



ITTEHAD CHEMICALS LIMITED



3rd Quarterly Report
March 31, 2013



**ITTEHAD CHEMICALS LIMITED
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2013
(UN-AUDITED)**

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Corporate Information

BOARD OF DIRECTORS	Mr. Muhammad Siddique Khatri Mr. Abdul Sattar Khatri Mr. Abdul Ghafoor Khatri Ms. Farhana Abdul Sattar Khatri Mr. Fowad Yousaf Khatri Ms. Rushda Mustafa Mr. Waqas Siddiq Khatri	Chairman & Chief Executive Director Director Director Director Director Director
AUDIT COMMITTEE	Mr. Abdul Ghafoor Khatri Mr. Abdul Sattar Khatri Mr. Fowad Yousaf 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, 1-K Commercial, Model Town, Lahore. Ph: 042 - 35839182 Fax: 042 - 35869037	
BANKERS TO THE COMPANY	Askari Bank Limited Allied Bank Limited Al-Barka Bank (Pakistan) Limited Burj Bank Limited Faysal Bank Limited Habib Metro 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

The Directors of your Company take pleasure in presenting the un-audited condensed interim financial statements of the Company for the third quarter and nine months ended March 31, 2013.

Financial Results

During the period under review, the performance of your Company has been exceptional which has resulted in the improvement in the performance by continuing the growth momentum that has delivered 8% turnover increase over the corresponding period of last year. During the period under review, your Company has posted net sales of Rs. 3,078.769 million against the sales of Rs. 2,840.776 million for the corresponding period of last year. The Gross profit has increased by 50% over the corresponding period and amounts to Rs. 621.170 million. The profit before tax for the period under review is Rs. 239.863 million as compared to profit before tax of Rs. 2.161 million for the corresponding period of last year. The profit after tax is recorded at Rs. 218.843 million, as against profit after tax of Rs. 1.411 million for the corresponding period of last year, reflecting a tremendous increase of 15,410%. The increase in profitability during the period under review is mainly attributable to revision in the selling prices of the products to neutralize the effects of increase energy and other input costs. As a consequence the earnings per share (EPS) for the period stand at Rs. 6.08 as compared to Rs. 0.04 for the corresponding period of last year.

The profitability during the third quarter compared to the 2nd quarter has declined due to stiff market competition in Sodium Hypo and increase in cost of production. The cost of production also increased due to stoppage of gas supply to our captive power plant during the entire third quarter.

Future Outlook

Your Company has planned BMR of old Caustic Soda Plant i.e. DSA plant with Ion Exchange Membrane (IEM) Plant having capacity of 25,000 M.T per annum. New plant is cost efficient and shall improve the Company's profitability. The L/c shall be established shortly and the project, InshAllah, shall be completed within 18-24 months from establishment of L/c.

The management team continues to be committed to improve overall performance of the Company – this includes pursuing initiatives such as improvements in product quality, technological advances and reduction in operating costs which would further improve the profitability of the Company.

By the grace of Almighty Allah, the Company has successfully implemented the world's best ERP solution - SAP ECC 6.0. The implementation of SAP will help to enhance the Company's ability to address day to day business challenges in a more efficient and effective manner.

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 22, 2013
Lahore



Condensed Interim Balance Sheet (Un-audited)
as at March 31, 2013

		March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	2,426,401	2,514,774
Capital work in progress	8	94,454	42,942
		<u>2,520,855</u>	<u>2,557,716</u>
Intangible assets		170	121
Goodwill		6,445	6,445
Investment property		71,100	71,100
Long term investments		-	-
Long term deposits		37,622	37,622
		<u>2,636,192</u>	<u>2,673,004</u>
CURRENT ASSETS			
Stores, spares and loose tools		471,497	390,733
Stock in trade		260,622	171,629
Trade debts		545,974	545,363
Loans and advances		69,229	28,676
Trade deposits and short term prepayments		7,037	6,089
Other receivables		10,414	10,355
Tax refunds due from Government		28,560	50,125
Taxation - net		-	12,776
Cash and bank balances		88,604	130,406
		<u>1,481,937</u>	<u>1,346,152</u>
TOTAL ASSETS		<u>4,118,129</u>	<u>4,019,156</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital	9.1	<u>750,000</u>	<u>750,000</u>
Issued, subscribed and paid up capital	9.2	360,000	360,000
Unappropriated Profit		<u>940,446</u>	<u>793,603</u>
		1,300,446	1,153,603
SURPLUS ON REVALUATION OF FIXED ASSETS		760,819	760,819
NON CURRENT LIABILITIES			
Long term financing	10	93,750	165,835
Long term diminishing musharaka	11	-	83,333
Long term murabaha	12	-	38,889
Deferred liabilities		<u>321,347</u>	<u>357,819</u>
		415,097	645,876
CURRENT LIABILITIES			
Trade and other payables		820,183	613,433
Mark-up accrued		16,355	37,911
Short term borrowings		558,721	445,758
Current portion of long term liabilities		218,976	361,756
Taxation - net		<u>27,532</u>	-
		1,641,767	1,458,858
CONTINGENCIES AND COMMITMENTS	13	-	-
TOTAL EQUITY AND LIABILITIES		<u>4,118,129</u>	<u>4,019,156</u>

The annexed notes from 1 to 18 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, 2013

	Note	Nine months ended March 31,		Quarter ended March 31,	
		2013	2012	2013	2012
	(Rupees in thousand).....			
Sales - net		3,078,769	2,840,776	950,789	1,015,705
Cost of sales	14	(2,457,599)	(2,427,595)	(866,132)	(850,892)
Gross profit		621,170	413,181	84,657	164,813
Selling and distribution expenses		(180,446)	(169,859)	(62,787)	(57,121)
General and administrative expenses		(100,460)	(87,221)	(31,560)	(27,696)
Other operating expenses		(16,802)	(811)	3,186	252
Other operating income		14,053	9,350	4,307	5,248
		(283,655)	(248,541)	(86,854)	(79,317)
Operating profit / (loss)		337,515	164,640	(2,197)	85,496
Financial charges		(97,652)	(162,479)	(27,572)	(51,202)
Profit / (loss) before taxation		239,863	2,161	(29,769)	34,294
Taxation		(21,020)	(750)	31,105	(10,993)
Profit after taxation		218,843	1,411	1,336	23,301
Earnings per share - basic and diluted (Rupees)	16	6.08	0.04	0.04	0.65

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


CHIEF EXECUTIVE



DIRECTOR



Condensed Interim Statement of Comprehensive Income (Un-audited)
for the nine months ended March 31, 2013

	Nine months ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
(Rupees in thousand).....			
Profit for the period	218,843	1,411	1,336	23,301
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>218,843</u>	<u>1,411</u>	<u>1,336</u>	<u>23,301</u>

The annexed notes from 1 to 18 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, 2013

	Nine months ended March 31,	
	2013	2012
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	239,863	2,161
Adjustments for items not involving movement of funds:		
Depreciation	136,222	143,794
Amortization of intangible assets	141	99
Provision for gratuity	7,922	4,409
Gain on sale of fixed assets	(7,241)	(570)
Gain on foreign exchange	(2,556)	(2,785)
Bad debts written off	785	2,803
Financial charges	97,652	162,479
Net cash flow before working capital changes	472,788	312,390
Decrease / (increase) in current assets		
Stores, spares and loose tools	(80,764)	35,442
Stock in trade	(88,993)	34,084
Trade debts	1,160	(109,184)
Loans and advances	(40,553)	3,784
Trade deposits and short term prepayments	(948)	2,825
Other receivables	(59)	-
Tax refunds due from the Government	(8,501)	19,313
	(218,658)	(13,736)
(Decrease) / increase in current liabilities		
Trade and other payables	188,728	293,353
Cash generated from operations	442,858	592,007
Income taxes paid	6,708	(19,874)
Gratuity paid	(1,749)	(958)
Financial charges paid	(119,208)	(193,683)
Net cash inflow from operating activities	328,609	377,492
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to operating fixed assets - net	(28,063)	(10,798)
Additions to capital work in progress	(101,274)	(157,589)
Additions to intangible assets	(190)	-
Proceeds from sale of operating fixed assets	37,217	710
Long term deposits	-	(4,840)
Net cash (used in) investing activities	(92,310)	(172,517)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term financing	(92,642)	(88,152)
Repayment of long term diminishing musharaka	(166,667)	(166,667)
Repayment of long term murabaha	(77,778)	(77,777)
Dividend paid	(53,977)	(18,004)
Short term borrowings	112,963	166,603
Net cash (outflow) from financing activities	(278,101)	(183,997)
Net (decrease) / increase in cash and cash equivalents	(41,802)	20,978
Cash and cash equivalents at the beginning of the period	130,406	117,434
Cash and cash equivalents at the end of the period	88,604	138,412

The annexed notes from 1 to 18 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, 2013

	Share Capital	Unappropriated profit	Total
	----- (Rupees in thousand) -----		
Balance as at July 01, 2011	360,000	651,100	1,011,100
Final cash dividend 2011: Re. 0.50 per share	-	(18,000)	(18,000)
Total Comprehensive income for the period	-	1,411	1,411
Balance as at March 31, 2012	360,000	634,511	994,511
Revaluation surplus transferred to profit and loss account on account of disposal of free hold land	-	642	642
Total Comprehensive income for the period	-	158,450	158,450
Balance as at June 30, 2012	360,000	793,603	1,153,603
Final cash dividend 2012: Re. 1.50 per share	-	(54,000)	(54,000)
Interim cash dividend 2013: Re. 0.50 per share	-	(18,000)	(18,000)
Total Comprehensive income for the period	-	218,843	218,843
Balance as at March 31, 2013	<u>360,000</u>	<u>940,446</u>	<u>1,300,446</u>

The annexed notes from 1 to 18 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, 2013

1 LEGAL STATUS AND NATURE OF BUSINESS

Ittehad Chemicals Limited (the Company) was incorporated on September 28, 1991 to takeover the assets of Ittehad Chemicals and Ittehad Pesticides under a Scheme of Arrangement dated June 18, 1992 as a result of which the Company became a wholly owned subsidiary of Federal Chemical and Ceramics Corporation (Private) Limited. The Company was privatized on July 03, 1995 when 90% of the shares were transferred to the buyer.

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

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

2 MERGER OF WHOLLY OWNED SUBSIDIARY

The Honorable Lahore High Court approved the Scheme of Arrangement for merger / amalgamation of Chemi Chloride Industries Limited (CCIL) wholly owned subsidiary, with the Company effective from October 03, 2012. Consequently, CCIL has been merged with the Company and these financial statements have been prepared in accordance with the said merger scheme.

As a result of merger of CCIL with the Company on the above mentioned effective date, the result of both entities have been combined for the purpose of preparation of these financial statements. Since the merger is between two companies under common control, International Financial Reporting Standard IFRS 3 - Business Combinations is not applicable. The financial statement items of the Company and CCIL for all periods presented are included in these financial statements as if they had been combined from the beginning of the earliest period presented. Accordingly, comparatives are restated and have been extracted from Company's audited financial statements for the year ended 30 June, 2012.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements of the Company for the nine months period ended March 31, 2013 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, 2012.

3.2 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.

3.3 Functional and presentation currency

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



4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of these condensed interim financial statements are same as those applied for the preceding annual financial statements for the year ended June 30, 2012. 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
IAS 12 - Income Taxes

5 TAXATION

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

6 ESTIMATES

The preparation of condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2012.

		March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
	Note	(Rupees in thousand)	
7 OPERATING FIXED ASSETS			
Opening book value (NBV)		2,514,774	2,498,639
Additions (at cost) during the period / year	7.1	77,824	266,633
		<u>2,592,598</u>	<u>2,765,272</u>
Disposals (at NBV) during the period / year	7.2	(29,975)	(55,948)
Depreciation charged during the period / year		(136,222)	(194,550)
		<u>(166,197)</u>	<u>(250,498)</u>
Closing net book value (NBV)		<u>2,426,401</u>	<u>2,514,774</u>

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

Land	-	12,902
Building	-	691
Plant and machinery	53,841	235,942
Other equipment	4,725	6,805
Furniture and fixtures	625	220
Office and other equipment	9,218	5,393
Vehicles	9,415	4,680
	<u>77,824</u>	<u>266,633</u>

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

Land	-	12,000
Plant and machinery	26,491	43,329
Office and other equipment	88	-
Vehicles	3,396	619
	<u>29,975</u>	<u>55,948</u>

	March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
	(Rupees in thousand)	
8 CAPITAL WORK IN PROGRESS		
Plant and machinery	90,954	39,442
Intangible Assets	3,500	3,500
	<u>94,454</u>	<u>42,942</u>
8.1 An amount of Rs. 49.761 million (June 30, 2012: Rs. 236.148 million) has been transferred to operating fixed assets during the period.		
9 SHARE CAPITAL		
9.1 Authorized share capital		
50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs. 10/- each	500,000	500,000
25,000,000 (June 30, 2012: 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>
9.2 Issued, subscribed and paid up share capital		
100,000 (June 30, 2012: 100,000) ordinary shares of Rs. 10/- each fully paid in cash	1,000	1,000
24,900,000 (June 30, 2012: 24,900,000) ordinary shares of Rs. 10/- each issued for consideration other than cash	249,000	249,000
11,000,000 (June 30, 2012: 11,000,000) fully paid bonus shares of Rs. 10/- each	<u>110,000</u>	<u>110,000</u>
	<u>360,000</u>	<u>360,000</u>
10 LONG TERM FINANCING		
From banking companies and financial institutions - secured		
Balance as at July 01	272,336	385,201
Repayments made during the period / year	<u>(86,642)</u>	<u>(112,865)</u>
	185,694	272,336
From directors and others - unsecured		
Balance as at July 01	10,810	10,810
Repayments made during the period / year	<u>(6,000)</u>	<u>-</u>
	4,810	10,810
	190,504	283,146
Current portion shown under current liabilities	<u>(96,754)</u>	<u>(117,311)</u>
	<u>93,750</u>	<u>165,835</u>
11 LONG TERM DIMINISHING MUSHARAKA		
From banking companies and financial institutions - secured		
Balance as at July 01	250,000	416,667
Repayments made during the period / year	<u>(166,667)</u>	<u>(166,667)</u>
	83,333	250,000
Current portion shown under current liabilities	<u>(83,333)</u>	<u>(166,667)</u>
	<u>-</u>	<u>83,333</u>



March 31,
2013
(Un-audited)
(Rupees in thousand)

June 30,
2012
(Audited)

12 LONG TERM MURABAHA

From banking companies - secured

Balance as at July 01

Repayments made during the period / year

	116,667	194,444
	(77,778)	(77,777)
	38,889	116,667
	(38,889)	(77,778)
	-	38,889

Current portion shown under current liabilities

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingent liabilities

- a) The taxation authorities have amended the deemed assessment for tax year 2006 by passing an order u/s 122(5A) of the Income Tax Ordinance, 2001. The Company has challenged the same before Commissioner Inland Revenue (Appeals). The Company expect a favorable outcome of the proceedings. However, if the proceedings are finalized against the Company, it may result in tax payable of Rs. 19.964 million to the national exchequer.
- b) The Company has received an 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, 2012: 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 the Company and Income Tax Department has filed an appeal before Appellate Tribunal Inland Revenue. The Hon'ble ATIR (Appellate Tribunal Inland Revenue) has partially decided the case in Company's favour and partially remanded to the taxation officer for fresh proceedings. The Company expect a favorable outcome of the proceedings. However, if the proceedings are finalized against the Company, it may result in tax payable of Rs. 3.114 million.
- c) The Company has also received an order under section 161/205 of the Income Tax Ordinance, 2001 for tax year 2004 creating demand of Rs. 12.069 million (June 30, 2012: 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 income tax department has filed an appeal before Appellate Tribunal Inland Revenue. The Hon'ble ATIR has remanded the case back to the Commissioner Inland Revenue (Appeals) for passing a speaking order. However, if the proceedings are finalised against the Company, it may result in tax payable of Rs. 12.069 million.
- d) The Company is facing claims, lodged 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. 4.422 million (June 30, 2012: Rs. 2.882 million) against these claims.
- e) Letters of guarantee outstanding as at March 31, 2013 were Rs. 208.270 million (June 30, 2012: Rs. 208.92 million).

13.2 Commitments

Commitments as on March 31, 2013 were as follows:

- a) Against letters of credit amounting to Rs.16.771 million (June 30, 2012: Rs. 38.241 million).
- b) Against purchase of land amounting to Rs. 1.838 million (June 30, 2012: Rs 1.838 million).

	March 31, 2013 (Un-audited)	June 30, 2012 (Audited)
	(Rupees in thousand)	
c) Ujrah payments under Ijarah financing agreement:		
Not later than one year	48,552	38,014
Later than one year but not later than five years	59,536	95,848
	108,088	133,862

----- (Un-audited) -----			
Nine months ended March 31,		Quarter ended March 31,	
2013	2012	2013	2012
..... (Rupees in thousand)			

14 COST OF SALES

Raw materials consumed	295,068	238,764	90,752	71,002
Other overheads:				
Stores, spares and consumables	176,140	123,814	75,619	36,648
Packing materials consumed	24,192	18,802	6,697	4,781
Salaries, wages and other benefits	202,725	159,564	67,310	55,937
Fuel and power	1,643,591	1,647,868	575,341	593,437
Repair and maintenance	20,150	12,778	7,040	4,769
Rent, rates and taxes	25,263	21,532	8,338	7,426
Insurance	8,051	7,653	2,638	2,549
Depreciation	131,793	140,810	41,934	48,652
Vehicle running expenses	12,664	11,030	4,439	3,951
Postage, printing and stationery	450	508	191	183
Other expenses	682	1,097	182	174
	2,245,701	2,145,456	789,729	758,507
Opening work in process	12,712	11,449	13,327	16,549
Closing work in process	-	(13,447)	-	(13,447)
	12,712	(1,998)	13,327	3,102
Cost of goods manufactured	2,553,481	2,382,222	893,808	832,611
Cost of stores traded	12,509	5,621	855	2,932
Opening stock of finished goods	92,983	128,495	172,843	104,092
Closing stock of finished goods	(201,374)	(88,743)	(201,374)	(88,743)
	(108,391)	39,752	(28,531)	15,349
	2,457,599	2,427,595	866,132	850,892



15 TRANSACTIONS WITH RELATED PARTIES

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

		----- (Un-audited)-----			
		Nine months ended March 31,		Quarter ended March 31,	
		2013	2012	2013	2012
	(Rupees in thousand).....			
Relationship with the Company	Nature of transaction				
Associated company	Marketing services charges	22,399	26,865	8,103	10,338
Associated company	Sales of good and services	45	136	-	47
Retirement benefit plans	Contribution to staff retirement benefit plans	208	184	69	61
Key management personnel	Remuneration and other benefits	52,747	48,359	17,816	15,799

16 EARNINGS PER SHARE - BASIC AND DILUTED


Profit after taxation - (Rs. in thousand)	218,843	1,411	1,336	23,301
Weighted average number of ordinary shares - (in thousand)	36,000	36,000	36,000	36,000
Earnings per share - basic and diluted - (Rs.)	6.08	0.04	0.04	0.65

17 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 22, 2013 by the Board of Directors of the Company.

18 GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



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