u>9,496,892</u>
CURRENT ASSETS			
Stores, spares and loose tools		861,101	661,237
Stock in trade		2,708,012	2,274,309
Trade debts		3,230,657	3,015,773
Loans, advances and other receivables		126,463	256,358
Trade deposits and short term prepayments		203,362	204,211
Tax refunds due from Government		500,063	723,993
Taxation - net		643,697	333,136
Short Term Investments		12,200	12,200
Cash and bank balances		478,909	289,057
		<u>8,764,464</u>	<u>7,770,274</u>
TOTAL ASSETS		<u>18,400,154</u>	<u>17,267,166</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8.1	2,000,000	2,000,000
Issued, subscribed and paid up capital	8.2	1,000,000	1,000,000
Share premium		177,000	177,000
Merger Reserve		(6,445)	(6,445)
Unappropriated profit		5,505,906	5,243,885
Surplus on revaluation of fixed assets		2,872,504	2,872,504
		<u>9,548,965</u>	<u>9,286,944</u>
NON CURRENT LIABILITIES			
Long term financing	9	513,023	582,415
Long term diminishing musharaka	10	-	-
Deferred liabilities		817,126	799,378
Deferred grant		27,526	27,526
		<u>1,357,675</u>	<u>1,409,319</u>
CURRENT LIABILITIES			
Trade and other payables		4,010,455	3,247,275
Contract Liabilities		213,303	250,984
Short term Loan		1,010	1,010
Unclaimed dividend		5,932	5,932
Mark-up accrued		128,266	107,870
Short term borrowings		2,591,997	2,294,448
Current portion of long term liabilities		542,551	663,384
		<u>7,493,514</u>	<u>6,570,903</u>
CONTINGENCIES AND COMMITMENTS	11	-	-
TOTAL EQUITY AND LIABILITIES		<u>18,400,154</u>	<u>17,267,166</u>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Note	Quarter ended September 30,	
		2024	2023
		(Rupees in thousand)	
Revenue from contracts with customers		6,593,454	6,629,933
Cost of sales	12	(5,400,869)	(5,183,588)
Gross profit		1,192,585	1,446,345
Selling and distribution expenses		(423,403)	(270,427)
General and administrative expenses		(92,322)	(82,028)
Other operating expenses		(39,132)	(66,734)
Other operating income		15,797	24,084
		(539,060)	(395,105)
Operating profit		653,525	1,051,240
Financial charges		(154,584)	(169,387)
Profit before Income tax and levy / final tax		498,941	881,853
Levy		(356)	(5,622)
Profit before income tax		498,585	876,231
Taxation			
Current		(231,204)	(359,132)
Deferred		(5,360)	(30,543)
		(236,564)	(389,675)
Profit after income tax		262,021	486,556
Earnings per share - basic and diluted (Rupee)	13	2.62	4.87

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter ended September 30,	
	2024	2023
	(Rupees in thousand)	
Profit for the period	262,021	486,556
Other comprehensive income	-	-
Total comprehensive income for the period	<u>262,021</u>	<u>486,556</u>

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Quarter Ended September 30,	
	2024	2023
	—(Rupees in thousand)—	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	498,941	881,853
Adjustments for items not involving movement of funds:		
Depreciation	181,729	150,869
Amortization of intangible assets	81	139
Provision for gratuity	14,762	8,984
Loss / (Gain) on sale of fixed assets	(8,441)	(760)
Loss / (gain) on foreign exchange	(1,360)	(4,853)
Provision for obsolete stores	4,500	4,500
Financial charges	154,584	169,387
Net cash flow before working capital changes	844,796	1,210,119
Decrease / (increase) in current assets		
Stores, spares and loose tools	(204,364)	(167,218)
Stock in trade	(433,703)	(1,907,841)
Trade debts	(213,524)	(229,462)
Loans and advances	129,895	(139,316)
Trade deposits and short term prepayments	849	14,576
Tax refunds due from the Government	104,137	(131,143)
	(616,710)	(2,560,404)
Increase / (decrease) in current liabilities		
Trade and other payables	725,498	1,128,981
Cash generated from operations	953,584	(221,304)
Income taxes paid	(422,328)	(336,076)
Gratuity paid	(2,374)	-
Financial charges paid	(134,187)	(105,611)
Net cash inflow / (outflow) from operating activities	394,695	(662,991)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets-net	(21,168)	(19,901)
Additions to capital work in progress	(298,979)	(257,883)
Proceeds from sale of operating fixed assets	9,635	1,070
Short term Investment	-	300,000
Long term deposits	(1,655)	(181,177)
Net cash (outflow) from investing activities	(312,167)	(157,891)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	-	41,500
Repayment of long term financing	(102,725)	(88,300)
Repayment of long term diminishing musharaka	(87,500)	(87,500)
Repayment of lease liabilities	-	(1,648)
Dividend Paid	-	(932)
Short term borrowings	297,549	383,549
Net cash inflow / (outflow) from financing activities	107,324	246,669
Net increase in cash and cash equivalents	189,852	(574,213)
Cash and cash equivalents at the beginning of the period	289,057	925,198
Cash and cash equivalents at the end of the period	478,909	350,985

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	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, 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
Transitions with Owners :						
Final cash dividend 2023: Re. 1.25 per share	-	-	-	-	(125,000)	(125,000)
Interim cash dividend 2024: Re. 2 per share	-	-	-	-	(200,000)	(200,000)
	-	-	-	-	(325,000)	(325,000)
Total Comprehensive income for the period	-	-	-	-	-	-
Profit for the period	-	-	-	-	898,885	898,885
Remeasurement of defined benefit liability - net	-	-	-	-	(481)	(481)
Revaluation Surplus for the year	-	1,523,560	-	-	-	1,523,560
Revaluation Surplus transferred to revenue reserves	-	(43,098)	-	-	43,098	-
	-	1,480,462	-	-	941,502	2,421,964
Balance as at June 30, 2024	1,000,000	2,872,504	(6,445)	177,000	5,243,885	9,286,944
Total Comprehensive income for the period	-	-	-	-	262,021	262,021
Balance as at September 30, 2024	1,000,000	2,872,504	(6,445)	177,000	5,505,906	9,548,965

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1 LEGAL STATUS AND OPERATIONS

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

1.1 STATUS OF PARENT COMPANY

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.

1.2 STATUS OF SUBSIDIARY COMPANIES

Ittehad Salt Processing (Private) Limited, is a private 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. The Chief executive of subsidiary company is Mr. Ahmed Mustafa.

ICL Power (Private) Limited, is a private Company (100% wholly owned) 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. The Chief executive of subsidiary company is Mr. Waqas Siddiq Khatri.

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 Ittehad Salt processing (pvt) Limited subsidiary Company is situated at 31-A, Tech Society, Canal Bank, Lahore.
- 2.3 The registered office of the ICL Power (Private) Limited subsidiary Company 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 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 consolidated financial statements of the Company as at and for the year ended June 30, 2024 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 consolidated financial statements of the group for the year ended June 30, 2024, whereas the comparative condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended September 30, 2023.

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.

3.3 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed consolidated interim financial statements are the same as those of the preceding published annual financial statements for the year ended June 30, 2024.

5 ESTIMATES

The preparation of condensed consolidated 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, 2024.

		(Un-audited) September 30, 2024	(Audited) June 30, 2024
	Note	(Rupees in thousand)	
6 PROPERTY PLANT & EQUIPMENT			
Operating Fixed Assets	6.1	8,418,238	8,504,920
Right to Use Assets	6.2	-	-
		<u>8,418,238</u>	<u>8,504,920</u>

	(Un-audited) September 30, 2024	(Audited) June 30, 2024
Note	(Rupees in thousand)	
6.1 Operating Fixed Assets		
Opening book value (NBV)	8,504,920	6,321,437
Additions / revaluation / adjustment at cost during the period / year	6.1.1 96,240	3,010,763
	8,601,160	9,332,200
Disposals at NBV during the period / year	6.1.2 (1,193)	(140,433)
Depreciation charged during the period / year	(181,729)	(686,847)
	(182,922)	(827,280)
Closing net book value (NBV)	8,418,238	8,504,920
6.1.1 Details of additions / revaluation / adjustment at cost during the period / year are as follows:		
Land	-	1,523,560
Building	5,713	27,141
Plant and machinery	69,554	1,397,366
Other equipment	119	35,785
Furniture and fixtures	-	344
Office and other equipment	248	2,014
Vehicles	20,606	24,553
	96,240	3,010,763
6.1.2 Details of disposals (at NBV) during the period / year are as follows:		
Land	-	(85,475)
Building	-	(3)
Plant and machinery	-	(49,662)
Other equipment	-	(2,040)
Furniture and fixtures	-	(322)
Office and other equipment	-	(1,541)
Vehicles	(1,193)	(1,390)
	(1,193)	(140,433)

(Un-audited) (Audited)
September 30, June 30,
2024 2024
(Rupees in thousand)

6.2 Right to Use Assets

Opening book value (NBV)	-	1,540
Depreciation charged during the period / year	-	(1,540)
Closing net book value (NBV)	-	-

7 CAPITAL WORK IN PROGRESS

Building	42,421	12,707
Plant and machinery	179,937	125,243
Advances	253,299	113,800
	<u>475,657</u>	<u>251,750</u>

8 CAPITAL

8.1 Authorized share capital

175,000,000 (June 30, 2024: 100,000,000) ordinary shares of Rs. 10/- each	1,750,000	1,750,000
25,000,000 (June 30, 2024: 25,000,000) preference shares of Rs. 10/- each	250,000	250,000
	<u>2,000,000</u>	<u>2,000,000</u>

8.2 Issued, subscribed and paid up share capital

27,100,000 (June 30, 2024: 27,100,000) ordinary shares fully paid in cash	271,000	271,000
24,900,000 (June 30, 2024: 24,900,000) issued for consideration other than cash	249,000	249,000
48,000,000 (June 30, 2024: 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,
2024

(Audited)
June 30,
2024

(Rupees in thousand)

9 LONG TERM FINANCING

From banking companies and financial institutions- secured

Balance as at July 01	1,014,392	1,306,037
Obtained during the period / year	-	41,500
Shown as deferred grant - net	-	59,407
Repayments made during the period / year	<u>(102,725)</u>	<u>(392,552)</u>
	911,667	1,014,392
Current portion shown under current liabilities	<u>(398,644)</u>	<u>(431,977)</u>
	<u>513,023</u>	<u>582,415</u>

10 LONG TERM DIMINISHING MUSHARAKA

From banking companies and financial institutions- secured

Balance as at July 01	190,561	577,566
Repayments made during the period / year	<u>(87,500)</u>	<u>(387,005)</u>
	103,061	190,561
Current portion shown under current liabilities	<u>(103,061)</u>	<u>(190,561)</u>
	<u>-</u>	<u>-</u>

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingent liabilities

- a) Letters of guarantee outstanding as at September 30, 2024 were Rs. 471.522 million (June 30, 2024: Rs. 471.522 million).
- b) Other contingencies are not materially different from those as disclosed in preceding annual financial statements for the year ended June 30, 2024.

11.2 Commitments

Commitments as on September 30, 2024 were as follows:

- a) Against letters of credit amounting to Rs. 1,989.636 million (June 30, 2024: Rs. 1,479.252 million).
- b) Against purchase of land amounting to Rs. 79.139 million (June 30, 2024: Rs. 79.139 million).
- c) Against purchase of plant and machinery amounting to Rs. 1,450.50 million (June 30, 2024: Nil).

(Un-audited)
Quarter ended September
2024 **2023**
(Rupees in thousand)

12 COST OF SALES

Raw materials consumed	2,853,799	3,301,822
Other overheads		
Salaries, wages and other benefits	257,182	222,239
Stores, spares and consumables	109,399	91,808
Packing materials consumed	51,720	83,773
Fuel and power	1,869,418	1,990,808
Repair and maintenance	17,709	20,285
Rent, rates and taxes	3,940	468
Insurance	4,988	4,296
Vehicle running expenses	7,960	7,303
Telephone, telex and postage	257	257
Printing and stationery	22	16
Depreciation	176,385	144,241
Provision for obsolete stores	4,500	4,500
Other expenses	1,637	2,446
	2,505,117	2,572,440
Opening work in process	82,821	75,529
Closing work in process	(80,341)	(73,906)
	2,480	1,623
Cost of goods manufactured	5,361,396	5,875,885
Cost of stores traded	36,880	-
Opening stock of finished goods	1,208,684	1,073,329
Closing stock of finished goods	(1,206,091)	(1,765,626)
	2,593	(692,297)
	5,400,869	5,183,588

(Unaudited)
Quarter ended September
2024 **2023**
(Rupees in thousand)

13 EARNINGS PER SHARE - BASIC AND DILUTED

Profit after income tax - (Rupees in thousand)	<u>262,021</u>	<u>486,556</u>
Weighted average number of ordinary shares - (In thousand)	<u>100,000</u>	<u>100,000</u>
Earnings per share - basic and diluted - (Rupees)	<u>2.62</u>	<u>4.87</u>

14 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 Nature of transaction the Company

Associated Company			
M/S Ittehad Developers	Loan Received	130,000	-
Other related party			
Chemi multifabrics Ltd	Marketing services charges	31,178	31,238
Chemitex Industries Ltd	Purchase of vehicle	-	3,053
Retirement benefit plans	Contribution to staff retirement benefit plans	220	188
Key management personnel	Remuneration and other benefits	27,277	28,257

14.1 Period End balar Nature of outstanding balance

Chemi multifabrics Ltd	Trade and other payables	53,591	114,731
M/S Ittehad Developers	Short term borrowings	230,000	100,000

15 DATE OF AUTHORIZATION

These condensed consolidated interim financial statements were authorized for issue on October 29, 2024 by the Board of Directors of the Company.

16 NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on October 29, 2024 has not recommended any cash dividend (June 30, 2024: 1.5% i.e. Rs. 1.50 per share).

17 GENERAL

- i Figures have been rounded off to the nearest rupees in thousand unless stated otherwise.
- ii Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effect of which is as follows

	From	Note	To	Rupees
Reclassification of income tax expense to Levy	Taxation		Levy	5,622



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER



Registered Office/Head Office:
39-Empress Road, Lahore, Pakistan.
Tel: +92 42 36306586 - 88, Fax: +92 42 36365697

Factory:
G.T. Road, Kala Shah Kaku,
District Sheikhpura, Pakistan.
Tel: +92 42 37950222 - 25, Fax: +92 42 37950206