

**ITTEHAD CHEMICALS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2011
(UN-AUDITED)**

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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. Muhammad Siddique Khatri Mr. Abdul Sattar Khatri Mr. Abdul Ghafoor Khatri Mr. Mansoor Ahmed Khatri Ms. Farhana Abdul Sattar Khatri Mr. Fowad Yousaf Khatri Ms. Rushda Mustafa	Chairman & Chief Executive Director Director Director Director Director Director
AUDIT COMMITTEE	Mr. Mansoor Ahmed Khatri Mr. Abdul Sattar Khatri Mr. Abdul Ghafoor Khatri	Chairman Member Member
DIRECTOR FINANCE & CFO	Mr. Javed Iqbal	
COMPANY SECRETARY	Mr. Waheed Ashraf	
REGISTERED OFFICE/HEAD OFFICE	39-Empress Road, P.O. Box 1414, Lahore-54000. Tel : 042 - 36306586 - 88 Fax : 042 - 36365697 www.ittehadchemicals.com E-mail: info@ittehadchemicals.com	
PLANT	G.T. Road, Kala Shah Kaku, District Sheikhpura. Ph : 042 - 37950222-25 Fax : 042 - 37950206	
SHARE REGISTRARS	M/s. Corplink (Pvt.) Limited Corporate and Financial Consultants Wings Arcade, I-K Commercial, Model Town, Lahore. Ph: 042 - 35839182 Fax: 042 - 35869037	
BANKERS TO THE COMPANY	Askari Bank Limited Allied Bank Limited Citi Bank Dawood Islamic Bank Limited Faysal Bank Limited Habib Metropolitan Bank Limited KASB Bank Limited MCB Bank Limited National Bank of Pakistan Pak Libya Holding Co. (Pvt.) Limited Pakistan Kuwait Investment Co. (Pvt.) Limited Pak Brunei Investment Co. (Pvt.) Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited The Bank of Punjab United 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 ADVISORS	M/s. Tahir Ali Tayebi & Co. 310, Marine Point, Schon Circle, Block 9, Clifton, Karachi. Ph : 021-35370458 Fax : 021-35370459	

DIRECTORS' REPORT

I am pleased to present to you on behalf of the Board of Directors of Ittehad Chemicals Limited, the un-audited condensed interim financial statements of the Company for the third quarter and nine months ended March 31, 2011.

The country's overall economy is still under severe pressure and reflected an uninspiring performance during the period under review. Due to stiff market competition and stoppage of gas supply throughout the winter season, the overall profitability of the Company is still under pressure.

Net sales for the period has shown a growth of 2% and stood at Rs. 2,323.230 million as compared to Rs. 2,288.377 million for the corresponding period of last year. The operating profit of the Company stood at Rs. 265.880 million as compared to Rs. 215.566 million for the same period of last year. For the period under review pre-tax profit is recorded at Rs. 100.896 million, higher by 66% compared to the same period of last year. The earning per share of the Company for the period is Rs. 2.02.

Looking forward, the management is considering alternative sources of energy to avoid using expensive furnace oil during gas load shedding period.

We appreciate the Company's staff for their continuous dedication and support. We also express our gratitude to our shareholders, bankers, customers and suppliers for their continued support and cooperation for the progress and prosperity of the Company.

On behalf of the Board



MUHAMMAD SIDDIQUE KHATRI
CHIEF EXECUTIVE

April 27, 2011
Lahore.

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2011**

		March 31, 2011	June 30, 2010
	Note	(Un-audited)	(Audited)
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	2,344,389	2,299,211
Capital work in progress	7	<u>68,388</u>	<u>54,380</u>
		2,412,777	2,353,591
Intangible assets		303	1,462
Investment properties		82,250	82,250
Long term investments		87,400	87,400
Long term deposits		<u>21,462</u>	<u>21,449</u>
		2,604,192	2,546,152
CURRENT ASSETS			
Stores, spares and loose tools		381,297	437,333
Stock in trade		184,976	161,585
Trade debts		503,542	473,583
Loans and advances		54,784	48,916
Trade deposits and short term prepayments		8,872	4,612
Other receivables		3,774	16,540
Tax refunds due from Government		-	43,570
Taxation - net		39,303	7,007
Cash and bank balances		<u>9,986</u>	<u>15,132</u>
		1,186,534	1,208,278
		<u>3,790,726</u>	<u>3,754,430</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8.1	<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid up capital	8.2	360,000	360,000
Reserves		<u>653,476</u>	<u>616,933</u>
		1,013,476	976,933
SURPLUS ON REVALUATION OF FIXED ASSETS		749,059	749,059
NON CURRENT LIABILITIES			
Long term financing	9	251,389	172,222
Long term diminishing musharaka	10	250,000	416,666
Long term murabaha	11	116,666	194,444
Deferred liabilities		<u>336,427</u>	<u>316,806</u>
		954,482	1,100,138
CURRENT LIABILITIES			
Trade and other payables		294,068	321,693
Mark-up accrued		26,631	58,724
Short term borrowings		425,926	262,466
Current portion of long term liabilities		<u>327,084</u>	<u>285,417</u>
		1,073,709	928,300
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>3,790,726</u>	<u>3,754,430</u>

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



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Note	Nine months ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
----- (Rupees in thousand) -----					
Sales - net		2,323,230	2,288,377	725,398	814,839
Cost of sales	13	(1,848,687)	(1,871,111)	(613,062)	(733,841)
Gross profit		474,543	417,266	112,336	80,998
Selling and distribution expenses		(139,708)	(129,488)	(55,498)	(39,056)
General and administrative expenses		(80,696)	(76,859)	(28,934)	(24,400)
Other operating expenses		(7,941)	(8,250)	1,189	(1,343)
Other operating income		19,682	12,897	9,577	5,006
		(208,663)	(201,700)	(73,666)	(59,793)
Operating profit		265,880	215,566	38,670	21,205
Financial charges		(164,984)	(154,867)	(56,229)	(49,999)
Profit / (loss) before taxation		100,896	60,699	(17,559)	(28,794)
Taxation		(28,353)	34,108	7,284	63,645
Profit / (loss) after taxation		72,543	94,807	(10,275)	34,851
Earning / (loss) per share - basic and diluted (Rupees)	15	2.02	2.63	(0.29)	0.97

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

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	----- (Rupees in thousand) -----			
Profit / (loss) for the period	72,543	94,807	(10,275)	34,851
Other comprehensive income:				
Deficit on remeasurement of available for sale financial assets	-	(378)	-	(420)
Total comprehensive income for the period	<u>72,543</u>	<u>94,429</u>	<u>(10,275)</u>	<u>34,431</u>

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



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Nine months ended	
	March 31, 2011	March 31, 2010
(Rupees in thousand)		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	100,896	60,699
Adjustments for items not involving movement of funds:		
Depreciation	131,886	138,131
Amortization of intangible assets	1,406	1,489
Provision for gratuity	3,809	1,472
(Gain) / loss on sale of fixed assets	(751)	2,263
(Gain) on sale of investment	-	(469)
(Gain) on foreign exchange	(179)	-
Bad debts written off	4,550	-
Financial charges	164,984	154,867
Net cash flow before working capital changes	406,601	358,452
Decrease / (increase) in current assets		
Stores, spares and loose tools	56,036	(28,968)
Stock in trade	(23,391)	(88,494)
Trade debts	(34,330)	109,770
Loans and advances	(5,868)	2,924
Trade deposits and short term prepayments	(4,260)	4,267
Other receivables	12,766	(9,598)
	953	(10,099)
Increase / (decrease) in current liabilities		
Trade and other payables	(45,625)	(46,398)
Cash generated from operations	361,929	301,955
Income taxes paid	(1,048)	(32,620)
Gratuity paid	(220)	(492)
Financial charges paid	(197,077)	(203,973)
Net cash inflow from operating activities	163,584	64,870
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets - net	(8,393)	(46,627)
Additions to capital work in progress	(183,352)	(97,047)
Additions to intangible assets	(247)	-
Proceeds from sale of operating fixed assets	1,425	101,075
Proceeds from sale of investment	-	477
Long term deposits	(13)	(10,128)
Net cash (used in) investing activities	(190,580)	(52,250)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	150,000	100,000
Repayment of long term financing	(29,166)	(31,250)
Repayment of long term diminishing musharaka	(166,666)	(166,667)
Repayment of long term murabaha	(77,778)	(77,778)
Repayment of liabilities against assets subject to finance lease	-	(319)
Dividend paid	(18,000)	(36,000)
Short term borrowings	163,460	233,061
Net cash inflow from financing activities	21,850	21,047
Net (decrease) / increase in cash and cash equivalents	(5,146)	33,667
Cash and cash equivalents at the beginning of the period	15,132	26,037
Cash and cash equivalents at the end of the period	9,986	59,704

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Issued, subscribed and paid-up capital	Fair value reserve	Unappropriated profit	Total
----- (Rupees in thousand) -----				
Balance as at July 01, 2009	360,000	378	530,127	890,505
Interim dividend for the year ended June 30, 2009	-	-	(36,000)	(36,000)
Final dividend for the year ended June 30, 2009	-	-	(18,000)	(18,000)
Total Comprehensive income for the period	-	(378)	94,807	94,429
Balance as at March 31, 2010	360,000	-	570,934	930,934
Total Comprehensive income for the period	-	-	45,999	45,999
Balance as at June 30, 2010	360,000	-	616,933	976,933
Final dividend for the year ended June 30, 2010	-	-	(18,000)	(18,000)
Interim dividend for the year ended June 30, 2011	-	-	(18,000)	(18,000)
Total Comprehensive income for the period	-	-	72,543	72,543
Balance as at March 31, 2011	360,000	-	653,476	1,013,476

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



CHIEF EXECUTIVE



DIRECTOR

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2011

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company for the nine months period ended March 31, 2011 have been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in these condensed interim financial statements have been limited in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2010.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value.

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

2.3 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.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those applied for the preceding annual financial statements for the year ended June 30, 2010. The Following standards, amendments and interpretations of approved accounting standards became effective during the period, however, these do not have a significant impact on the Company's condensed interim financial statements:

IAS 1 - Presentation of Financial Statements
 IAS 7 - Statement of Cash Flows
 IAS 17 - Leases
 IAS 32 - Financial Instruments: Presentation
 IAS 36 - Impairment of Assets
 IAS 39 - Financial Instruments: Recognition and Measurement
 IFRS 1 - First-time Adoption of International Financial Reporting Standards
 IFRS 2 - Share-based Payment
 IFRS 5 - Non-current Assets Held for Sales and Discontinued Operations
 IFRS 8 - Operating Segments

4 TAXATION

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

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, 2010.

	Note	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
(Rupees in thousand)			
6 OPERATING FIXED ASSETS			
Opening net book value (NBV)		2,299,211	2,422,693
Additions (at cost) during the period / year	6.1	177,738	167,777
		2,476,949	2,590,470
Disposals (at NBV) during the period / year	6.2	(674)	(103,577)
Depreciation charged during the period / year		(131,886)	(187,682)
		(132,560)	(291,259)
Closing net book value (NBV)		2,344,389	2,299,211

March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
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(Rupees in thousand)

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

Plant and machinery	174,379	157,628
Other equipment	287	1,226
Furniture and fixtures	135	61
Office and other equipment	972	2,205
Vehicles	1,965	6,657
	<u>177,738</u>	<u>167,777</u>

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

Plant and machinery	-	102,686
Vehicles	674	891
	<u>674</u>	<u>103,577</u>

7 CAPITAL WORK-IN-PROGRESS

Plant and machinery	67,806	53,798
Building	582	582
	<u>68,388</u>	<u>54,380</u>

7.1 An amount of Rs. 169.345 million (June 30, 2010: Rs. 118.949 million) has been transferred to operating fixed assets during the period.

8 SHARE CAPITAL

8.1 Authorized share capital

75,000,000 (June 30, 2010: 75,000,000) shares of Rs. 10/- each	<u>750,000</u>	<u>750,000</u>
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8.2 Issued, subscribed and paid up share capital

100,000 (June 30, 2010: 100,000) ordinary shares of Rs. 10/- each fully paid in cash	1,000	1,000
24,900,000 (June 30, 2010: 24,900,000) ordinary shares of Rs. 10/- each issued for consideration other than cash	249,000	249,000
11,000,000 (June 30, 2010: 11,000,000) fully paid bonus shares of Rs. 10/- each	110,000	110,000
	<u>360,000</u>	<u>360,000</u>

	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
	(Rupees in thousand)	
9 LONG TERM FINANCING		
From banking companies and financial institutions- secured		
Balance as at July 01	213,194	50,000
Obtained during the period / year	<u>150,000</u>	<u>194,444</u>
	363,194	244,444
Repayments made during the period / year	<u>(29,166)</u>	<u>(31,250)</u>
	334,028	213,194
Current portion shown under current liabilities	<u>(82,639)</u>	<u>(40,972)</u>
	<u>251,389</u>	<u>172,222</u>
10 LONG TERM DIMINISHING MUSHARAKA		
From banking companies and financial institutions- secured		
Balance as at July 01	583,333	750,000
Repayments made during the period / year	<u>(166,666)</u>	<u>(166,667)</u>
	416,667	583,333
Current portion shown under current liabilities	<u>(166,667)</u>	<u>(166,667)</u>
	<u>250,000</u>	<u>416,666</u>
11 LONG TERM MURABAHA		
From banking companies - secured		
Balance as at July 01	272,222	350,000
Repayments made during the period / year	<u>(77,778)</u>	<u>(77,778)</u>
	194,444	272,222
Current portion shown under current liabilities	<u>(77,778)</u>	<u>(77,778)</u>
	<u>116,666</u>	<u>194,444</u>
12 CONTINGENCIES AND COMMITMENTS		
12.1 Contingent liabilities		
a)	The Company has received assessment order under section 122(5) of the Income Tax Ordinance, 2001 for tax year 2004 as a result of which brought forward losses of the Company have decreased by Rs. 24.849 million (June 30, 2010: Rs. 24.849 million). The Company filed an appeal before Commissioner of Inland revenue (Appeals) Zone-1 against the impugned order who has given certain reliefs to the company. Both ICL and Income Tax Department filed an appeal before Appellate Tribunal Inland Revenue. However, if the case is decided against the Company, the Company may be liable to pay a tax liability of Rs. 8.697 million.	
b)	An order has also been received under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2004 creating demand of Rs. 12.069 million (June 30, 2010: 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 has filed an appeal before Appellate Tribunal Inland Revenue. However, if the case is decided against the Company, it may result in tax payable of Rs. 12.069 million.	

- c) The Company has received an order under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2009 creating demand of Rs. 8.661 million (June 30, 2010: Rs. 8.661 million). The Company has filed an appeal before Commissioner of Inland Revenue (Appeals) Zone-1 who has granted certain reliefs to the company. Both Income Tax Department and Company have filed an appeal before Income Tax Appellate Tribunal Inland Revenue. In the event of an adverse decision, the Company would be faced with a charge of Rs. 8.661 million against profit.
- d) The deemed assessment order for tax year 2009 has been amended by tax authorities under section 221 of the Income Tax Ordinance, 2001. The Company has challenged the order before Commissioner of Inland Revenue (Appeals). The Company expect a positive outcome of this case. However, if the case is decided against the Company, it may result in tax payable of Rs. 43.964 million.
- e) 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. 2.331 million (June 30, 2010: Rs. 2.231 million) against these claims.
- f) Letters of guarantee outstanding as at March 31, 2011 were Rs. 203.293 million (June 30, 2010: Rs. 217.348 million) and corporate guarantee on behalf of Chemi Chloride Industries Limited amounting to Rs. 203 million (June 30, 2010: Rs. 203 million).

12.2 Commitments

Commitments as on March 31, 2011 were as follows:

- a) Against letters of credit amounting to Rs. 40.697 million (June 30, 2010: Rs. 46.109 million).
- b) Against purchase of land amounting to Rs.1.838 million (June 30, 2010: Rs 1.838 million).

	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
	(Rupees in thousand)	
c) Ujrah payments under Ijarah financing agreement:		
Not later than one year	28,020	27,196
Later than one year but not later than five years	<u>84,060</u>	<u>108,782</u>
	<u><u>112,080</u></u>	<u><u>135,978</u></u>

----- (Un-audited) -----

Nine months ended		Quarter ended	
March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
----- (Rupees in thousand) -----			

13 COST OF SALES

Raw materials consumed	217,219	265,106	66,507	95,511
Other overheads:				

Salaries, wages and other benefits	129,102	112,951	41,552	31,691
Stores, spares and consumables	120,905	74,710	32,915	17,640
Packing materials consumed	4,428	5,122	180	1,454
Fuel and power	1,229,553	1,229,252	392,108	484,483
Repair and maintenance	11,728	31,015	3,842	3,470
Rent, rates and taxes	20,682	4,540	6,967	4,540
Insurance	6,713	6,278	2,443	1,982
Vehicle running expenses	8,884	9,265	3,153	3,145
Postage, printing and stationery	359	546	128	136
Depreciation	128,036	133,988	44,350	45,505
Other expenses	703	2,058	169	216
	<u>1,661,093</u>	<u>1,609,725</u>	<u>527,807</u>	<u>594,262</u>

	----- (Un-audited) -----			
	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	----- (Rupees in thousand) -----			
Opening work in process	8,165	4,384	9,189	4,844
Closing work in process	(9,189)	(4,979)	(9,189)	(4,979)
	<u>(1,024)</u>	<u>(595)</u>	<u>-</u>	<u>(135)</u>
Cost of goods manufactured	1,877,288	1,874,236	594,314	689,638
Cost of stores traded	5,138	9,504	1,695	9,504
Opening stock of finished goods	75,458	53,587	126,250	100,915
Closing stock of finished goods	(109,197)	(66,216)	(109,197)	(66,216)
	<u>(33,739)</u>	<u>(12,629)</u>	<u>17,053</u>	<u>34,699</u>
	<u>1,848,687</u>	<u>1,871,111</u>	<u>613,062</u>	<u>733,841</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 the Company	Nature of transaction				
Associated company	Marketing services charges	20,679	22,638	8,774	7,951
Subsidiary / Associated company	Purchase of goods	1,780	1,103	649	-
Subsidiary / Associated companies	Sales of good and services	42,126	64,289	3,036	29,286
Subsidiary company	Land rentals	3,600	3,600	1,200	1,200
Subsidiary company	Loans and advances made	30,259	94,025	7,700	12,543
Subsidiary company	Mark up on loans and advances	2,759	2,590	1,074	889
Retirement benefit plans	Contribution to staff retirement benefit plans	204	146	56	50
Key management personnel	Remuneration and other benefits	36,319	33,158	12,407	11,857

----- (Un-audited) -----

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010

----- (Rupees in thousand) -----

15 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

Profit / (loss) for the period	72,543	94,807	(10,275)	34,851
	----- Number of Shares (in thousand) -----			
Weighted average number of ordinary shares	36,000	36,000	36,000	36,000
	----- Amount in Rupees -----			
Earning / (loss) per share - basic and diluted	2.02	2.63	(0.29)	0.97

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 27, 2011 by the Board of Directors of the Company.

17 GENERAL

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



CHIEF EXECUTIVE



DIRECTOR

**ITTEHAD CHEMICALS LIMITED
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2011
(UN-AUDITED)**

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DIRECTORS' REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

I am pleased to present to you on behalf of the Board of Directors of Ittehad Chemicals Limited, the un-audited condensed consolidated interim financial statements of the Company and its subsidiary, Chemi Chloride Industries Limited (CCIL), for the third quarter and nine months ended March 31, 2011.

The performance of the subsidiary Company, Chemi Chloride Industries Limited, for the nine months ended March 31, 2011, is as follows:

During the period under review the CCIL has witnessed lackluster performance owing to poor economic conditions prevailing in the country. The overall profitability of the Company has significantly declined mainly due to lower production on account of stoppage of gas supply throughout the winter season. The CCIL attained net sales of Rs. 156.444 million as compared to the sales of Rs. 164.214 million for the corresponding period of last year, showing a decrease of 5%. The Company has earned gross profit of Rs. 32.684 million as compared to gross profit of Rs. 59.877 million for the corresponding period of last year, representing a decrease of 45%. The loss before tax for the period under review is Rs. 12.101 million as compared to profit before tax of Rs. 10.251 million for the corresponding period of last year. The loss after tax is recorded at Rs. 13.826 million as against profit after tax of Rs. 8.948 million for the same period of last year. The CCIL has therefore reported negative earning per share of Rs. 1.50 for the period under review, whereas group's earning per share is Rs. 1.58.

We take this opportunity to thank all our customers, shareholders, bankers, employees and workers for their continued cooperation and support.

On behalf of the Board



MUHAMMAD SIDDIQUE KHATRI
CHIEF EXECUTIVE

April 27, 2011
Lahore.

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2011**

		March 31, 2011	June 30, 2010
	Note	(Un-audited)	(Audited)
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	2,504,806	2,470,758
Capital work in progress	7	69,078	54,380
		<u>2,573,884</u>	<u>2,525,138</u>
Intangible assets		303	1,462
Goodwill		6,445	6,445
Investment properties		64,500	64,500
Long term deposits		32,162	21,449
		<u>2,677,294</u>	<u>2,618,994</u>
CURRENT ASSETS			
Stores, spares and loose tools		395,287	446,247
Stock in trade		206,453	197,815
Trade debts		482,349	501,812
Loans and advances		26,027	36,826
Trade deposits and short term prepayments		9,772	4,990
Other receivables		-	710
Tax refunds due from Government		6,755	49,651
Taxation - net		40,511	8,049
Cash and bank balances		10,268	15,399
		<u>1,177,422</u>	<u>1,261,499</u>
		<u>3,854,716</u>	<u>3,880,493</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	8.1	<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid up capital	8.2	360,000	360,000
Reserves		<u>596,812</u>	<u>576,008</u>
		956,812	936,008
Non controlling interest		<u>11,651</u>	<u>9,740</u>
		968,463	945,748
SURPLUS ON REVALUATION OF FIXED ASSETS		748,559	748,559
NON CURRENT LIABILITIES			
Long term financing	9	291,521	235,201
Long term diminishing musharaka	10	250,000	416,666
Long term murabaha	11	116,666	194,444
Deferred liabilities		<u>336,427</u>	<u>316,806</u>
		994,614	1,163,117
CURRENT LIABILITIES			
Trade and other payables		286,556	328,016
Mark-up accrued		29,202	60,740
Short term borrowings		458,003	301,661
Current portion of long term liabilities		<u>369,319</u>	<u>332,652</u>
		1,143,080	1,023,069
CONTINGENCIES AND COMMITMENTS	12	-	-
TOTAL EQUITY AND LIABILITIES		<u>3,854,716</u>	<u>3,880,493</u>

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

Note	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
----- (Rupees in thousand) -----				
Sales - net	2,443,810	2,396,547	740,280	837,289
Cost of sales	13 (1,932,021)	(1,914,906)	(633,016)	(742,245)
Gross profit	511,789	481,641	107,264	95,044
Selling and distribution expenses	(167,417)	(167,563)	(58,575)	(48,458)
General and administrative expenses	(84,605)	(78,100)	(29,872)	(24,841)
Other operating expenses	(8,035)	(8,319)	1,358	(1,366)
Other operating income	12,189	7,049	6,775	2,890
	<u>(247,868)</u>	<u>(246,933)</u>	<u>(80,314)</u>	<u>(71,775)</u>
Operating profit	263,921	234,708	26,950	23,269
Financial charges	(175,127)	(163,760)	(59,311)	(52,868)
Profit / (loss) before taxation	88,794	70,948	(32,361)	(29,599)
Taxation	(30,079)	32,804	6,839	63,001
Profit / (loss) after taxation	<u>58,715</u>	<u>103,752</u>	<u>(25,522)</u>	<u>33,402</u>
Profit / (loss) attributable to equity holders of holding company	56,804	99,613	(25,955)	31,699
Non controlling interest - share of profit	1,911	4,139	433	1,703
	<u>58,715</u>	<u>103,752</u>	<u>(25,522)</u>	<u>33,402</u>
Earning / (loss) per share - basic and diluted (Rupees)	15 1.58	2.77	(0.72)	0.88

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Nine months ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	----- (Rupees in thousand) -----			
Profit / (loss) for the period	56,804	99,613	(25,955)	31,699
Other comprehensive income:				
Deficit on remeasurement of available for sale financial assets	-	(378)	-	(420)
Total comprehensive income for the period	<u>56,804</u>	<u>99,235</u>	<u>(25,955)</u>	<u>31,279</u>

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



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Nine months ended	
	March 31, 2011	March 31, 2010
(Rupees in thousand)		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	88,794	70,948
Adjustments for items not involving movement of funds:		
Depreciation	144,538	151,172
Amortization of intangible assets	1,406	1,489
Provision for gratuity	3,809	1,472
(Gain) / loss on sale of fixed assets	(751)	2,263
(Gain) on sale of investment	-	(469)
(Gain) on foreign exchange	(566)	-
Bad debts written off	5,224	3
Financial charges	175,127	163,760
Net cash flow before working capital changes	417,581	390,638
Decrease / (increase) in current assets		
Stores, spares and loose tools	50,960	(29,542)
Stock in trade	(8,638)	(103,730)
Trade debts	14,805	124,992
Loans and advances	10,799	1,043
Trade deposits and short term prepayments	(4,782)	4,212
Other receivables	710	12
Tax refunds due from Government	(559)	(17,089)
	63,295	(20,102)
Increase / (decrease) in current liabilities		
Trade and other payables	(59,460)	(24,890)
Cash generated from operations	421,416	345,646
Taxes paid	(3,055)	(35,036)
Gratuity paid	(220)	(492)
Financial charges paid	(206,665)	(213,381)
Net cash inflow from operating activities	211,476	96,737
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets-net	(9,915)	(58,785)
Additions to capital work in progress	(184,042)	(97,047)
Additions to intangible assets	(247)	-
Proceeds from sale of operating fixed assets	1,425	101,075
Proceeds from sale of investment	-	477
Long term deposits	(10,713)	(10,128)
Net cash outflow from investing activities	(203,492)	(64,408)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term financing	150,000	100,000
Repayment of long term financing	(57,013)	(51,558)
Repayment of long term musharaka	(166,666)	(166,667)
Repayment of long term murabaha	(77,778)	(77,778)
Repayment of liabilities against assets subject to finance lease	-	(319)
Dividend paid	(18,000)	(36,000)
Short term borrowings	156,342	234,491
Net cash (outflow) / inflow from financing activities	(13,115)	2,169
Net (decrease) / increase in cash and cash equivalents	(5,131)	34,498
Cash and cash equivalents at the beginning of the period	15,399	26,494
Cash and cash equivalents at the end of the period	10,268	60,992

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

CHIEF EXECUTIVE

DIRECTOR

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2011**

	Issued, subscribed and paid-up capital	Fair value reserve	Unappropri- ated profit	Sub total	Minority - Share Capital	Minority - Share of profit / (loss)	Sub total	Grand Total
	(Rupees in thousand)							
Balance as at July 01, 2009	360,000	378	478,030	838,408	4,600	(339)	4,261	842,669
Interim dividend for the year ended June 30, 2009	-	-	(36,000)	(36,000)	-	-	-	(36,000)
Final dividend for the year ended June 30, 2009	-	-	(18,000)	(18,000)	-	-	-	(18,000)
Total Comprehensive income for the period	-	(378)	99,613	99,235	-	4,139	4,139	103,374
Balance as at March 31, 2010	360,000	-	523,643	883,643	4,600	3,800	8,400	892,043
Total Comprehensive income for the period	-	-	52,365	52,365	-	1,340	1,340	53,705
Balance as at June 30, 2010	360,000	-	576,008	936,008	4,600	5,140	9,740	945,748
Final dividend for the year ended June 30, 2010	-	-	(18,000)	(18,000)	-	-	-	(18,000)
Interim dividend for the year ended June 30, 2011	-	-	(18,000)	(18,000)	-	-	-	(18,000)
Total Comprehensive income for the period	-	-	56,804	56,804	-	1,911	1,911	58,715
Balance as at March 31, 2011	360,000	-	596,812	956,812	4,600	7,051	11,651	968,463

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

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2011

1 THE GROUP AND ITS OPERATIONS

The Group consists of Ittehad Chemicals Limited ("the Holding Company") and Chemi Chloride Industries Limited ("the Subsidiary company"), in which holding company has 95% shareholding.

The Holding 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 Holding Company became a wholly owned subsidiary of Federal Chemical and Ceramics Corporation (Private) Limited. The Holding Company was privatized on July 03, 1995 when 90% of the shares were transferred to the buyer.

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

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

The Subsidiary Company was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 on July 03, 1999. The registered office is situated at 39-Empress Road, Lahore. The principal activity of the Subsidiary Company is manufacturing and sale of calcium chloride prills.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed consolidated interim financial statements of the Group for the nine months period ended March 31, 2011 have been prepared in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The disclosures made in these condensed consolidated interim financial statements have been limited in accordance with the requirements of International Accounting Standard - 34 "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended June 30, 2010.

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention, except for the recognition of certain staff retirement benefits at present value.

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

2.3 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 Group.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed consolidated interim financial statements are same as those applied for the preceding audited annual consolidated financial statements of the Group for the year ended June 30, 2010. The Following standards, amendments and interpretations of approved accounting standards became effective during the period, however, these do not have a significant impact on the Group's condensed consolidated interim financial statements:

IAS 1 - Presentation of Financial Statements
 IAS 7 - Statement of Cash Flows
 IAS 17 - Leases
 IAS 32 - Financial Instruments: Presentation
 IAS 36 - Impairment of Assets
 IAS 39 - Financial Instruments: Recognition and Measurement
 IFRS 1 - First-time Adoption of International Financial Reporting Standards
 IFRS 2 - Share-based Payment
 IFRS 5 - Non-current Assets Held for Sales and Discontinued Operations
 IFRS 8 - Operating Segments

4 TAXATION

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

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 consolidated financial statements for the year ended June 30, 2010.

6 OPERATING FIXED ASSETS

	Note	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
(Rupees in thousand)			
Opening net book value (NBV)		2,470,758	2,598,293
Additions (at cost) during the period / year	6.1	<u>179,260</u>	<u>181,398</u>
		2,650,018	2,779,691
Disposals (at NBV) during the period / year	6.2	<u>(674)</u>	<u>(103,577)</u>
Depreciation charged during the period / year		<u>(144,538)</u>	<u>(205,356)</u>
		<u>(145,212)</u>	<u>(308,933)</u>
Closing net book value (NBV)		<u>2,504,806</u>	<u>2,470,758</u>

	March 31, 2011	June 30, 2010
	(Un-audited)	(Audited)
	(Rupees in thousand)	

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

Building on freehold land	-	1,098
Plant and machinery	175,832	167,579
Other equipment	287	2,402
Furniture and fixtures	149	66
Office and other equipment	1,027	2,930
Vehicles	1,965	7,323
	179,260	181,398

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

Plant and machinery	-	102,686
Vehicles	674	891
	674	103,577

7 CAPITAL WORK-IN -PROGRESS

Plant and machinery	67,806	53,798
Building	1,272	582
	69,078	54,380

7.1 An amount of Rs. 169.345 million (June 30, 2010: Rs. 118.949 million) has been transferred to operating fixed assets during the period.

8 SHARE CAPITAL
8.1 Authorized Share Capital

75,000,000 (June 30, 2010: 75,000,000) shares of Rs. 10/- each	750,000	750,000
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8.2 Issued, subscribed and paid up capital

100,000 (June 30, 2010: 100,000) ordinary shares of Rs. 10/- each fully paid in cash	1,000	1,000
24,900,000 (June 30, 2010: 24,900,000) ordinary shares of Rs. 10/- each issued for consideration other than cash	249,000	249,000
11,000,000 (June 30, 2010: 11,000,000) fully paid bonus shares of Rs. 10/- each	110,000	110,000
	360,000	360,000

	March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
	(Rupees in thousand)	
9 LONG TERM FINANCING		
From banking companies and financial institutions- secured		
Balance as at July 01	307,598	162,568
Obtained during the period / year	<u>150,000</u>	<u>194,444</u>
	457,598	357,012
Repayments made during the period / year	<u>(52,013)</u>	<u>(49,414)</u>
	405,585	307,598
From directors and others - unsecured		
Balance as at July 01	15,810	29,810
Obtained during the period / year	-	4,000
Repayments made during the period / year	<u>(5,000)</u>	<u>(18,000)</u>
	10,810	15,810
	416,395	323,408
Current portion shown under current liabilities	<u>(124,874)</u>	<u>(88,207)</u>
	<u>291,521</u>	<u>235,201</u>
10 LONG TERM DIMINISHING MUSHARAKA		
From banking companies and financial institutions- Secured		
Balance as at July 01	583,333	750,000
Repayments made during the period / year	<u>(166,666)</u>	<u>(166,667)</u>
	416,667	583,333
Current portion shown under current liabilities	<u>(166,667)</u>	<u>(166,667)</u>
	<u>250,000</u>	<u>416,666</u>
11 LONG TERM MURABAHA		
From banking companies - secured		
Balance as at July 01	272,222	350,000
Repayments made during the period / year	<u>(77,778)</u>	<u>(77,778)</u>
	194,444	272,222
Current portion shown under current liabilities	<u>(77,778)</u>	<u>(77,778)</u>
	<u>116,666</u>	<u>194,444</u>
12 CONTINGENCIES AND COMMITMENTS		
12.1 Contingent liabilities		
a)	<p>The Holding Company has received assessment order under section 122(5) of the Income Tax Ordinance, 2001 for tax year 2004 as a result of which brought forward losses of the Holding Company have decreased by Rs. 24.849 million (June 30, 2010: Rs. 24.849 million). The Holding Company filed an appeal before Commissioner of Inland revenue (Appeals) Zone-1 against the impugned order who has given certain reliefs to the Holding Company. Both ICL and Income Tax Department filed an appeal before Appellate Tribunal Inland Revenue. However, if the case is decided against the Holding Company, it may be liable to pay a tax liability of Rs. 8.697 million.</p>	

- b) An order has also been received under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2004 creating demand of Rs. 12.069 million (June 30, 2010: Rs. 12.069 million). The Holding Company challenged it before Commissioner of Inland Revenue (Appeals) Zone-1 who decided the case in favour of the Holding Company. The department has filed an appeal before Appellate Tribunal Inland Revenue. However, if the case is decided against the Holding Company, it may result in tax payable of Rs. 12.069 million.
- c) The Holding Company has received an order under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2009 creating demand of Rs. 8.661 million (June 30, 2010: Rs. 8.661 million). The Holding Company has filed an appeal before Commissioner of Inland Revenue (Appeals) Zone-1 who has granted certain reliefs to the Holding Company. Both Income Tax Department and the Holding Company have filed an appeal before Income Tax Appellate Tribunal Inland Revenue. In the event of an adverse decision, the Holding Company would be faced with a charge of Rs. 8.661 million against profit.
- d) The deemed assessment order for tax year 2009 has been amended by tax authorities under section 221 of the Income Tax Ordinance, 2001. The Holding Company has challenged the order before Commissioner of Inland Revenue (Appeals). The Holding Company expect a positive outcome of this case. However, if the case is decided against the Holding Company, it may result in tax payable of Rs. 43.964 million.
- e) The Holding Company is facing claims, launched in the labour courts, pertaining to staff retirement benefits. In the event of an adverse decision the Holding Company would be required to pay an amount of Rs. 2.331 million (June 30, 2010: Rs. 2.231 million) against these claims.
- f) Letters of guarantee outstanding as at March 31, 2011 were Rs. 203.293 million (June 30, 2010: Rs. 217.348 million) and corporate guarantee on behalf of Chemi Chloride Industries Limited amounting to Rs. 203 million (June 30, 2010: Rs. 203 million).

12.2 Commitments

Commitments as on March 31, 2011 were as follows:

- a) Against letters of credit amounting to Rs. 40.697 million (June 30, 2010: Rs. 50.831 million).
- b) Against purchase of land amounting to Rs. 1.838 million (June 30, 2010: Rs. 1.838 million).

March 31, 2011 (Un-audited)	June 30, 2010 (Audited)
-----------------------------------	-------------------------------

- c) Ujrah payments under Ijarah financing agreement:

Not later than one year	28,020	27,196
Later than one year but not later than five years	84,060	108,782
	112,080	135,978

----- (Un-audited) -----

	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2011	2010	2011	2010

----- (Rupees in thousand) -----

13 COST OF SALES

Raw materials consumed	216,702	257,088	66,666	88,653
Other overheads:				
Salaries, wages and other benefits	138,492	120,822	44,152	35,114
Stores, spares and consumables	124,128	86,626	34,374	19,590
Packing materials consumed	11,236	13,672	732	7,241
Fuel and power	1,252,842	1,247,927	397,991	494,783
Repair and maintenance	16,083	34,134	4,437	4,509
Rent, rates and taxes	21,083	4,620	7,128	4,620
Insurance	7,177	6,706	2,613	2,122
Vehicle running expenses	8,884	9,322	3,153	3,159
Postage, printing and stationery	365	560	128	137
Depreciation	140,449	146,936	48,492	49,972
Other expenses	780	2,058	187	216
	1,721,519	1,673,383	543,387	621,463
Opening work in process	8,822	4,384	10,640	4,844
Closing work in process	(10,667)	(5,566)	(10,667)	(5,566)
	(1,845)	(1,182)	(27)	(722)
Cost of goods manufactured	1,936,376	1,929,289	610,026	709,394
Cost of stores traded	5,681	9,589	2,238	9,589
Opening stock of finished goods	99,475	71,280	130,263	118,514
Closing stock of finished goods	(109,511)	(95,252)	(109,511)	(95,252)
	(10,036)	(23,972)	20,752	23,262
	1,932,021	1,914,906	633,016	742,245

----- (Un-audited) -----

Nine months ended		Quarter ended	
March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010

----- (Rupees in thousand) -----

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 the Company	Nature of transaction				
Associated company	Marketing services charges	20,679	22,638	8,774	7,951
Associated company	Purchase of goods	-	1,103	-	-
Associated company	Sales of good and services	126	843	63	56
Associated company	Loan Received	-	4,000	-	-
Retirement benefit plans	Contribution to staff retirement benefit plans	204	146	56	50
Key management personnel	Remuneration and other benefits	40,517	34,577	13,806	12,635

15 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

Profit / (loss) for the period	56,804	99,613	(25,955)	31,699
----- Number of Shares (in thousand) -----				
Weighted average number of ordinary shares	36,000	36,000	36,000	36,000
----- Amount in Rupees -----				
Earning / (loss) per share - basic and diluted	1.58	2.77	(0.72)	0.88

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed consolidated interim financial statements were authorized for issue on April 27, 2011 by the Board of Directors of the Holding Company.

17 GENERAL

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



CHIEF EXECUTIVE



DIRECTOR