

**ITTEHAD CHEMICALS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

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CORPORATE INFORMATION

| | | |
|--------------------------------------|---|--|
| BOARD OF DIRECTORS | Mr. Muhammad Siddique Khatri Mr. Abdul Ghafoor Khatri Mr. Abdul Sattar Khatri Mr. Mansoor Ahmed Khatri Ms. Farhana Abdul Sattar Mr. Fawad Yousuf 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 |
| CHIEF FINANCIAL OFFICER | 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, 1-K Commercial, Model Town, Lahore. Ph: 042 - 35839182 Fax: 042 - 35869037 | |
| BANKERS TO THE COMPANY | Askari Bank Limited Habib Metropolitan Bank Limited MCB Bank Ltd Pak Libya Holding Co. (Pvt.) Limited Pakistan Kuwait Investment Co. (Pvt.) Limited The Bank of Punjab Allied Bank Limited Faysal Bank Limited United Bank Limited KASB Bank Limited Standard Chartered Bank Limited Citi Bank Atlas Bank Limited Dawood Islamic Bank Limited National Bank of Pakistan | |
| 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

On behalf of the Board of Directors of Ittehad Chemicals Limited, I am pleased to present the un-audited financial statements of the Company for the first quarter ended September 30, 2010.

Financial Results


During this quarter the Company has witnessed lackluster financial results owing to difficult market and economic conditions prevailing in the country. The Company has recorded sales of Rs. 788.208 million against sales of Rs. 740.845 million for the corresponding period of last year, representing increase of 6%. As against this the Company's cost of sales for the quarter under review has increased by 15% from the corresponding period of last year due to increase in fuel & power rates and sky rocketing inflation, resulting in the decrease in gross profit by 18%.

Consequently during the period, profit before tax dropped to Rs. 39.722 million as compared to Rs. 58.620 million for the corresponding period of last year. The Company delivered profit after tax of Rs. 24.217 million as compared to Rs. 38.432 million for the corresponding period of last year. The earning per share for the period is Re. 0.67 as compared to Rs. 1.07 for the corresponding period of last year.

Looking forward, despite of all above formidable challenges and anticipated gas load shedding in winter season, our focus will be to remain profitable in the existing lines of business by improving our operational performance, reducing costs and developing competitive marketing strategies.

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

October 28, 2010
Lahore.

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2010 (UN-AUDITED)

| | September 30, 2010 (Un-audited) | June 30, 2010 (Audited) |
|---|---------------------------------------|-------------------------------|
| Note | (Rupees in thousand) | |
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | | |
| Operating fixed assets | 6 2,293,223 | 2,299,211 |
| Capital work in progress | 7 68,712 | 54,380 |
| | 2,361,935 | 2,353,591 |
| Intangible assets | 1,181 | 1,462 |
| Investment properties | 82,250 | 82,250 |
| Long term investments | 87,400 | 87,400 |
| Long term deposits | 21,434 | 21,449 |
| | 2,554,200 | 2,546,152 |
| CURRENT ASSETS | | |
| Stores, spares and loose tools | 431,145 | 437,333 |
| Stock in trade | 143,173 | 161,585 |
| Trade debts | 509,257 | 473,583 |
| Loans and advances | 50,206 | 48,916 |
| Trade deposits and short term prepayments | 11,502 | 4,612 |
| Other receivables | 5,133 | 16,540 |
| Tax refunds due from Government | 31,893 | 43,570 |
| Taxation - net | 11,068 | 7,007 |
| Cash and bank balances | 16,469 | 15,132 |
| | 1,209,846 | 1,208,278 |
| | 3,764,046 | 3,754,430 |
| TOTAL ASSETS | | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized share capital | 8.1 750,000 | 750,000 |
| Issued, subscribed and paid up capital | 8.2 360,000 | 360,000 |
| Reserves | 641,150 | 616,933 |
| | 1,001,150 | 976,933 |
| SURPLUS ON REVALUATION OF FIXED ASSETS | | |
| | 749,059 | 749,059 |
| NON CURRENT LIABILITIES | | |
| Long term financing | 9 197,917 | 172,222 |
| Long term diminishing musharaka | 10 333,333 | 416,666 |
| Long term murabaha | 11 155,555 | 194,444 |
| Deferred liabilities | 318,353 | 316,806 |
| | 1,005,158 | 1,100,138 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 303,190 | 321,693 |
| Mark-up accrued | 24,279 | 58,724 |
| Short term borrowings | 383,293 | 262,466 |
| Current portion of long term liabilities | 297,917 | 285,417 |
| | 1,008,679 | 928,300 |
| CONTINGENCIES AND COMMITMENTS | | |
| | 12 - | - |
| TOTAL EQUITY AND LIABILITIES | 3,764,046 | 3,754,430 |

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



CHIEF EXECUTIVE



DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

| Note | Quarter ended | |
|--|--------------------|--------------------|
| | September 30, 2010 | September 30, 2009 |
| (Rupees in thousand) | | |
| Sales - net | 788,208 | 740,845 |
| Cost of sales | <u>(628,427)</u> | <u>(544,987)</u> |
| Gross profit | 159,781 | 195,858 |
| Selling and distribution expenses | <u>(41,538)</u> | <u>(54,267)</u> |
| General and administrative expenses | <u>(27,790)</u> | <u>(27,700)</u> |
| Other operating expenses | <u>(3,136)</u> | <u>(4,753)</u> |
| Other operating income | <u>5,184</u> | <u>4,624</u> |
| | <u>(67,280)</u> | <u>(82,096)</u> |
| Operating profit | 92,501 | 113,762 |
| Financial charges | <u>(52,779)</u> | <u>(55,142)</u> |
| Profit before taxation | 39,722 | 58,620 |
| Taxation | <u>(15,505)</u> | <u>(20,188)</u> |
| Profit after taxation | <u>24,217</u> | <u>38,432</u> |
| Earning per share - basic and diluted (Rupees) | 15 <u>0.67</u> | <u>1.07</u> |

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


CHIEF EXECUTIVE


DIRECTOR

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

| | Quarter ended | |
|---|--------------------|--------------------|
| | September 30, 2010 | September 30, 2009 |
| (Rupees in thousand) | | |
| Profit for the period | 24,217 | 38,432 |
| Other comprehensive income | | |
| Surplus / (deficit) on remeasurement of available for sale financial assets | - | 94 |
| Total comprehensive income for the period | <u>24,217</u> | <u>38,526</u> |

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



CHIEF EXECUTIVE


DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

| | Quarter ended | |
|--|----------------------|--------------------|
| | September 30, 2010 | September 30, 2009 |
| | (Rupees in thousand) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 39,722 | 58,620 |
| Adjustments for items not involving movement of funds: | | |
| Depreciation | 42,326 | 44,989 |
| Amortization of intangible assets | 528 | 496 |
| Provision for gratuity | 1,270 | 491 |
| Gain on sale of fixed assets | (342) | (119) |
| Gain on foreign exchange | (103) | - |
| Financial charges | 52,779 | 55,142 |
| Net cash flow before working capital changes | 136,180 | 159,619 |
| Decrease / (increase) in current assets | | |
| Stores, spares and loose tools | 6,188 | (44,958) |
| Stock in trade | 18,412 | (108,445) |
| Trade debts | (35,571) | 44,603 |
| Loans and advances | (1,290) | (7,803) |
| Trade deposits and short term prepayments | (6,890) | (1,261) |
| Other receivables | 11,407 | (3,754) |
| | (7,744) | (121,618) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | (18,503) | 78,034 |
| Cash generated from operations | 109,933 | 116,035 |
| Income taxes paid | (7,392) | (2,924) |
| Gratuity paid | (220) | (266) |
| Financial charges paid | (87,224) | (100,817) |
| Net cash inflow from operating activities | 15,097 | 12,028 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Additions to operating fixed assets-net | (14,075) | (12,000) |
| Additions to capital work in progress | (37,028) | (10,567) |
| Additions to intangible assets | (247) | - |
| Proceeds from sale of operating fixed assets | 775 | 527 |
| Long term deposits | 15 | - |
| Net cash (used in) investing activities | (50,560) | (22,040) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long term financing | 50,000 | 100,000 |
| Repayment of long term financing | (11,805) | (15,625) |
| Repayment of long term diminishing musharaka | (83,333) | (83,334) |
| Repayment of long term murabaha | (38,889) | (38,889) |
| Repayment of liabilities against assets subject to finance lease | - | (116) |
| Dividend paid | - | (36,000) |
| Short term borrowings | 120,827 | 120,763 |
| Net cash inflow from financing activities | 36,800 | 46,799 |
| Net increase in cash and cash equivalents | 1,337 | 36,787 |
| Cash and cash equivalents at the beginning of the period | 15,132 | 26,037 |
| Cash and cash equivalents at the end of the period | 16,469 | 62,824 |

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



CHIEF EXECUTIVE

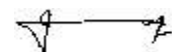


DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

| | Issued, subscribed and paid-up capital | Capital reserve - Fair value reserve | Unappropriated profits | Total |
|-------------------------------------|--|--------------------------------------|------------------------|-----------|
| | (Rupees in thousand) | | | |
| Balance as at July 01, 2009 | 360,000 | 378 | 530,127 | 890,505 |
| Dividend paid | - | - | (36,000) | (36,000) |
| Comprehensive income for the period | - | 94 | 38,432 | 38,526 |
| Balance as at September 30, 2009 | 360,000 | 472 | 532,559 | 893,031 |
| Dividend paid | - | - | (18,000) | (18,000) |
| Comprehensive income for the period | - | (472) | 102,374 | 101,902 |
| Balance as at June 30, 2010 | 36,000 | - | 616,933 | 976,933 |
| Comprehensive income for the period | - | - | 24,217 | 24,217 |
| Balance as at September 30, 2010 | 36,000 | - | 641,150 | 1,001,150 |

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
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

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. STATEMENT OF COMPLIANCE

These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed interim financial statements have, however, been limited in accordance with the requirements of the International Financial Reporting Standards (IFRS) IAS - 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.

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

3. ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are the same as those of the preceding published annual financial statements for the year ended June 30, 2010.

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.

| | September 30, 2010 | June 30, 2010 |
|------|-----------------------|------------------|
| Note | (Un-audited) | (Audited) |
| | (Rupees in thousand) | |

6 OPERATING FIXED ASSETS

| | | |
|---|-------------------|------------------|
| Opening book value | 2,299,211 | 2,422,693 |
| Additions during the period / year | 6.1 <u>36,771</u> | <u>167,777</u> |
| | 2,335,982 | 2,590,470 |
| Disposals during the period / year | 6.2 <u>(433)</u> | <u>(103,577)</u> |
| Depreciation charged during the period / year | <u>(42,326)</u> | <u>(187,682)</u> |
| | <u>(42,759)</u> | <u>(291,259)</u> |
| Closing book value | <u>2,293,223</u> | <u>2,299,211</u> |

6.1 Details of additions during the period / year are as follows:

| | | |
|----------------------------|---------------|----------------|
| Plant and machinery | 35,406 | 157,628 |
| Other equipment | 80 | 1,226 |
| Furniture and fixtures | 52 | 61 |
| Office and other equipment | 466 | 2,205 |
| Vehicles | 767 | 6,657 |
| | <u>36,771</u> | <u>167,777</u> |

6.2 Details of disposals during the period / year are as follows:

| | | |
|---------------------|------------|----------------|
| Plant and machinery | - | 102,686 |
| Vehicles | 433 | 891 |
| | <u>433</u> | <u>103,577</u> |

7 CAPITAL WORK-IN-PROGRESS

| | | |
|---------------------|---------------|---------------|
| Plant and machinery | 68,130 | 53,798 |
| Building | 582 | 582 |
| | <u>68,712</u> | <u>54,380</u> |

7.1 An amount of Rs. 35.406 million (June 30, 2010: Rs. 118.949 million) has been transferred to operating fixed assets during the period.

| | September 30, 2010 (Un-audited) (Rupees in thousand) | June 30, 2010 (Audited) |
|---|---|-------------------------------|
| 8 SHARE CAPITAL | | |
| 8.1 Authorized share capital | | |
| 50,000,000 (June 30, 2010: 50,000,000) ordinary shares of Rs. 10/- each | 500,000 | 500,000 |
| 25,000,000 (June 30, 2010: 25,000,000) preference shares of Rs. 10/- each | <u>250,000</u> | <u>250,000</u> |
| | <u>750,000</u> | <u>750,000</u> |
| 8.2 Issued, subscribed and paid up share capital | | |
| 100,000 (June 30, 2010: 100,000) ordinary shares fully paid in cash | 1,000 | 1,000 |
| 24,900,000 (June 30, 2010: 24,900,000) issued for consideration other than cash | 249,000 | 249,000 |
| 11,000,000 (June 30, 2010: 11,000,000) fully paid bonus shares | <u>110,000</u> | <u>110,000</u> |
| | <u>360,000</u> | <u>360,000</u> |
| 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>50,000</u> | <u>194,444</u> |
| | 263,194 | 244,444 |
| Repayments made during the period / year | <u>(11,805)</u> | <u>(31,250)</u> |
| | 251,389 | 213,194 |
| Current portion shown under current liabilities | <u>(53,472)</u> | <u>(40,972)</u> |
| | <u>197,917</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>(83,333)</u> | <u>(166,667)</u> |
| | 500,000 | 583,333 |
| Current portion shown under current liabilities | <u>(166,667)</u> | <u>(166,667)</u> |
| | <u>333,333</u> | <u>416,666</u> |

| | September 30, 2010 (Un-audited) (Rupees in thousand) | June 30, 2010 (Audited) |
|--|---|-------------------------------|
| 11 LONG TERM MURABAHA | | |
| From banking companies - secured | | |
| Balance as at July 01 | 272,222 | 350,000 |
| Repayments made during the period / year | <u>(38,889)</u> | <u>(77,778)</u> |
| | 233,333 | 272,222 |
| Current portion shown under current liabilities | <u>(77,778)</u> | <u>(77,778)</u> |
| | <u>155,555</u> | <u>194,444</u> |
| 12 CONTINGENCIES AND COMMITMENTS | | |
| 12.1 Contingent liabilities | | |
| a) The Company had 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 been decreased by Rs. 24.849 million. The company filed appeal before Commissioner of Income Tax (Appeals) Zone-1 against the impugned order who has given certain reliefs to the company. Both ICL and Income Tax Department has filed appeal before Income Tax Appellate Tribunal. 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) The Company had received order under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2004 creating demand of Rs. 12.069 million. The company challenged it before Commissioner of Income Tax (Appeals) Zone-1 who decided the case in favour of the company. The department has filed appeal before Income Tax Appellate Tribunal. However if the case is decided against the company, it may result in tax payable of Rs. 12.069 million. | | |
| c) The Company had received an order under section 161/205 of the Income Tax Ordinance, 2001 creating demand of Rs. 8.661 million. The company filed appeal before Commissioner of Income Tax (Appeals) Zone-1 who has granted certain reliefs to the company. Both Income Tax Department and company has filed appeal before Income Tax Appellate Tribunal. Company may be liable to pay tax of Rs. 8.661 million if the case is not decided in its favour. | | |
| d) 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. 2.231 million (June 30, 2010: Rs. 2.231 million) against these claims. | | |
| e) Letters of guarantee outstanding as at September 30, 2010 were Rs. 208.744 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 September 30, 2010 were as follows: | | |
| a) Against letters of credit amounting to Rs. 50.040 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). | | |

| | September 30, 2010 (Un-audited) (Rupees in thousand) | June 30, 2010 (Audited) (Rupees in thousand) |
|--|---|---|
|--|---|---|

c) Ujrah payments under Ijarah:

| | | |
|--|----------------|----------------|
| Not later than one year | 27,476 | 27,196 |
| Later than one year and not later than five year | 96,166 | 108,782 |
| | <u>123,642</u> | <u>135,978</u> |

| (Un-audited) Quarter ended | |
|-------------------------------|-----------------------|
| September 30, 2010 | September 30, 2009 |
| (Rupees in thousand) | |

13 COST OF SALES

| | | |
|------------------------------------|----------------|-----------------|
| Raw materials consumed | 71,762 | 92,221 |
| Other overheads | | |
| Salaries, wages and other benefits | 42,809 | 40,237 |
| Stores, spares and consumables | 44,211 | 27,566 |
| Packing materials consumed | 2,180 | 1,766 |
| Fuel and power | 391,358 | 375,721 |
| Repair and maintenance | 8,221 | 14,084 |
| Rent, rates and taxes | 6,846 | - |
| Insurance | 2,129 | 2,212 |
| Vehicle running expenses | 2,819 | 3,282 |
| Postage, printing and stationery | 105 | 235 |
| Depreciation | 41,151 | 43,681 |
| Other expenses | 138 | 855 |
| | <u>541,967</u> | <u>509,639</u> |
| Opening work in process | 8,165 | 4,384 |
| Closing work in process | (8,368) | (4,789) |
| | <u>(203)</u> | <u>(405)</u> |
| Cost of goods manufactured | 613,526 | 601,455 |
| Cost of stores traded | 2,233 | - |
| Opening stock of finished goods | 75,458 | 53,587 |
| Closing stock of finished goods | (62,790) | (110,055) |
| | <u>12,668</u> | <u>(56,468)</u> |
| | <u>628,427</u> | <u>544,987</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:

| (Un-audited) Quarter ended | |
|-------------------------------|-----------------------|
| September 30, 2010 | September 30, 2009 |
| (Rupees in thousand) | |

| Relationship with the Company | Nature of transaction | | |
|-----------------------------------|--|--------|--------|
| Associated company | Marketing services charges | 5,880 | 7,991 |
| Subsidiary / Associated companies | Sales of good and services | 20,022 | 12,905 |
| Subsidiary company | Land rentals | 1,200 | 1,200 |
| Subsidiary company | Loans and advances made | 10,928 | 19,833 |
| Subsidiary company | Mark up on loans and advances | 835 | 813 |
| Retirement benefit plans | Contribution to staff retirement benefit plans | 58 | 47 |
| Key management personnel | Remuneration and other benefits | 11,956 | 12,079 |

15 EARNINGS PER SHARE - BASIC AND DILUTED

| Profit after taxation | <u>24,217</u> | <u>38,432</u> |
|--|--------------------------------|---------------|
| | Number of Shares (in thousand) | |
| Weighted average number of ordinary shares | <u>36,000</u> | <u>36,000</u> |
| | Amount in Rupees | |
| Earnings per share - basic and diluted | <u>0.67</u> | <u>1.07</u> |

16 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 28, 2010 by the Board of Directors of the Company.

17 GENERAL

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

DIRECTORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

On behalf of the Board of Directors of Ittehad Chemicals Limited, I am pleased to present to you, the un-audited consolidated financial statements of the Company and its subsidiary, Chemi Chloride Industries Limited (CCIL) for the first quarter ended September 30, 2010.

The performance of the subsidiary Company, Chemi Chloride Industries Limited for the first quarter ended September 30, 2010, is commendable:

During the period under review, CCIL has witnessed improved financial results. The Company has recorded net sales of Rs. 73.927 million as compared to the sales of Rs. 46.984 million for the corresponding period of last year, representing an increase of 57%. The Company has earned gross profit of Rs. 24.677 million as compared to gross profit of Rs. 15.939 million for the corresponding quarter of last year, representing an increase of 55%. The profit before tax for the quarter under review is Rs. 5.135 million as compared to Rs. 1.904 million for the corresponding quarter of last year, showing an increase of 170%. The Profit after tax is recorded at Rs. 4.527 million as against profit after tax of Rs. 1.757 million for the same period of last year, showing an increase of 158%. The subsidiary Company has therefore reported earning per share of Re. 0.49 for the period under review, whereas group's earning per share is Re. 0.76.

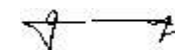
We take this opportunity to thank all our customers, shareholders, bankers, employees and workers for their continued cooperation and support for the progress and prosperity of the company.

ITTEHAD CHEMICALS LIMITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

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On behalf of the Board



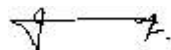
MUHAMMAD SIDDIQUE KHATRI
CHIEF EXECUTIVE

October 28, 2010
Lahore.

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2010 (UN-AUDITED)**

| | September 30, 2010 | June 30, 2010 |
|---|--------------------------------------|------------------|
| Note | (Un-audited) (Rupees in thousand) | (Audited) |
| ASSETS | | |
| NON CURRENT ASSETS | | |
| Property, plant and equipment | | |
| Operating fixed assets | 6 2,462,011 | 2,470,758 |
| Capital work in progress | 7 69,302 | 54,380 |
| | 2,531,313 | 2,525,138 |
| Intangible assets | 1,181 | 1,462 |
| Goodwill | 6,445 | 6,445 |
| Investment properties | 64,500 | 64,500 |
| Long term deposits | 32,134 | 21,449 |
| | 2,635,573 | 2,618,994 |
| CURRENT ASSETS | | |
| Stores, spares and loose tools | 438,301 | 446,247 |
| Stock in trade | 173,601 | 197,815 |
| Trade debts | 527,486 | 501,812 |
| Loans and advances | 35,087 | 36,826 |
| Trade deposits and short term prepayments | 11,783 | 4,990 |
| Other receivables | - | 710 |
| Tax refunds due from Government | 49,764 | 49,651 |
| Taxation - net | 12,678 | 8,049 |
| Cash and bank balances | 16,790 | 15,399 |
| | 1,265,490 | 1,261,499 |
| | 3,901,063 | 3,880,493 |
| TOTAL ASSETS | | |
| EQUITY AND LIABILITIES | | |
| SHARE CAPITAL AND RESERVES | | |
| Authorized share capital | 8.1 750,000 | 750,000 |
| Issued, subscribed and paid up capital | 8.2 360,000 | 360,000 |
| Reserves | 603,275 | 576,008 |
| | 963,275 | 936,008 |
| Non controlling interest | 11,218 | 9,740 |
| | 974,493 | 945,748 |
| SURPLUS ON REVALUATION OF FIXED ASSETS | | |
| | 748,559 | 748,559 |
| NON CURRENT LIABILITIES | | |
| Long term financing | 9 253,039 | 235,201 |
| Long term diminishing musharaka | 10 333,333 | 416,666 |
| Long term murabaha | 11 155,555 | 194,444 |
| Deferred liabilities | 318,353 | 316,806 |
| | 1,060,280 | 1,163,117 |
| CURRENT LIABILITIES | | |
| Trade and other payables | 318,028 | 328,016 |
| Mark-up accrued | 26,460 | 60,740 |
| Short term borrowings | 428,091 | 301,661 |
| Current portion of long term liabilities | 345,152 | 332,652 |
| | 1,117,731 | 1,023,069 |
| CONTINGENCIES AND COMMITMENTS | | |
| | - | - |
| TOTAL EQUITY AND LIABILITIES | 3,901,063 | 3,880,493 |

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



CHIEF EXECUTIVE

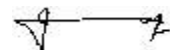


DIRECTOR

**CONDENSED CONSOLIDATED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

| | Quarter ended | |
|---|-----------------------|-----------------------|
| Note | September 30, 2010 | September 30, 2009 |
| | (Rupees in thousand) | |
| Sales - net | 845,628 | 775,389 |
| Cost of sales | 13 (659,647) | (562,095) |
| Gross profit | 185,981 | 213,294 |
| Selling and distribution expenses | (54,616) | (64,393) |
| General and administrative expenses | (29,813) | (27,788) |
| Other operating expenses | (3,651) | (4,776) |
| Other operating income | 3,031 | 2,329 |
| | (85,049) | (94,628) |
| Operating profit | 100,932 | 118,666 |
| Financial charges | (56,074) | (58,911) |
| Profit before taxation | 44,858 | 59,755 |
| Taxation | (16,113) | (20,335) |
| Profit after taxation | 28,745 | 39,420 |
| Profits attributable to equity holders of holding company | 27,267 | 38,520 |
| Non controlling interest - share of profit | 1,478 | 900 |
| | 28,745 | 39,420 |
| Earning per share - basic and diluted (Rupees) | 15 0.76 | 1.07 |

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
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

| | Quarter ended | |
|--|-----------------------|-----------------------|
| | September 30, 2010 | September 30, 2009 |
| Profit for the period | 27,267 | 38,520 |
| Other comprehensive income | | |
| Surplus / (deficit) on remeasurement of available for sale financial assets | - | 94 |
| Total comprehensive income for the period | <u>27,267</u> | <u>38,614</u> |

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



CHIEF EXECUTIVE

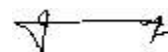


DIRECTOR

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)**

| | Quarter ended | |
|--|-----------------------|-----------------------|
| | September 30, 2010 | September 30, 2009 |
| | (Rupees in thousand) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 44,858 | 59,755 |
| Adjustments for items not involving movement of funds: | | |
| Depreciation | 46,538 | 49,235 |
| Amortization of intangible assets | 528 | 496 |
| Provision for gratuity | 1,270 | 491 |
| Gain on sale of fixed assets | (342) | (119) |
| Gain on foreign exchange | (502) | - |
| Bad debts written off | 674 | - |
| Financial charges | 56,074 | 58,911 |
| Net cash flow before working capital changes | 149,098 | 168,769 |
| Decrease / (increase) in current assets | | |
| Stores, spares and loose tools | 7,946 | (45,966) |
| Stock in trade | 24,214 | (109,169) |
| Trade debts | (25,846) | 35,339 |
| Loans and advances | 1,739 | (9,637) |
| Trade deposits and short term prepayments | (6,793) | (2,050) |
| Other receivables | 710 | - |
| Tax refunds due from Government | (11,790) | (6,003) |
| | (9,820) | (137,486) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | (9,988) | 84,381 |
| Cash generated from operations | 129,290 | 115,664 |
| Taxes paid | (8,568) | (3,263) |
| Gratuity paid | (220) | (266) |
| Financial charges paid | (90,354) | (103,842) |
| Net cash inflow from operating activities | 30,148 | 8,293 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Additions to operating fixed assets-net | (15,528) | (12,227) |
| Additions to capital work in progress | (37,618) | (10,567) |
| Additions to intangible assets | (247) | - |
| Proceeds from sale of operating fixed assets | 775 | 527 |
| Long term deposits | (10,685) | - |
| Net cash outflow from investing activities | (63,303) | (22,267) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long term financing | 50,000 | 100,000 |
| Repayment of long term financing | (19,662) | (26,851) |
| Repayment of long term musharaka | (83,333) | (83,334) |
| Repayment of long term murabaha | (38,889) | (38,889) |
| Repayment of liabilities against assets subject to finance lease | - | (116) |
| Dividend paid | - | (36,000) |
| Short term borrowings | 126,430 | 135,531 |
| Net cash inflow / (outflow) from financing activities | 34,546 | 50,341 |
| Net increase / (decrease) in cash and cash equivalents | 1,391 | 36,367 |
| Cash and cash equivalents at the beginning of the period | 15,399 | 26,494 |
| Cash and cash equivalents at the end of the period | 16,790 | 62,861 |

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



CHIEF EXECUTIVE



DIRECTOR

| | Issued, subscribed and paid up capital | Capital reserve - Fair value reserve | Unappropriated profits | 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 |
| Dividend paid | - | - | (36,000) | (36,000) | - | - | - | (36,000) |
| Comprehensive income for the period | - | 94 | 39,420 | 39,514 | - | (900) | (900) | 38,614 |
| Balance as at September 30, 2009 | 360,000 | 472 | 481,450 | 841,922 | 4,600 | (1,239) | 3,361 | 845,283 |
| Dividend paid | - | (472) | (18,000) | (18,000) | - | - | - | (18,000) |
| Comprehensive income for the period | - | - | 112,558 | 112,086 | - | 6,379 | 6,379 | 118,465 |
| Balance as at June 30, 2010 | 360,000 | - | 576,008 | 936,008 | 4,600 | 5,140 | 9,740 | 945,748 |
| Comprehensive income for the period | - | - | 27,267 | 27,267 | - | 1,478 | 1,478 | 28,745 |
| Balance as at September 30, 2010 | 360,000 | - | 603,275 | 963,275 | 4,600 | 6,618 | 11,218 | 974,493 |

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 FOR THE QUARTER ENDED SEPTEMBER 30, 2010 (UN-AUDITED)

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.

These condensed consolidated interim financial statements include financial statements of Ittehad Chemicals Limited (Holding company) and Chemi Chloride Industries Limited (Subsidiary company), in which holding company has 95% shareholding.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The disclosures made in these condensed consolidated interim financial statements have, however, been limited in accordance with the requirements of the International Financial Reporting Standards (IFRS) IAS - 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.

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

3. ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these financial statements are the same as those of the preceding published annual financial statements of the group for the year ended June 30, 2010.

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.

| Note | September 30, 2010 (Un-audited) (Rupees in thousand) | June 30, 2010 (Audited) |
|------|---|-------------------------------|
|------|---|-------------------------------|

6 OPERATING FIXED ASSETS

| | | |
|---|-------------------|------------------|
| Opening book value | 2,470,758 | 2,598,293 |
| Additions during the period / year | 6.1 <u>38,224</u> | <u>181,398</u> |
| | 2,508,982 | 2,779,691 |
| Disposals during the period / year | 6.2 <u>(433)</u> | <u>(103,577)</u> |
| Depreciation charged during the period / year | <u>(46,538)</u> | <u>(205,356)</u> |
| | <u>(46,971)</u> | <u>(308,933)</u> |
| Closing book value | <u>2,462,011</u> | <u>2,470,758</u> |

6.1 Details of additions during the period / year are as

| | | |
|----------------------------|---------------|----------------|
| Building on freehold land | - | 1,098 |
| Plant and machinery | 36,859 | 167,579 |
| Other equipment | 80 | 2,402 |
| Furniture and fixtures | 52 | 66 |
| Office and other equipment | 466 | 2,930 |
| Vehicles | 767 | 7,323 |
| | <u>38,224</u> | <u>181,398</u> |

6.2 Details of disposals during the period / year are as follows:

| | | |
|---------------------|------------|----------------|
| Plant and machinery | - | 102,686 |
| Vehicles | 433 | 891 |
| | <u>433</u> | <u>103,577</u> |

7 CAPITAL WORK-IN-PROGRESS

| | | |
|---------------------|---------------|---------------|
| Plant and machinery | 68,130 | 53,798 |
| Building | 1,172 | 582 |
| | <u>69,302</u> | <u>54,380</u> |

7.1 An amount of Rs. 35.406 million (June 30, 2010: Rs. 118.949 million) has been transferred to operating fixed assets during the period.

| | September 30, 2010 (Un-audited) (Rupees in thousand) | June 30, 2010 (Audited) |
|--|---|-------------------------------|
|--|---|-------------------------------|

8 SHARE CAPITAL

8.1 Authorized Share Capital

| | | |
|---|----------------|----------------|
| 50,000,000 (June 30, 2010: 50,000,000) ordinary shares of Rs. 10/- each | 500,000 | 500,000 |
| 25,000,000 (June 30, 2010: 25,000,000) preference shares of Rs. 10/- each | 250,000 | 250,000 |
| | <u>500,000</u> | <u>500,000</u> |

8.2 Issued, subscribed and paid up capital

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

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 | 50,000 | 194,444 |
| | 357,598 | 357,012 |
| Repayments made during the period / year | (19,662) | (49,414) |
| | 337,936 | 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 | - | (18,000) |
| | 15,810 | 15,810 |
| | 353,746 | 323,408 |
| Current portion shown under current liabilities | (100,707) | (88,207) |
| | <u>253,039</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 | (83,333) | (166,667) |
| | 500,000 | 583,333 |
| Current portion shown under current liabilities | (166,667) | (166,667) |
| | <u>333,333</u> | <u>416,666</u> |

| | September 30, 2010 (Un-audited) (Rupees in thousand) | June 30, 2010 (Audited) (Rupees in thousand) |
|---|---|---|
| 11 LONG TERM MURABAHA | | |
| From banking companies - secured | | |
| Balance as at July 01 | 272,222 | 350,000 |
| Repayments made during the period / year | <u>(38,889)</u> | <u>(77,778)</u> |
| | 233,333 | 272,222 |
| Current portion shown under current liabilities | <u>(77,778)</u> | <u>(77,778)</u> |
| | <u>155,555</u> | <u>194,444</u> |

12 CONTINGENCIES AND COMMITMENTS**12.1 Contingent liabilities**

- a) The Company had 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 been decreased by Rs. 24.849 million. The company filed appeal before Commissioner of Income Tax (Appeals) Zone-1 against the impugned order who has given certain reliefs to the company. Both ICL and Income Tax Department has filed appeal before Income Tax Appellate Tribunal. 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) The Company had received order under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2004 creating demand of Rs. 12.069 million. The company challenged it before Commissioner of Income Tax (Appeals) Zone-1 who decided the case in favour of the company. The department has filed appeal before Income Tax Appellate Tribunal. However if the case is decided against the company, it may result in tax payable of Rs. 12.069 million.
- c) The Company had received an order under section 161/205 of the Income Tax Ordinance, 2001 creating demand of Rs. 8.661 million. The company filed appeal before Commissioner of Income Tax (Appeals) Zone-1 who has granted certain reliefs to the company. Both Income Tax Department and company has filed appeal before Income Tax Appellate Tribunal. Company may be liable to pay tax of Rs. 8.661 million if the case is not decided in its favour.
- d) 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. 2.231 million (June 30, 2010: Rs. 2.231 million) against these claims.
- e) Letters of guarantee outstanding as at September 30, 2010 were Rs. 208.744 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 September 30, 2010 were as follows:

- a) Against letters of credit amounting to Rs. 56.010 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).

| | September 30, 2010 (Un-audited) (Rupees in thousand) | June 30, 2009 (Audited) (Rupees in thousand) |
|--|---|---|
| Ujrah payments under Ijarah: | | |
| Not later than one year | 27,476 | 27,196 |
| Later than one year and not later than five year | 96,166 | 108,782 |
| | <u>123,642</u> | <u>135,978</u> |
| | (Un-audited) | |
| | Quarter ended | |
| | September 30, | September 30, |
| | 2010 | 2009 |
| | (Rupees in thousand) | |

13 COST OF SALES

| | | |
|------------------------------------|----------------|-----------------|
| Raw materials consumed | 71,163 | 91,842 |
| Other overheads | | |
| Salaries, wages and other benefits | 45,879 | 42,693 |
| Stores, spares and consumables | 45,054 | 30,588 |
| Packing materials consumed | 5,289 | 2,700 |
| Fuel and power | 401,038 | 379,639 |
| Repair and maintenance | 10,807 | 15,228 |
| Rent, rate and taxes | 6,846 | - |
| Insurance | 2,264 | 2,353 |
| Vehicle running expenses | 2,819 | 3,282 |
| Postage, printing and stationery | 110 | 242 |
| Depreciation | 45,283 | 47,905 |
| Other expenses | 138 | 855 |
| | <u>565,527</u> | <u>525,485</u> |
| Opening work in process | 8,822 | 4,384 |
| Closing work in process | (9,105) | (4,789) |
| | <u>(283)</u> | <u>(405)</u> |
| Cost of goods manufactured | 636,407 | 616,922 |
| Cost of stores traded | 2,233 | - |
| Opening stock of finished goods | 99,475 | 71,280 |
| Closing stock of finished goods | (78,468) | (126,107) |
| | <u>21,007</u> | <u>(54,827)</u> |
| | <u>659,647</u> | <u>562,095</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:

(Un-audited)
 Quarter ended
 September 30, September 30,
 2010 2009
 (Rupees in thousand)

| Relationship with the Company | Nature of transaction | | |
|-------------------------------|--|--------|--------|
| Associated company | Marketing services charges | 5,880 | 7,991 |
| Associated company | Sales of good and services | 63 | 466 |
| Retirement benefit plans | Contribution to staff retirement benefit plans | 58 | 47 |
| Key management personnel | Remuneration and other benefits | 13,356 | 12,402 |

15 BASIC AND DILUTED EARNING / (LOSS) PER SHARE

| | | |
|-----------------------|--------|--------|
| Profit after taxation | 27,267 | 38,520 |
|-----------------------|--------|--------|

Number of Shares (in thousand)

| | | |
|--|--------|--------|
| Weighted average number of ordinary shares | 36,000 | 36,000 |
|--|--------|--------|

Amount in Rupees

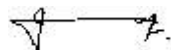
| | | |
|--|------|------|
| Earnings per share - basic and diluted | 0.76 | 1.07 |
|--|------|------|

16 DATE OF AUTHORIZATION


These financial statements were authorized for issue on October 28, 2010 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