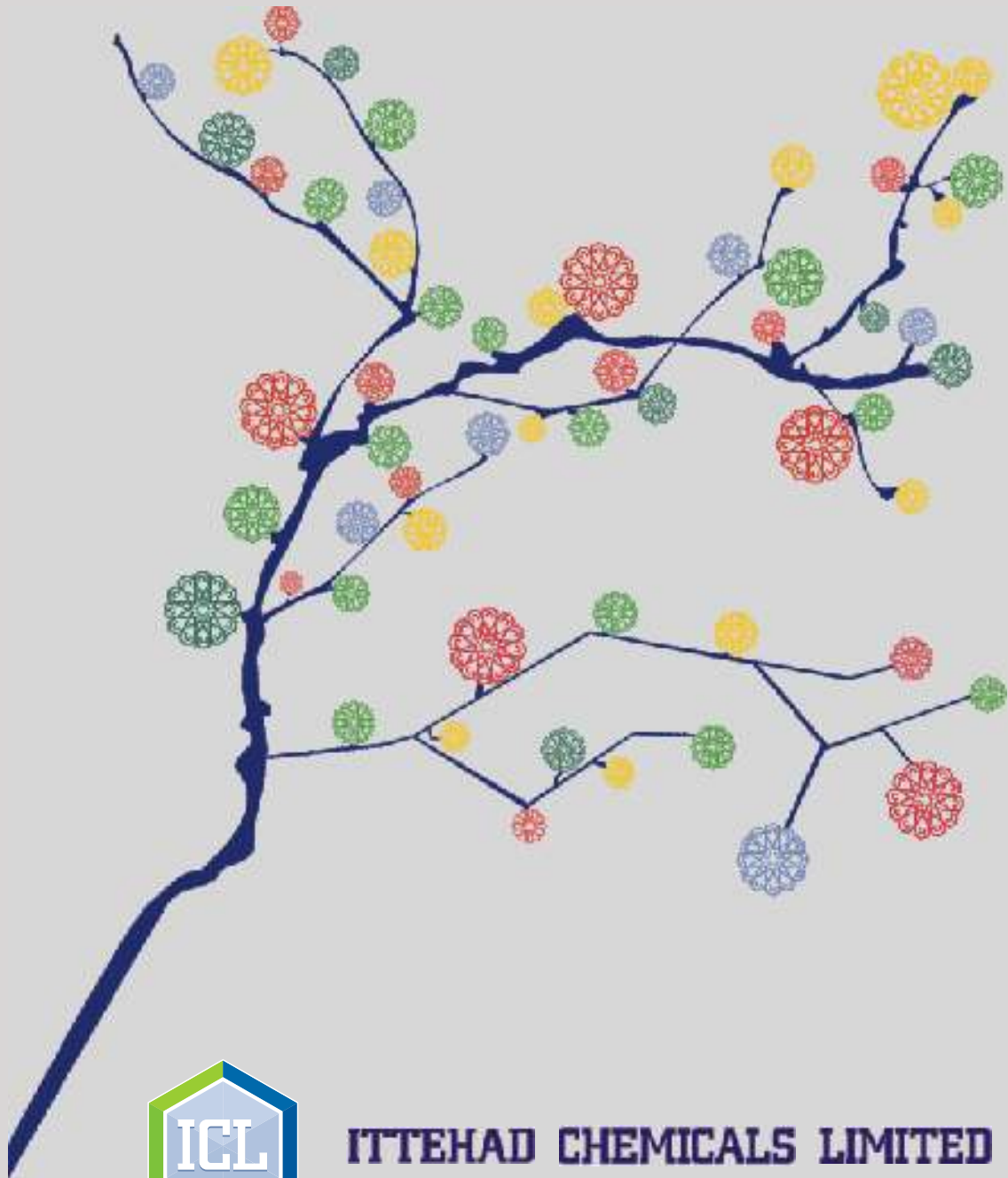


# HALF YEARLY REPORT DECEMBER 31, 2017



**ITTEHAD CHEMICALS LIMITED**



**ITTEHAD CHEMICALS LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017  
(UN-AUDITED)

# CONTENT



02

FOR THE HALF YEAR ENDED DECEMBER 31, 2017



ITTEHAD CHEMICALS LIMITED

Corporate Information	3
Directors' Report	4
Auditors' Review Report	6
Condensed Interim Balance Sheet	7
Condensed Interim Profit and Loss Account	8
Condensed Interim Statement of Comprehensive Income	9
Condensed Interim Cash Flow Statement	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12

## Corporate Information

<b>BOARD OF DIRECTORS</b>	Mr. Muhammad Siddique Khatri Mr. Abdul Sattar Khatri Ms. Farhana Abdul Sattar Khatri Mr. Waqas Siddiq Khatri Mr. Abdullah Mustafa Mr. Pervaiz Ahmad Khan Mr. Pervez Ismail	Chairman Director/CEO Director Director Director Director Director	Non-Executive Director Executive Director Non-Executive Director Executive Director Non-Executive Director Independent Director Independent Director
<b>AUDIT COMMITTEE</b>	Mr. Pervaiz Ismail Mr. Pervaiz Ahmad Khan Mr. Abdullah Mustafa	Chairman Member Member	
<b>HR &amp; REMUNERATION COMMITTEE</b>	Mr. Pervez Ahmad Khan Mr. Abdullah Mustafa Mr. Waqas Siddiq Khatri	Chairman Member Member	
<b>CHIEF FINANCIAL OFFICER</b>	Mr. Javed Iqbal		
<b>COMPANY SECRETARY</b>	Mr. Abdul Mansoor Khan		
<b>REGISTERED OFFICE/HEAD OFFICE</b>	39-Empress Road, P.O. Box 1414, Lahore-54000. Tel: 042 - 36306586 - 88, Fax: 042 - 36365697 Website: <a href="http://www.ittehadchemicals.com">www.ittehadchemicals.com</a> , E-mail: <a href="mailto:info@ittehadchemicals.com">info@ittehadchemicals.com</a>		
<b>PLANT</b>	G.T. Road, Kala Shah Kaku, District Sheikhpura. Ph: 042 - 37950222 - 25, Fax: 042 - 37950206		
<b>SHARES REGISTRAR</b>	M/s. Corplink (Pvt.) Limited Corporate and Financial Consultants Wings Arcade, 1-K Commercial, Model Town, Lahore. Ph : 042 - 35839182, Fax : 042 - 35869037		
<b>BANKERS</b>	<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 Pak Libya Holding Co. (Pvt.) Ltd. Pakistan Kuwait Inv. Co. (Pvt.) Ltd. Pak Brunei Inv. Company Ltd. The Bank of Punjab United Bank Limited JS Bank Limited	<u>Banks - Islamic Window Operations</u> Al-Baraka Bank (Pakistan) Limited Dubai Islamic Bank (Pak) Limited Bank Alfalah Limited Islamic-Banking The Bank of Punjab (Taqla Islamic Banking)	
<b>AUDITORS</b>	M/s. BDO Ebrahim & Co., Chartered Accountants, 2 <sup>nd</sup> Floor, Block- C, Lakson Square Building No.1, Sarwar Shaheed Road, Karachi. Ph: 021 - 35683189, 35683498, Fax : 021 - 35684239		
<b>LEGAL ADVISOR</b>	Cornelius, Lane & Mufti Advocates & Solicitors Nawa-e-Waqt House 4 - Shahrah-e-Fatima Jinnah Lahore-54000		





## DIRECTORS' REPORT

The Directors of your Company take pleasure in presenting the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2017 together with Auditors' Review Report thereon.

During the period under review, the company posted net sales revenue of Rupees 2,791 Million (2016: Rupees 2,338 Million) with an increase of 19% from corresponding period of last year. The cost of sales was Rupees 2,243 Million (2016: Rupees 1,948 Million) bringing gross profit to Rupees 547 Million (2016: Rupees 390 Million). The gross profit margin increased to 20% compared to 17% for the corresponding period of last year. The bottom line showed a net profit after tax of Rupees 161 Million (2016: profit Rupees 129 Million) which yielded earnings per share of Rupees 2.09 (2016: Rupees 1.68 per share).

ICL is maintaining its focus on technological advancement to improve operational efficiencies. The IEM-III is expected to be commercially operational by 4QFY18 and will help in further improvement in margins. Being the 2<sup>nd</sup> phase of IEM Plant III BMR, the Board has approved installation of one Electrolyzer for Caustic Soda having Capacity 12,500 M.Ton per annum.

The company has embarked upon exploring various avenues in order to diversify its business. The Board of Directors has approved Linear Alkyl Benzene Sulphonic Acid (LABSA) Project. Total Project Cost of LABSA Plant and 2<sup>nd</sup> phase of IEM Plant III is estimated Rupees Five Hundred Million (Rupees 500 Million). The Financial Close of the project has been achieved successfully. The project is likely to be commissioned during third quarter of FY 2019. This would further improve the profitability of the company.

Coupled with the improvement in the law & order situation, the other indicators viz. easing of energy crisis, improvement in infrastructure and implementation of CPEC project also seem positive, the persistence of which would no doubt be tremendously beneficial to the corporate growth.

According to JCR-VIS's announcement dated January 25, 2018 they have reaffirmed the entity rating of Ittehad Chemicals Limited at 'A- / A-2' (Single A minus / A minus two) with stable outlook.

The information as required under Clause 35, 36 & 37 of Listed Companies (Code of Corporate Governance) Regulations 2017 and section 227 (2) (a) of the Companies Act 2017 is given under the head "Corporate Information" attached to these Financial Statements. Further, Mr. Pervez Ismail has been appointed as director on January 08, 2018 in place of Mr. Abdul Ghafoor Khatri who resigned due to his personal commitments. The Board has approved payment of Meeting Attendance Fee Rupees 30,000 for each Board and Audit Committee Meetings as well as reimbursement of expenses incurred (if any) in boarding, lodging and travelling to independent and Non-Executive Directors only.

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

On behalf of the Board

Abdul Sattar Khatri  
Chief Executive Officer

Muhammad Siddique Khatri  
Chairman

Lahore  
February 24, 2018

## ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت خوشی کے ساتھ 31 دسمبر 2017ء کو اختتام پزیر ہونے والے نصف مالی سال کے غیر پڑتال شدہ بین المدتی مختصر مالی گوشوارے اور ان پر آڈیٹر کا جائزہ رپورٹ پیش کر رہے ہیں۔

زیر غور عرصہ کے دوران کمپنی کی فروخت پچھلے سال کے تقابلی عرصہ کی نسبت 19 فیصد اضافہ کے ساتھ 2,791 ملین روپے (2016: 2,338 ملین روپے) رہی۔ فروخت کی لاگت 2,243 ملین روپے (2016: 1,948 ملین روپے) رہی جس سے کمپنی کا خام منافع 547 ملین روپے (2016: 390 ملین روپے) بنتا ہے۔ خام منافع کا تناسب گزشتہ سال جو 17 فیصد تھا بڑھ کے 20 فیصد تک آ گیا۔ ٹیکس کی ادائیگی کے بعد گوشوارے کی آخری سطر مبلغ 161 ملین روپے (2016: 129 ملین روپے) کا خالص منافع ظاہر کرتی ہے جس کے نتیجے میں مبلغ 2.09 روپے فی حصص (2016: 1.68 روپے فی حصص) آمدن ہوئی۔

آپریٹل کارکردگی کو بہتر بنانے کیلئے اتحاد کیمیکلز لمیٹڈ نے تکنیکی ترقی پر توجہ دی ہے۔ امید کی جاتی ہے کہ IEM-III کمرشل بنیادوں پر 2018 کے مالی سال کے چوتھے کوارٹر تک آپریٹل ہو جائے گا جس سے مارجن میں مزید بہتری آئے گی۔ IEM پلانٹ بی ایم آر کے دوسرے فیئر ہونے کی وجہ سے بورڈ نے کاسٹک سوڈا کیلئے الیکٹرو لائزر کی تنصیب کی بھی منظوری دی ہے جس کی سالانہ صلاحیت 12,500 میٹرک ٹن ہے۔

اپنے کاروبار کو بہتر بنانے کیلئے کمپنی نے مختلف نئے مواقع کی تلاش شروع کر دی ہے۔ بورڈ آف ڈائریکٹرز نے لیمنیز اکانل بینزین سلفونک ایسڈ (LABSA) پروجیکٹ کی منظوری دی ہے۔ LABSA پلانٹ پروجیکٹ اور IEM Plant III کے دوسرے فیئر کی مجموعی لاگت کا اندازہ 500 ملین روپے (پانچ سو ملین روپے) لگایا گیا ہے۔ پروجیکٹ کی مالی حد کا میانی سے حاصل کر لی گئی ہے۔ یہ پروجیکٹ مالی سال 2019 کے تیسرے کوارٹر کے دوران کام شروع کر دے گا جس سے کمپنی کے منافع میں خاطر خواہ اضافہ ہوگا۔

مزید برآں ملک میں توانائی کے مسائل کا حل، لاء اینڈ آرڈر کی صورتحال میں بہتری، انفراسٹرکچر ڈویلپمنٹ، چائنہ پاکستان اکنامک کوریڈور (CPEC) کا قیام جیسے اقتصادی ترقی کے عوامل مثبت دکھائی دے رہے ہیں۔ ہمیں یقین ہے کہ یہ کوششیں کامیاب ہوں گی اور کارپوریٹ ترقی کے حوالے سے فائدہ مند ثابت ہوں گی۔

جنوری 25، 2018ء کے اعلان کے مطابق JCR-VIS کی اداراتی درجہ بندی کے ساتھ اتحاد کیمیکلز لمیٹڈ بطور 'A-/A-2' (Single A minus / A minus two) کی دوبارہ تصدیق کر دی ہے۔

سٹیک ہولڈرز کے کوڈ آف کارپوریٹ گورننس ریگولیشن 2017 کی کلاز 37، 36، & 35 اور کینیڈا ایکٹ کے سیکشن (a) (2) 227 کے تحت ضروری معلومات کا رپورٹ انفارمیشن کے عنوان کے تحت مالیاتی گوشواروں کے ساتھ مہیا کر دی گئی ہیں۔ مزید محترم عبدالغفور کھتری جو اپنی ذاتی مصروفیات کی بنا پر استعفیٰ دے گئے تھے ان کی جگہ محترم پرویز اسماعیل کو مورخہ 8 جنوری 2018 کو بطور ڈائریکٹر اپوائنٹ کر لیا گیا ہے۔ بورڈ نے بورڈ اور آڈٹ کمیٹی کی ہر میٹنگ کے لیے مبلغ 30,000/- روپے برائے میٹنگ اینڈینس فیس ہمراہ دور پذیر، انڈینینٹ اور نان ایگزیکٹو ڈائریکٹرز کے لیے سفری اخراجات، بورڈنگ اور لاجنگ وغیرہ کی مددیں کیے گئے اخراجات کی واپسی کی منظوری دے دی ہے۔

بورڈ کمیٹی اپنے ممبرز، کسٹمرز، پینکس اور سرکاری محکموں اور اپنے تمام ملازمین کے اعتماد، بھروسے مسلسل حمایت اور سرپرستی کے لیے تہہ دل سے شکر گزار ہیں۔

منجانب بورڈ  
محمد صدیق کھتری  
چیئر مین

عبدالستار کھتری  
چیف ایگزیکٹو آفیسر

24 فروری 2018ء  
لاہور

## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim balance sheet of 1TTEHAD CHEMICALS LIMITED (the "Company") as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six-month period then ended (here-in-after referred as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended December 31, 2017 and December 31, 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.



BDO Ebrahim & Co  
Chartered Accountants  
Engagement Partner: Mohammad Imran

KARACHI  
DATED: February 24, 2018

**CONDENSED INTERIM BALANCE SHEET - (UNAUDITED)  
AS AT DECEMBER 31, 2017**

		(Unaudited) December 31, 2017	(Audited) June 30, 2017
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	3,963,358	4,127,596
Operating fixed assets	7	1,029,695	238,094
Capital work in progress		4,993,053	4,365,690
Intangible assets		6,445	6,445
Investment property	8	117,600	117,600
Long term deposits		51,346	41,690
		5,168,444	4,531,425
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		494,557	477,341
Stock in trade	9	365,041	391,744
Trade debts	10	485,735	551,326
Loans and advances		185,630	197,664
Trade deposits and short term prepayments		6,438	11,060
Tax refunds due from Government		310,135	181,375
Taxation - net		65,432	146,268
Cash and bank balances	11	163,601	108,012
		2,076,569	2,064,790
<b>TOTAL ASSETS</b>		<b>7,245,013</b>	<b>6,596,215</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital	12.1	1,250,000	1,250,000
Issued, subscribed and paid up capital	12.2	770,000	770,000
Share premium	13	330,000	330,000
Unappropriated profit		1,382,561	1,321,454
		2,482,561	2,421,454
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	14	794,848	794,848
<b>NON CURRENT LIABILITIES</b>			
Long term financing	15	841,182	514,065
Long term diminishing musharaka	16	84,894	168,557
Deferred liabilities		316,677	261,770
		1,242,753	944,392
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	1,189,473	1,006,391
Mark-up accrued		26,333	32,694
Short term borrowings	18	1,003,107	890,499
Current portion of long term liabilities		505,938	505,937
		2,724,851	2,435,521
<b>CONTINGENCIES AND COMMITMENTS</b>	19	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,245,013</b>	<b>6,596,215</b>

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

08

FOR THE HALF YEAR ENDED DECEMBER 31, 2017



ITTEHAD CHEMICALS LIMITED

		Half year ended December 31,		Quarter ended December 31,	
	Note	2017	2016	2017	2016
— (Rupees in thousand) —					
Sales - net	20	2,790,531	2,337,941	1,525,054	1,306,779
Cost of sales	21	(2,243,225)	(1,948,147)	(1,166,483)	(1,095,081)
Gross profit		547,306	389,794	358,571	211,698
Selling and distribution expenses		(160,332)	(129,778)	(93,075)	(69,612)
General and administrative expenses		(83,412)	(83,516)	(42,174)	(42,585)
Other operating expenses	22	(44,781)	(5,506)	(34,264)	(3,163)
Other operating income		29,366	8,146	24,464	5,198
		(259,159)	(210,654)	(145,049)	(110,162)
Operating profit		288,147	179,140	213,522	101,536
Financial charges		(79,889)	(89,675)	(39,012)	(48,704)
Profit before taxation		208,258	89,465	174,510	52,832
Taxation	23	(47,051)	39,996	(36,666)	14,566
Profit after taxation		161,207	129,461	137,844	67,398
Earnings per share - basic and diluted (Rupees)	24	2.09	1.68	1.79	0.88

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

Note	Half year ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016
	— (Rupees in thousand) —			
Profit for the period	161,207	129,461	137,844	67,398
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>161,207</u>	<u>129,461</u>	<u>137,844</u>	<u>67,398</u>

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended December 31, 2017                      2016	
	(Rupees in thousand)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	208,258	89,465
Adjustments for items not involving movement of funds:		
Depreciation	164,963	154,029
Provision for gratuity	10,137	9,390
Loss / (gain) on sale of fixed assets	27,516	(1,828)
Gain on foreign exchange	(1,268)	(146)
Bad debts written off	528	-
Provision for doubtful debts	5,000	5,000
Financial charges	79,889	89,675
Net cash flow before working capital changes	495,023	345,585
Decrease in current assets		
Stores and spares	(17,216)	(25,584)
Stock in trade	26,703	101,903
Trade debts	61,329	(59,704)
Loans and advances	12,034	29,151
Trade deposits and short term prepayments	4,622	1,664
Tax refunds due from the Government	5,633	(169)
	93,105	47,261
Increase / (decrease) in current liabilities		
Trade and other payables	182,586	(8,605)
Cash generated from operations	770,714	384,241
Income taxes paid	(53,481)	(72,519)
Gratuity paid	(2,358)	(4,670)
Financial charges paid	(90,541)	(86,720)
Net cash generated from operating activities	624,334	220,332
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions to operating fixed assets - net	(5,740)	(30,658)
Additions to capital work in progress	(810,118)	(298,163)
Proceeds from sale of operating fixed assets	310	2,350
Long term deposits	(9,656)	(6,935)
Net cash used in investing activities	(825,204)	(333,406)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term financing	496,424	96,788
Repayment of long term financing	(169,307)	(94,307)
Proceeds from long term diminishing musharaka	-	17,370
Repayment of long term diminishing musharaka	(83,662)	(62,429)
Dividend paid	(99,604)	(95,237)
Short term borrowings	112,608	252,665
Net cash generated from financing activities	256,459	114,850
Net increase in cash and cash equivalents	55,589	1,776
Cash and cash equivalents at the beginning of the period	108,012	126,405
Cash and cash equivalents at the end of the period	163,601	128,181

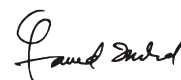
The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Share capital	Share premium (Rupees in thousand)	Unappropriated profit	Total
Balance as at July 01, 2016	650,000	150,000	1,184,570	1,984,570
Transaction with owners:				
Final cash dividend 2016:				
Rs. 1.5 per share	-	-	(97,500)	(97,500)
Total comprehensive income for the period	-	-	129,461	129,461
Balance as at December 31, 2016	<u>650,000</u>	<u>150,000</u>	<u>1,216,531</u>	<u>2,016,531</u>
Transaction with owners:				
Right shares issued during the period	120,000	180,000	-	300,000
Total comprehensive income for the period				
Profit for the period	-	-	103,886	103,886
Remeasurement of defined benefit liability - net	-	-	1,037	1,037
Balance as at June 30, 2017	<u>770,000</u>	<u>330,000</u>	<u>1,321,454</u>	<u>2,421,454</u>
Transaction with owners:				
Final cash dividend 2017:				
Rs. 1.3 per share	-	-	(100,100)	(100,100)
Total comprehensive income for the period				
Profit for the period	-	-	161,207	161,207
Balance as at December 31, 2017	<u><u>770,000</u></u>	<u><u>330,000</u></u>	<u><u>1,382,561</u></u>	<u><u>2,482,561</u></u>

The annexed notes from 1 to 31 form an integral part of this condensed interim financial information.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

### 1 LEGAL STATUS AND NATURE OF BUSINESS

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, when 90% of the shares were transferred to the buyer.

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 registered office of the Company is situated at 39, Empress Road, Lahore. The Company is engaged in the business of manufacturing and selling caustic soda and other allied chemicals.

### 2 BASIS OF PREPARATION

#### 2.1 Statement of compliance

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

This condensed interim financial information of the Company for the half year ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial information of the Company have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984 as per the directive of Securities and Exchange Commission of Pakistan (SECP) issued vide Circular No. 23 dated October 04, 2017 and subsequently clarified by Institute of Chartered Accountants of Pakistan through their Circular No. 17 dated October 6, 2017.

This condensed interim financial information does 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, 2017 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 this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2017, whereas the comparative condensed interim profit and loss accounts, 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 information for the half year ended December 31, 2016.



## 2.2 Basis of measurement

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

This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

## 2.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

## 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2017.

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2017. The adoption of these new and amended standards did not have material impact on the Company's condensed interim financial information.

## 4 TAXATION

The provisions for taxation for the half year and quarter ended December 31, 2017, have been made using the estimated effective tax rate applicable to expected total annual earnings.

## 5 ESTIMATES

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, 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, 2017.

## 6 OPERATING FIXED ASSETS

		<b>(Unaudited) December 31, 2017</b>	<b>(Audited) June 30, 2017</b>
	<b>Note</b>	<b>— (Rupees in thousand) —</b>	
Opening net book value (NBV)		4,127,596	3,637,902
Additions (at cost) during the period / year	6.1	34,550	880,890
		<u>4,162,146</u>	<u>4,518,792</u>
Disposals (at NBV) during the period / year	6.2	(27,825)	(57,076)
Adjustment against land during the period / year	6.3	(6,000)	-
Depreciation charged during the period / year		(164,963)	(334,120)
		<u>(198,788)</u>	<u>(391,196)</u>
Closing net book value (NBV)		<u>3,963,358</u>	<u>4,127,596</u>



	Note	(Unaudited) December 31, 2017 (Rupees in thousand)	(Audited) June 30, 2017
6.1	Details of additions (at cost) during the period / year are as follows:		
	Freehold land	-	94,415
	Building	-	10,046
	Plant and machinery	22,812	731,044
	Other equipment	4,574	16,107
	Furniture and fixtures	18	319
	Office and other equipment	1,232	2,445
	Vehicles	5,914	26,514
		<u>34,550</u>	<u>880,890</u>
6.2	Details of disposals (at NBV) during the period / year are as follows:		
	Building	-	1,734
	Plant and machinery (DSA)	27,784	53,734
	Office and other equipment	-	162
	Vehicles	41	1,446
		<u>27,825</u>	<u>57,076</u>
6.3	This represents reimbursement of expenses incurred by the Company to clear the title of the free hold land by the owner of the property.		
6.4	The DSA plant and machinery has been retired / disposed off during the period as it has no economic use in future. This has been sold through scrapped.		
6.5	Fair value measurement (revalued property, plant and equipment)		
6.5.1	Fair value measurement of free hold land is based on the valuations carried out by an independent valuer M/s. Unicorn International Surveyors as at June 30, 2015 on the basis of market value.		
6.5.2	Fair value measurement of revalued land is based on assumptions considered to be level 2 inputs.		
6.6	Valuation techniques used to derive level 2 fair values - Land		
	Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input in this valuation approach is price / rate per canal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.		
7	CAPITAL WORK IN PROGRESS		
	Building	7.1.1 34,193	1,200
	Plant and machinery	7.1.2 837,647	185,100
	Advances	7.1.3 157,855	51,794
		<u>1,029,695</u>	<u>238,094</u>

	Note	(Unaudited) December 31, 2017	(Audited) June 30, 2017
(Rupees in thousand)			
7.1	Movement of carrying amount is as follows:		
7.1.1	Building		
	Opening balance	1,200	-
	Additions (at cost)	30,476	6,338
	Transferred to operating fixed assets	-	(5,138)
	Transferred from plant and machinery	2,517	-
	Closing balance	<u>34,193</u>	<u>1,200</u>
7.1.2	Plant and machinery		
	Opening balance	185,100	425,966
	Additions (at cost)	677,874	477,556
	Transferred to operating fixed assets	(22,810)	(718,422)
	Transferred to building - CWIP	(2,517)	-
	Closing balance	<u>837,647</u>	<u>185,100</u>
7.1.3	Advances		
	Opening balance	51,794	26,180
	Additions (at cost)	106,061	25,614
	Transferred to operating fixed assets	-	-
	Closing balance	<u>157,855</u>	<u>51,794</u>
7.2	Borrowing cost capitalised during the period amounted to Rs. 4.292 million (June 30, 2017: Rs. 7.705 million) at an average rate of 7.44% (2017: 7.59%) per annum.		
8	INVESTMENT PROPERTY		
	Freehold land	8.1 <u>117,600</u>	<u>117,600</u>
8.1	The movement in this account is as follows:		
	Opening balance	117,600	104,400
	Fair value gain on revaluation shown in "income statement"	-	13,200
		<u>117,600</u>	<u>117,600</u>
8.2	Fair value measurement (Investment property)		
	This comprises commercial property that is freehold land held for capital appreciation. The carrying value of investment property is the fair value of the property as at June 30, 2017 as determined by approved independent valuer M/s Unicorn International Services. Fair value is determined having regard to recent market transactions for similar properties in the same location and condition.		
	Fair value measurement of investment property is based on assumptions considered to be based on level 2 inputs.		
	Valuation techniques used to derive level 2 fair values - Land		
	Fair value of land has been derived using a sales comparison approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the		



property. The most significant input in this valuation approach is price / rate per canal in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

		<b>(Unaudited) December 31, 2017</b>	<b>(Audited) June 30, 2017</b>
	<b>Note</b>	<b>— (Rupees in thousand) —</b>	
<b>9 STOCK IN TRADE</b>			
Raw materials		59,955	49,300
Packing materials		11,089	12,878
Work in process		29,490	28,133
Finished goods	9.1	264,507	301,433
		<u>365,041</u>	<u>391,744</u>
9.1	These include provision for write down of finished goods inventory to net realisable value amounting to Rs. 52.000 million (2017: Rs. 42.000 million).		
<b>10 TRADE DEBTS</b>			
Secured			
Considered good		44,212	78,762
Unsecured			
Considered good		441,523	472,564
Considered doubtful		40,340	35,440
		<u>481,863</u>	<u>508,004</u>
		526,075	586,766
Less: Provision for doubtful debts	10.1	40,340	35,440
		<u>485,735</u>	<u>551,326</u>
10.1	Movement of provision for doubtful debts is as follows:		
Opening balance		35,440	53,197
Adjustment on account of:			
Doubtful debts written off		-	(17,757)
Recovery of doubtful debts		(100)	-
Provision made for doubtful debts		5,000	-
Net adjustment		4,900	(17,757)
Closing balance		<u>40,340</u>	<u>35,440</u>
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		496	590
Cheques in hand		146,523	91,856
Cash at banks			
Current accounts	11.1	16,582	15,566
		<u>163,601</u>	<u>108,012</u>
11.1	Cash with bank in current accounts do not carry any interest or mark-up.		

		(Unaudited) December 31, 2017	(Audited) June 30, 2017
	Note	(Rupees in thousand)	
<b>12 SHARE CAPITAL</b>			
12.1	Authorized share capital		
	100,000,000 (June 30, 2017: 100,000,000)		
	ordinary shares of Rs. 10/- each	1,000,000	1,000,000
	25,000,000 (June 30, 2017: 25,000,000)		
	preference shares of Rs. 10/- each	250,000	250,000
		<u>1,250,000</u>	<u>1,250,000</u>
12.2	Issued, subscribed and paid up share capital		
	27,100,000 (June 30, 2017: 27,100,000)		
	ordinary shares of Rs. 10/- each fully paid in cash	271,000	271,000
	24,900,000 (June 30, 2017: 24,900,000)		
	ordinary shares of Rs. 10/- each issued for consideration other than cash	249,000	249,000
	25,000,000 (June 30, 2017: 25,000,000)		
	fully paid bonus shares of Rs. 10/- each	250,000	250,000
		<u>770,000</u>	<u>770,000</u>
<b>13 SHARE PREMIUM</b>			
	Opening balance	330,000	150,000
	Received during the year	-	180,000
	Closing balance	<u>330,000</u>	<u>330,000</u>
13.1	During the year ended June 30, 2016 the Board of Directors of the Company has issued 15,000,000 ordinary right shares at Rs. 20/- (including premium of Rs. 10/- per share) to existing shareholders i.e. in proportion of 30 right shares for every 100 ordinary shares held.		
13.2	During the year ended June 30, 2017 the Board of Directors of the Company has issued 12,000,000 ordinary right shares at Rs. 25/- (including premium of Rs. 15/- per share) to existing shareholders i.e. in proportion of 18.462 right shares for every 100 ordinary shares held.		
<b>14 SURPLUS ON REVALUATION OF FIXED ASSETS</b>			
This represents surplus arising on the revaluation of freehold land carried out on June 30, 2015 by an independent valuer M/s. Unicorn International Surveyors on the basis of market value. This has been accounted for and disclosed as required by the repealed Companies Ordinance, 1984 as the condensed interim financial statements of the Company have been prepared in accordance with the provisions of the repealed Companies Ordinance, 1984 as per the directive of the SECP.			
<b>15 LONG TERM FINANCING</b>			
From banking companies and financial institutions - secured			
	Balance as at July 01	852,679	944,505
	Obtained during the period / year	496,424	96,788
	Repayments made during the period / year	(169,307)	(188,614)
		<u>1,179,796</u>	<u>852,679</u>
	Current portion shown under current liabilities	(338,614)	(338,614)
		<u>841,182</u>	<u>514,065</u>



	Note	(Unaudited) December 31, 2017 — (Rupees in thousand) —	(Audited) June 30, 2017
<b>16 LONG TERM DIMINISHING MUSHARAKA</b>			
From banking companies and financial institutions - secured			
Balance as at July 01		335,880	464,600
Obtained during the period / year		-	17,370
Repayments made during the period / year		(83,662)	(146,090)
		<u>252,218</u>	<u>335,880</u>
Current portion shown under current liabilities		(167,324)	(167,323)
		<u>84,894</u>	<u>168,557</u>
<b>17 TRADE AND OTHER PAYABLES</b>			
Trade creditors	17.1	95,631	84,327
Accrued liabilities	17.2	984,635	851,822
Advances from customers		68,163	55,004
Sales tax payables		17,187	-
Unclaimed dividend		1,159	663
Retention money		4,859	2,411
Income tax deducted at source		24	1
Workers' Profit Participation Fund		12,622	12,029
Workers Welfare Fund		5,147	117
Other liabilities		46	17
		<u>1,189,473</u>	<u>1,006,391</u>
17.1 These include a balance due to Chemi Multifabrics Limited, other related party, amounting to Rs. 12.569 million (June 30, 2017: Rs. 7.275 million).			
17.2 This includes an amount of Rs. 596.523 million (June 30, 2017: Rs. 497.568 million) payable in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. This amount does not include impact of late payment surcharge, the amount for which has not been quantified. On appeal filed by the Company, the Sindh High Court declared the GIDC Act 2015 as null and void through its judgement dated October 26, 2016. Subsequently, based on appeal filed by the Government, the Sindh High Court suspended the aforesaid judgement till the disposal of appeal. The matter is pending for hearing of appeal.			
<b>18 SHORT TERM BORROWINGS</b>			
From banking companies and financial institutions - secured			
Running finances	18.1	368,117	316,214
Term finance	18.2	634,990	574,285
		<u>1,003,107</u>	<u>890,499</u>
18.1 Short term running finance facilities from various banks aggregated to Rs. 740 million (2017: Rs. 640 million) and carries mark-up ranging from three months KIBOR plus 1.00% to 1.9% per annum (2017: three months KIBOR plus 1.25% to 1.9% per annum) on utilized limits. These facilities are secured against first pari passu charge over present and future current assets of the Company and hypothecation charge over stores, spares and stocks of chemicals.			

18.2 Term finance facilities from various banks aggregated to Rs. 775 million (2017: Rs. 900 million) and carry mark-up ranging from Matching KIBOR plus 1.00% to 1.25% per annum (2017: Matching KIBOR plus 1.00 % to 1.25 % per annum) on utilized limits. These facilities are secured against first pari passu charge over present and future current assets of the Company.

## 19 CONTINGENCIES AND COMMITMENTS

### 19.1 Contingent liabilities

- a) The Company has received an order under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2004 creating demand of Rs. 12.069 million (June 30, 2017: Rs. 12.069 million). The Company challenged it before Commissioner of Inland Revenue (Appeals) Zone-1 who decided the case in favour of the Company. The department had filed an appeal before Appellate Tribunal Inland Revenue. The Honourable ATIR (Appellate Tribunal Inland Revenue) remanded the case back to the Commissioner (Appeals) Zone-1 to pass a speaking order. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 12.069 million.
- b) The taxation authorities have amended the deemed assessment for the Tax Year 2010 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001 creating, thereby, income tax demand of Rs. 54.510 million. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) who partially set aside and remanded back and also partially decided in favour of the Company. The Company as well as tax department filed an appeal against the said order before Appellate Tribunal Inland Revenue which is still pending adjudication. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in maximum tax payable of Rs. 54.510 million.
- c) The taxation authorities have amended the deemed assessment for Tax Year 2006 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001. The Company challenged the same before Commissioner Inland Revenue (Appeals) who partially set aside and partially decided against the Company. The Company has filed an appeal before Appellate Tribunal Inland Revenue against the said order. The ATIR remanded the case back to the Additional Commissioner Inland Revenue (ADCIR). In remand back proceeding ADCIR decided the case partially in favour of the Company. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) CIR (A) against the remaining portion. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 4.080 million (June 30, 2017: Rs. 4.080 million).
- d) Additional Commissioner has passed an order u/s 122(5A) of the Income Tax Ordinance, 2001 adding back tax credit u/s 65B of the Income Tax Ordinance, 2001 on Balancing, Modernization, and Replacement and tax credit on donations for Tax Year 2012. Tax amounting to Rs. 12.570 million has been assessed.

The Company has challenged the case before Commissioner Inland Revenue (Appeals) who has decided it against the Company. The Company has filed appeal before Appellate Tribunal Inland Revenue. The ATIR remanded the case back to the Additional Commissioner Inland Revenue (ADCIR). In remand back proceedings the demand has been reduced to 2.922 million. The Company has preferred an appeals before Commissioner Inland Revenue (Appeals) CIR (A) against the demand. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 2.922 million (June 30, 2017: Rs. 2.922 million).



- e) Proceedings u/s 161 were initiated by DCIR for the tax year 2013. The DCIR passed order u/s 161/205 and demand amounting to Rs. 1.423 million for tax year 2013 was created vide said order. The Company being aggrieved filed appeal before CIR (A), which is pending for adjudication. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 1.423 million.
- f) Demand amounting to Rs. 6.242 million has been created by DCIR vide order u/s 11 of Sales Tax Act, 2001 dated December 14, 2015 against the M/s Chemi Chloride Industries (Private) Limited, (now merged with and into the Company). The Company being aggrieved filed appeal before CIR (A). CIR (A) remanded back the case. The Company being aggrieved with order passed by CIR (A) filed appeal before ATIR which is still pending for adjudication. The Company expects a favorable outcome of the proceedings. However, if the case is decided against the Company, it may result in tax payable of Rs. 6.242 million.
- g) The Company is facing claims, launched in the labour courts, pertaining to staff retirement benefits. In the event of an adverse decision, the Company would be required to pay an amount of Rs. 3.864 million (June 30, 2017: Rs. 3.864 million) against these claims.
- h) Letters of guarantee outstanding as at December 31, 2017 were Rs. 238.061 million (June 30, 2017: Rs. 233.439 million).

#### 19.2 Commitments

Commitments as on December 31, 2017 were as follows:

- a) Against letters of credit amounting to Rs. 242.016 million (June 30, 2017: Rs. 642.924 million).
- b) Against purchase of land amounting to Rs. 1.838 million (June 30, 2017: Rs. 9.338 million).

	(Unaudited)			
	Half year ended December 31,		Quarter ended December 31,	
20 SALES	2017	2016	2017	2016
	(Rupees in thousand)			
Sales				
Manufacturing	3,247,060	2,743,610	1,765,115	1,527,761
Trading	43,699	9,645	24,570	9,605
	<u>3,290,759</u>	<u>2,753,255</u>	<u>1,789,685</u>	<u>1,537,366</u>
Less: Sales tax	445,748	384,092	238,474	214,199
Commission	54,480	31,222	26,157	16,388
	<u>500,228</u>	<u>415,314</u>	<u>264,631</u>	<u>230,587</u>
	<u>2,790,531</u>	<u>2,337,941</u>	<u>1,525,054</u>	<u>1,306,779</u>

20.1 This amount includes export sales amounting to Rs. 255.090 million (2016: Rs. 134.959 million).

(Unaudited)

	Half year ended December 31,		Quarter ended December 31,	
	2017	2016	2017	2016

(Rupees in thousand)

21 COST OF SALES

Raw materials consumed	303,465	283,705	136,781	143,762
Other overheads:				
Stores, spares and consumables	127,384	162,027	48,756	83,226
Packing materials consumed	19,625	13,769	11,165	5,830
Salaries, wages and other benefits	218,912	198,061	107,333	98,831
Fuel and power	1,319,645	1,020,416	638,824	522,659
Repair and maintenance	25,804	16,245	14,034	9,336
Rent, rates and taxes	497	403	251	203
Insurance	6,034	8,705	3,020	4,402
Depreciation	160,360	150,908	80,363	78,127
Vehicle running expenses	4,884	8,378	2,518	4,332
Telephone, telex and postage	270	318	138	145
Printing and stationery	44	53	17	14
Other expenses	1,445	1,210	683	391
	<u>1,884,904</u>	<u>1,580,493</u>	<u>907,102</u>	<u>807,496</u>
Opening work in process	28,133	21,107	29,858	26,491
Closing work in process	(29,490)	(27,484)	(29,490)	(27,484)
	<u>(1,357)</u>	<u>(6,377)</u>	<u>368</u>	<u>(993)</u>
Cost of goods manufactured	2,187,012	1,857,821	1,044,251	950,265
Cost of stores traded	19,286	4,592	8,257	4,562
Opening stock of finished goods	301,434	323,412	378,482	377,932
Closing stock of finished goods	(264,507)	(237,678)	(264,507)	(237,678)
	<u>36,927</u>	<u>85,734</u>	<u>113,975</u>	<u>140,254</u>
	<u>2,243,225</u>	<u>1,948,147</u>	<u>1,166,483</u>	<u>1,095,081</u>

22 OTHER OPERATING EXPENSES

Auditors' remuneration				
Audit fee	375	375	187	187
Half yearly review fee	189	175	95	87
Tax and certification charges	16	137	-	-
Out of pocket expenses	38	110	-	108
	<u>618</u>	<u>797</u>	<u>282</u>	<u>382</u>
Loss on sale of fixed assets (22.1)	27,784	-	20,799	-
Workers' profit participation fund	11,232	4,709	9,385	2,781
Workers welfare fund	5,147	-	3,798	-
	<u>44,781</u>	<u>5,506</u>	<u>34,264</u>	<u>3,163</u>

22.1 This represents loss on account of scrapping of DSA plant as no future economic benefits are expected from its use.



	Note	(Unaudited)			
		Half year ended December 31,		Quarter ended December 31,	
		2017	2016	2017	2016
(Rupees in thousand)					
<b>23 TAXATION</b>					
Current	23.1	-	-	-	-
Prior year		(77)	(2)	(77)	(2)
Deferred		47,128	(39,994)	36,743	(14,564)
		<u>47,051</u>	<u>(39,996)</u>	<u>36,666</u>	<u>(14,566)</u>

23.1 As per provisions of Income Tax Ordinance, 2001, tax credit equal to 10% of the amount invested in the acquisition of plant and machinery for purposes of balancing, modernization and replacement (BMR) is admissible against the income tax payable subject to certain conditions. Accordingly, an amount of Rs. 83.948 million has been adjusted against tax provision during the period.

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

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

Profit/(loss) after taxation - (Rs. in thousand)		161,207	129,461	137,844	67,398
Weighted average number of ordinary shares - (in thousand)		77,000	77,000	77,000	77,000
Earnings per share - basic and diluted - (Rs.)	24.1	2.09	1.68	1.79	0.88

24.1 Earnings per share for corresponding period has been restated on account of issue of right shares as required by International Accounting Standard 33 "Earnings per share".

#### 25 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:

Transaction with:					
Relationship with the Company					
Nature of transaction					
Associated company					
Marketing services charges		12,903	11,117	6,910	6,193
Loan received		-	113,200	-	113,200
Retirement benefit plans					
Contribution to staff retirement benefit plans		222	230	109	112
Key management personnel					
Remuneration and other benefits		42,960	38,436	18,610	16,197



Note	(Unaudited) December 31, 2017	(Audited) June 30, 2017
	(Rupees in thousand)	

Balances as at period / year end:

Associated company

	12,569	7,275
--	--------	-------

## 26 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

There were no financial instruments held by the Company which are measured at fair value as of December 31, 2017 and June 30, 2017.

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

## 27 STATUS OF PROCEEDS RAISED THROUGH RIGHT ISSUE FOR IEM II

Funds received against issue of right shares

Advance against letter of credit

Plant and machinery

Building

Over-utilized fund

27.1

300,000	-
(574,531)	-
(38,640)	-
(34,193)	-
(647,364)	-
(347,364)	-

27.1 Total project cost is Rs. 1,014.00 million which is being financed through equity (right issue) Rs. 300 million and remaining through financings facilities.

## 28 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2017.





## 29 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

## 30 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 24, 2018 by the Board of Directors of the Company.

## 31 GENERAL

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



Ms Certification  
No of Certificate 236



**ITTEHAD**  
GROUP

[www.ittehadchemicals.com](http://www.ittehadchemicals.com)

**Registered/Head Office:** 39-Empress Road, Lahore-Pakistan. Tel: +92 42 3630 6586-88, Fax: +92 42 3636 5697  
**Factory:** G.T. Road, Kala Shah Kaku, District Sheikhpura-Pakistan. Tel: +92 42 3795 0222-25, Fax: +92 42 3795 0206

TRADE JUNCTION 0300-9482316